

FIRST REGULAR SESSION

SENATE BILL NO. 355

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

1681S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 135.686, RSMo, and to enact in lieu thereof one new section relating to a tax credit for the expansion of meat processing facilities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 135.686, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 135.686,
3 to read as follows:

135.686. 1. This section shall be known and may be
2 cited as the "Meat Processing Facility Investment Tax Credit
3 Act".

4 2. As used in this section, the following terms mean:

5 (1) "Authority", the agricultural and small business
6 development authority established in chapter 348;

7 (2) "Meat processing facility", any commercial plant,
8 as defined under section 265.300, at which livestock are
9 slaughtered or at which meat or meat products are processed
10 for sale commercially and for human consumption;

11 (3) "Meat processing modernization or expansion",
12 constructing, improving, or acquiring buildings or
13 facilities, or acquiring equipment for meat processing
14 including the following, if used exclusively for meat
15 processing and if acquired and placed in service in this
16 state during tax years beginning on or after January 1,
17 2017, but ending on or before December 31, **[2021] 2027:**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

- 18 (a) Building construction including livestock
19 handling, product intake, storage, and warehouse facilities;
- 20 (b) Building additions;
- 21 (c) Upgrades to utilities including water, electric,
22 heat, refrigeration, freezing, and waste facilities;
- 23 (d) Livestock intake and storage equipment;
- 24 (e) Processing and manufacturing equipment including
25 cutting equipment, mixers, grinders, sausage stuffers, meat
26 smokers, curing equipment, cooking equipment, pipes, motors,
27 pumps, and valves;
- 28 (f) Packaging and handling equipment including
29 sealing, bagging, boxing, labeling, conveying, and product
30 movement equipment;
- 31 (g) Warehouse equipment including storage and curing
32 racks;
- 33 (h) Waste treatment and waste management equipment
34 including tanks, blowers, separators, dryers, digesters, and
35 equipment that uses waste to produce energy, fuel, or
36 industrial products;
- 37 (i) Computer software and hardware used for managing
38 the claimant's meat processing operation including software
39 and hardware related to logistics, inventory management,
40 production plant controls, and temperature monitoring
41 controls; and
- 42 (j) Construction or expansion of retail facilities or
43 the purchase or upgrade of retail equipment for the
44 commercial sale of meat products if the retail facility is
45 located at the same location as the meat processing facility;
- 46 (4) "Tax credit", a credit against the tax otherwise
47 due under chapter 143, excluding withholding tax imposed
48 under sections 143.191 to 143.265, or otherwise due under
49 chapter 147;

- 50 (5) "Taxpayer", any individual or entity who:
- 51 (a) Is subject to the tax imposed under chapter 143,
- 52 excluding withholding tax imposed under sections 143.191 to
- 53 143.265, or the tax imposed under chapter 147;
- 54 (b) In the case of an individual, is a resident of
- 55 this state as verified by a 911 address or, in the absence
- 56 of a 911 system, a physical address; and
- 57 (c) Owns a meat processing facility located in this
- 58 state;
- 59 (6) "Used exclusively", used to the exclusion of all
- 60 other uses except for use not exceeding five percent of
- 61 total use.

62 3. For all tax years beginning on or after January 1,

63 2017, but ending on or before December 31, **[2021] 2027**, a

64 taxpayer shall be allowed a tax credit for meat processing

65 modernization or expansion related to the taxpayer's meat

66 processing facility. The tax credit amount shall be equal

67 to twenty-five percent of the amount the taxpayer paid in

68 the tax year for meat processing modernization or expansion.

69 4. The amount of the tax credit claimed shall not

70 exceed the amount of the taxpayer's state tax liability for

71 the tax year for which the credit is claimed. No tax credit

72 claimed under this section shall be refundable. The tax

73 credit shall be claimed in the tax year in which the meat

74 processing modernization or expansion expenses were paid,

75 but any amount of credit that the taxpayer is prohibited by

76 this section from claiming in a tax year may be carried

77 forward to any of the taxpayer's four subsequent tax years.

78 The total amount of tax credits that any taxpayer may claim

79 shall not exceed seventy-five thousand dollars per year. If

80 two or more persons own and operate the meat processing

81 facility, each person may claim a credit under this section

82 in proportion to his or her ownership interest; except that,
83 the aggregate amount of the credits claimed by all persons
84 who own and operate the meat processing facility shall not
85 exceed seventy-five thousand dollars per year. The amount
86 of tax credits authorized in this section and section
87 135.679 in a calendar year shall not exceed two million
88 dollars. Tax credits shall be issued on an as-received
89 application basis until the calendar year limit is reached.
90 Any credits not issued in any calendar year shall expire and
91 shall not be issued in any subsequent year.

92 5. To claim the tax credit allowed under this section,
93 the taxpayer shall submit to the authority an application
94 for the tax credit on a form provided by the authority and
95 any application fee imposed by the authority. The
96 application shall be filed with the authority at the end of
97 each calendar year in which a meat processing modernization
98 or expansion project was completed and for which a tax
99 credit is claimed under this section. The application shall
100 include any certified documentation, proof of meat
101 processing modernization or expansion, and any other
102 information required by the authority. All required
103 information obtained by the authority shall be confidential
104 and not disclosed except by court order, subpoena, or as
105 otherwise provided by law. If the taxpayer and the meat
106 processing modernization or expansion meet all criteria
107 required by this section and approval is granted by the
108 authority, the authority shall issue a tax credit
109 certificate in the appropriate amount. Tax credit
110 certificates issued under this section may be assigned,
111 transferred, sold, or otherwise conveyed, and the new owner
112 of the tax credit certificate shall have the same rights in
113 the tax credit as the original taxpayer. If a tax credit

114 certificate is assigned, transferred, sold, or otherwise
115 conveyed, a notarized endorsement shall be filed with the
116 authority specifying the name and address of the new owner
117 of the tax credit certificate and the value of the tax
118 credit.

119 6. Any information provided under this section shall
120 be confidential information, to be shared with no one except
121 state and federal animal health officials, except as
122 provided in subsection 5 of this section.

123 7. The authority shall promulgate rules establishing a
124 process for verifying that a facility's modernization or
125 expansion for which tax credits were allowed under this
126 section has in fact expanded the facility's production
127 within three years of the issuance of the tax credit and if
128 not, the authority shall promulgate through rulemaking a
129 process by which the taxpayer shall repay the authority an
130 amount equal to that of the tax credit allowed.

131 8. The authority shall, at least annually, submit a
132 report to the Missouri general assembly reviewing the costs
133 and benefits of the program established under this section.

134 9. The authority may promulgate rules to implement the
135 provisions of this section. Any rule or portion of a rule,
136 as that term is defined in section 536.010, that is created
137 under the authority delegated in this section shall become
138 effective only if it complies with and is subject to all of
139 the provisions of chapter 536 and, if applicable, section
140 536.028. This section and chapter 536 are nonseverable and
141 if any of the powers vested with the general assembly
142 pursuant to chapter 536 to review, to delay the effective
143 date, or to disapprove and annul a rule are subsequently
144 held unconstitutional, then the grant of rulemaking

145 authority and any rule proposed or adopted after August 28,
146 2016, shall be invalid and void.

147 10. This section shall not be subject to the Missouri
148 sunset act, sections 23.250 to 23.298.

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