

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 529

101ST GENERAL ASSEMBLY

1283S.05C

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to biodiesel fuel.

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

Section A. Chapter 135, RSMo, is amended by adding thereto
2 one new section, to be known as section 135.775, to read as
3 follows:

135.775. 1. For the purposes of this section, the
2 following terms shall mean:

3 (1) "Biodiesel blend", a blend of diesel fuel and
4 biodiesel fuel between five percent and twenty percent for
5 on-road and off-road diesel-fueled vehicle use. Biodiesel
6 blend shall comply with the ASTM International specification
7 D7467-19, or the most recent specifications;

8 (2) "Biodiesel fuel", a renewable, biodegradable, mono
9 alkyl ester combustible liquid fuel that is derived from
10 agricultural and other plant oils or animal fats and that
11 meets the ASTM International specification D6751-19, or the
12 most recent specification, for Biodiesel Fuel (B100) or
13 (B99) Blend Stock for Distillate Fuels. Biodiesel produced
14 from palm oil is not biodiesel fuel for the purposes of this
15 section, unless the palm oil is contained within waste oil
16 and grease collected within the United States;

17 (3) "Department", the Missouri department of revenue;

18 (4) "Distributor", a person who either produces,
19 refines, blends, compounds, or manufactures biodiesel fuel,
20 or who is engaged in the distribution of biodiesel fuel;

21 (5) "Retail dealer", a person that owns or operates a
22 retail service station;

23 (6) "Retail service station", a location from which
24 biodiesel blend is sold to the general public and is
25 dispensed directly into motor vehicle fuel tanks for
26 consumption.

27 2. For all tax years beginning on or after January 1,
28 2022, a distributor that buys biodiesel fuel from a Missouri
29 biodiesel fuel producer and delivers or sells a biodiesel
30 blend to a retail dealer shall be allowed a tax credit to be
31 taken against the distributor's state income tax liability.
32 The amount of the credit shall equal five cents per gallon
33 of biodiesel blend delivered or sold by the distributor to a
34 retail dealer during the tax year in which the tax credit is
35 claimed. Tax credits authorized pursuant to this section
36 shall not be transferred, sold, or assigned. If the amount
37 of the tax credit exceeds the taxpayer's state tax
38 liability, the difference shall be refundable. The total
39 amount of tax credits authorized pursuant to this section
40 for any given fiscal year shall not exceed twelve million
41 dollars.

42 3. In the event the total amount of tax credits
43 claimed under this section exceeds the amount of available
44 tax credits, the tax credits shall be apportioned to each
45 distributor claiming a tax credit on the basis that the
46 number of gallons of biodiesel blend sold by each
47 distributor bears to the total number of gallons of
48 biodiesel blend sold by all distributors claiming a tax

49 credit for the tax period for which such credits are being
50 claimed.

51 4. The tax credit allowed by this section shall be
52 claimed by such taxpayer at the time such taxpayer files a
53 return and shall be applied against the income tax liability
54 imposed by chapter 143 after reduction for all other credits
55 allowed thereon. The department may require any
56 documentation it deems necessary to implement the provisions
57 of this section.

58 5. The department may work with the division of
59 weights and measures within the department of agriculture to
60 validate that the biodiesel blend a distributor claims for
61 the tax credit authorized under this section contains a
62 sufficient percentage of biodiesel fuel.

63 6. The department shall promulgate rules to implement
64 the provisions of this section. Any rule or portion of a
65 rule, as that term is defined in section 536.010, that is
66 created under the authority delegated in this section shall
67 become effective only if it complies with and is subject to
68 all of the provisions of chapter 536 and, if applicable,
69 section 536.028. This section and chapter 536 are
70 nonseverable and if any of the powers vested with the
71 general assembly pursuant to chapter 536 to review, to delay
72 the effective date, or to disapprove and annul a rule are
73 subsequently held unconstitutional, then the grant of
74 rulemaking authority and any rule proposed or adopted after
75 August 28, 2021, shall be invalid and void.

76 7. Pursuant to section 23.253 of the Missouri sunset
77 act:

78 (1) The provisions of this section shall automatically
79 sunset on December 31, 2027, unless reauthorized by an act
80 of the general assembly; and

81 (2) If such program is reauthorized, the program
82 authorized under this section shall automatically sunset
83 twelve years after the effective date of the reauthorization
84 of this section; and

85 (3) This section shall terminate on September first of
86 the calendar year immediately following the calendar year in
87 which the program authorized under this section is sunset.

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