

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 120**

101ST GENERAL ASSEMBLY  
2021

0943S.06T

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**AN ACT**

To repeal sections 36.020, 143.121, 143.124, 302.188, 379.122, 620.2005, 620.2010, and 650.005, RSMo, and to enact in lieu thereof fifteen new sections relating to military affairs, with an emergency clause for certain sections.

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

Section A. Sections 36.020, 143.121, 143.124, 302.188,  
2 379.122, 620.2005, 620.2010, and 650.005, RSMo, are repealed  
3 and fifteen new sections enacted in lieu thereof, to be known  
4 as sections 9.297, 36.020, 36.221, 41.035, 41.201, 42.390,  
5 105.1204, 143.121, 143.124, 160.710, 302.188, 379.122,  
6 620.2005, 620.2010, and 650.005, to read as follows:

**9.297. The month of November is hereby designated as  
2 "Military Family Month" in Missouri. The citizens of this  
3 state are encouraged to participate in appropriate events  
4 and activities to honor the daily sacrifices of all military  
5 families who support their loved ones serving our country.**

36.020. Unless the context clearly requires otherwise,  
2 the following terms mean:

3 (1) "Agency", "state agency" or "agency of the state",  
4 each department, board, commission or office of the state  
5 except for offices of the elected officials, the general  
6 assembly, the judiciary and academic institutions;

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

7           (2) "Appointing authority", an officer or agency  
8 subject to this chapter having power to make appointments;

9           (3) "Board", the personnel advisory board as  
10 established by section 36.050;

11           (4) "Broad classification band", a grouping of  
12 positions with similar levels of responsibility or expertise;

13           (5) "Class", "class of positions", or "job class", a  
14 group of positions subject to this chapter sufficiently  
15 alike in duties, authority and responsibilities to justify  
16 the same qualifications and the same schedule of pay to all  
17 positions in the group;

18           (6) "Director", the director of the division of  
19 personnel of the office of administration;

20           (7) "Disabled veteran", a veteran who has served on  
21 active duty in the Armed Forces at any time who receives  
22 compensation as a result of a service-connected disability  
23 claim allowed by the federal agency responsible for the  
24 administration of veteran's affairs, or who receives  
25 disability retirement or disability pension benefits from a  
26 federal agency as a result of such a disability or a  
27 National Guard veteran who was permanently disabled as a  
28 result of active service to the state at the call of the  
29 governor;

30           (8) "Division of service" or "division", a state  
31 department or any division or branch of the state, or any  
32 agency of the state government, all the positions and  
33 employees in which are under the same appointing authority;

34           (9) "Eleemosynary or penal institutions", an  
35 institution within state government holding, housing, or  
36 caring for inmates, patients, veterans, juveniles, or other  
37 individuals entrusted to or assigned to the state where it  
38 is anticipated that such individuals will be in residence

39 for longer than one day. Eleemosynary or penal institutions  
40 shall not include elementary, secondary, or higher education  
41 institutions operated separately or independently from the  
42 foregoing institutions;

43 (10) "Eligible", a person whose name is on a register  
44 or who has been determined to meet the qualifications for a  
45 class or position;

46 (11) "Employee", shall include only those persons  
47 employed in excess of thirty-two hours per calendar week,  
48 for a duration that could exceed six months, by a state  
49 agency and shall not include patients, inmates, or residents  
50 in state eleemosynary or penal institutions who work for the  
51 state agency operating an eleemosynary or penal institutions;

52 (12) "Examination" or "competitive examination", a  
53 means of determining eligibility or fitness for a class or  
54 position;

55 (13) "Open competitive examination", a selection  
56 process for positions in a particular class, admission to  
57 which is not limited to persons employed in positions  
58 subject to this chapter pursuant to subsection 1 of section  
59 36.030;

60 (14) "Promotional examination", a selection process  
61 for positions in a particular class, admission to which is  
62 limited to employees with regular status in positions  
63 subject to this chapter pursuant to subsection 1 of section  
64 36.030;

65 (15) "Register of eligibles", a list, which may be  
66 restricted by locality, of persons who have been found  
67 qualified for appointment to a position subject to this  
68 chapter pursuant to subsection 1 of section 36.030;

69 (16) "Regular employee", a person employed in a  
70 position described under subdivision (2) of subsection 1 of

71 section 36.030 who has successfully completed a probationary  
72 period as provided in section 36.250;

73 (17) "State equal employment opportunity officer", the  
74 individual designated by the governor or the commissioner of  
75 administration as having responsibility for monitoring the  
76 compliance of the state as an employer with applicable equal  
77 employment opportunity law and regulation and for leadership  
78 in efforts to establish a state workforce which reflects the  
79 diversity of Missouri citizens at all levels of employment;

80 (18) "Surviving spouse", the unmarried surviving  
81 spouse of a deceased disabled veteran or the unmarried  
82 [survivor's] **surviving** spouse of any person who was killed  
83 while on active duty in the Armed Forces of the United  
84 States or an unmarried surviving spouse of a National Guard  
85 veteran who was killed as a result of active service to the  
86 state at the call of the governor;

87 (19) "Veteran", any person who is a citizen of this  
88 state who has been separated under honorable conditions from  
89 the Armed Forces of the United States who served on active  
90 duty during peacetime or wartime for at least six  
91 consecutive months, unless released early as a result of a  
92 service-connected disability or a reduction in force at the  
93 convenience of the government, or any member of a reserve or  
94 National Guard component who has satisfactorily completed at  
95 least six years of service or who was called or ordered to  
96 active duty by the President and participated in any  
97 campaign or expedition for which a campaign badge or service  
98 medal has been authorized.

**36.221. In filling any position where employees are  
2 selected on the basis of merit under subsection 1 of section  
3 36.030, the appointing authority shall offer an interview to  
4 every person who is or was a member of the Missouri National**

5 Guard whose name appears on the register of eligibles for  
6 the position.

41.035. 1. There is hereby created and established as  
2 a department of state government, the "Missouri Department  
3 of the National Guard" headed by the adjutant general as  
4 provided in Article IV of the Constitution of Missouri, and  
5 this chapter and other chapters. The Missouri department of  
6 the National Guard shall administer the militia and programs  
7 of the state relating to military forces, except for the  
8 Missouri veterans commission which is assigned to the  
9 department of public safety as provided in chapters 42 and  
10 650.

11 2. The office of adjutant general and the state  
12 militia are hereby transferred to the Missouri department of  
13 the National Guard by a type I transfer as defined in  
14 section 1 of the Omnibus State Reorganization Act of 1974.

15 3. Nothing herein shall be construed to interfere with  
16 the powers and duties of the governor provided in Article  
17 IV, Section 6 of the Constitution of Missouri or this  
18 chapter.

19 4. Rules necessary to administer and implement this  
20 section may be established by the department. Any rule or  
21 portion of a rule, as that term is defined in section  
22 536.010, that is created under the authority delegated in  
23 this section shall become effective only if it complies with  
24 and is subject to all of the provisions of chapter 536 and,  
25 if applicable, section 536.028. This section and chapter  
26 536 are nonseverable and if any of the powers vested with  
27 the general assembly pursuant to chapter 536 to review, to  
28 delay the effective date, or to disapprove and annul a rule  
29 are subsequently held unconstitutional, then the grant of

30 rulemaking authority and any rule proposed or adopted after  
31 the effective date of this act shall be invalid and void.

41.201. Service members of the Missouri National Guard  
2 shall be considered state employees for the purposes of  
3 operating state-owned vehicles for official state business  
4 unless the members are called into active federal military  
5 service by order of the President of the United States  
6 pursuant to Title 10 of the United States Code.

42.390. 1. Every state agency shall ensure that any  
2 form, including digital forms posted on an Internet website,  
3 used to collect data from individuals include the following  
4 questions in substantially similar form:

5 (1) Have you ever served on active duty in the  
6 Armed Forces of the United States and separated  
7 from such service under conditions other than  
8 dishonorable?

9 (2) If answering question (1) in the  
10 affirmative, would you like to receive  
11 information and assistance regarding the  
12 agency's veteran services?

13 2. Every state agency shall prepare information  
14 regarding the agency's applicable services and benefits that  
15 are available to veterans and provide such information to  
16 those who answer the questions provided in subsection 1 of  
17 this section in the affirmative.

18 3. The provisions of subsection 1 of this section  
19 shall only apply to any form first created on or after  
20 August 28, 2021, or any form created before August 28, 2021,  
21 and subsequently modified on or after August 28, 2021.

105.1204. In filling any position in a state agency,  
2 as that term is defined under section 36.020, where  
3 employees are not required to be selected on the basis of

4 **merit under subsection 1 of section 36.030, the employing**  
5 **agency shall offer an interview to every applicant who is or**  
6 **was a member of the Missouri National Guard and who meets**  
7 **the minimum qualifications established for the position.**

143.121. 1. The Missouri adjusted gross income of a  
2 resident individual shall be the taxpayer's federal adjusted  
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal  
5 adjusted gross income:

6 (1) The amount of any federal income tax refund  
7 received for a prior year which resulted in a Missouri  
8 income tax benefit. The amount added pursuant to this  
9 subdivision shall not include any amount of a federal income  
10 tax refund attributable to a tax credit reducing a  
11 taxpayer's federal tax liability pursuant to Public Law 116-  
12 136, enacted by the 116th United States Congress, for the  
13 tax year beginning on or after January 1, 2020, and ending  
14 on or before December 31, 2020, and deducted from Missouri  
15 adjusted gross income pursuant to section 143.171;

16 (2) Interest on certain governmental obligations  
17 excluded from federal gross income by 26 U.S.C. Section 103  
18 of the Internal Revenue Code, as amended. The previous  
19 sentence shall not apply to interest on obligations of the  
20 state of Missouri or any of its political subdivisions or  
21 authorities and shall not apply to the interest described in  
22 subdivision (1) of subsection 3 of this section. The amount  
23 added pursuant to this subdivision shall be reduced by the  
24 amounts applicable to such interest that would have been  
25 deductible in computing the taxable income of the taxpayer  
26 except only for the application of 26 U.S.C. Section 265 of  
27 the Internal Revenue Code, as amended. The reduction shall  
28 only be made if it is at least five hundred dollars;

29           (3) The amount of any deduction that is included in  
30 the computation of federal taxable income pursuant to 26  
31 U.S.C. Section 168 of the Internal Revenue Code as amended  
32 by the Job Creation and Worker Assistance Act of 2002 to the  
33 extent the amount deducted relates to property purchased on  
34 or after July 1, 2002, but before July 1, 2003, and to the  
35 extent the amount deducted exceeds the amount that would  
36 have been deductible pursuant to 26 U.S.C. Section 168 of  
37 the Internal Revenue Code of 1986 as in effect on January 1,  
38 2002;

39           (4) The amount of any deduction that is included in  
40 the computation of federal taxable income for net operating  
41 loss allowed by 26 U.S.C. Section 172 of the Internal  
42 Revenue Code of 1986, as amended, other than the deduction  
43 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.  
44 Section 172(i) of the Internal Revenue Code of 1986, as  
45 amended, for a net operating loss the taxpayer claims in the  
46 tax year in which the net operating loss occurred or carries  
47 forward for a period of more than twenty years and carries  
48 backward for more than two years. Any amount of net  
49 operating loss taken against federal taxable income but  
50 disallowed for Missouri income tax purposes pursuant to this  
51 subdivision after June 18, 2002, may be carried forward and  
52 taken against any income on the Missouri income tax return  
53 for a period of not more than twenty years from the year of  
54 the initial loss; and

55           (5) For nonresident individuals in all taxable years  
56 ending on or after December 31, 2006, the amount of any  
57 property taxes paid to another state or a political  
58 subdivision of another state for which a deduction was  
59 allowed on such nonresident's federal return in the taxable  
60 year unless such state, political subdivision of a state, or



61 the District of Columbia allows a subtraction from income  
62 for property taxes paid to this state for purposes of  
63 calculating income for the income tax for such state,  
64 political subdivision of a state, or the District of  
65 Columbia;

66 (6) For all tax years beginning on or after January 1,  
67 2018, any interest expense paid or accrued in a previous  
68 taxable year, but allowed as a deduction under 26 U.S.C.  
69 Section 163, as amended, in the current taxable year by  
70 reason of the carryforward of disallowed business interest  
71 provisions of 26 U.S.C. Section 163(j), as amended. For the  
72 purposes of this subdivision, an interest expense is  
73 considered paid or accrued only in the first taxable year  
74 the deduction would have been allowable under 26 U.S.C.  
75 Section 163, as amended, if the limitation under 26 U.S.C.  
76 Section 163(j), as amended, did not exist.

77 3. There shall be subtracted from the taxpayer's  
78 federal adjusted gross income the following amounts to the  
79 extent included in federal adjusted gross income:

80 (1) Interest received on deposits held at a federal  
81 reserve bank or interest or dividends on obligations of the  
82 United States and its territories and possessions or of any  
83 authority, commission or instrumentality of the United  
84 States to the extent exempt from Missouri income taxes  
85 pursuant to the laws of the United States. The amount  
86 subtracted pursuant to this subdivision shall be reduced by  
87 any interest on indebtedness incurred to carry the described  
88 obligations or securities and by any expenses incurred in  
89 the production of interest or dividend income described in  
90 this subdivision. The reduction in the previous sentence  
91 shall only apply to the extent that such expenses including  
92 amortizable bond premiums are deducted in determining the

93 taxpayer's federal adjusted gross income or included in the  
94 taxpayer's Missouri itemized deduction. The reduction shall  
95 only be made if the expenses total at least five hundred  
96 dollars;

97 (2) The portion of any gain, from the sale or other  
98 disposition of property having a higher adjusted basis to  
99 the taxpayer for Missouri income tax purposes than for  
100 federal income tax purposes on December 31, 1972, that does  
101 not exceed such difference in basis. If a gain is  
102 considered a long-term capital gain for federal income tax  
103 purposes, the modification shall be limited to one-half of  
104 such portion of the gain;

105 (3) The amount necessary to prevent the taxation  
106 pursuant to this chapter of any annuity or other amount of  
107 income or gain which was properly included in income or gain  
108 and was taxed pursuant to the laws of Missouri for a taxable  
109 year prior to January 1, 1973, to the taxpayer, or to a  
110 decedent by reason of whose death the taxpayer acquired the  
111 right to receive the income or gain, or to a trust or estate  
112 from which the taxpayer received the income or gain;

113 (4) Accumulation distributions received by a taxpayer  
114 as a beneficiary of a trust to the extent that the same are  
115 included in federal adjusted gross income;

116 (5) The amount of any state income tax refund for a  
117 prior year which was included in the federal adjusted gross  
118 income;

119 (6) The portion of capital gain specified in section  
120 135.357 that would otherwise be included in federal adjusted  
121 gross income;

122 (7) The amount that would have been deducted in the  
123 computation of federal taxable income pursuant to 26 U.S.C.  
124 Section 168 of the Internal Revenue Code as in effect on

125 January 1, 2002, to the extent that amount relates to  
126 property purchased on or after July 1, 2002, but before July  
127 1, 2003, and to the extent that amount exceeds the amount  
128 actually deducted pursuant to 26 U.S.C. Section 168 of the  
129 Internal Revenue Code as amended by the Job Creation and  
130 Worker Assistance Act of 2002;

131 (8) For all tax years beginning on or after January 1,  
132 2005, the amount of any income received for military service  
133 while the taxpayer serves in a combat zone which is included  
134 in federal adjusted gross income and not otherwise excluded  
135 therefrom. As used in this section, "combat zone" means any  
136 area which the President of the United States by Executive  
137 Order designates as an area in which Armed Forces of the  
138 United States are or have engaged in combat. Service is  
139 performed in a combat zone only if performed on or after the  
140 date designated by the President by Executive Order as the  
141 date of the commencing of combat activities in such zone,  
142 and on or before the date designated by the President by  
143 Executive Order as the date of the termination of combatant  
144 activities in such zone;

145 (9) For all tax years ending on or after July 1, 2002,  
146 with respect to qualified property that is sold or otherwise  
147 disposed of during a taxable year by a taxpayer and for  
148 which an additional modification was made under subdivision  
149 (3) of subsection 2 of this section, the amount by which  
150 additional modification made under subdivision (3) of  
151 subsection 2 of this section on qualified property has not  
152 been recovered through the additional subtractions provided  
153 in subdivision (7) of this subsection;

154 (10) For all tax years beginning on or after January  
155 1, 2014, the amount of any income received as payment from  
156 any program which provides compensation to agricultural

157 producers who have suffered a loss as the result of a  
158 disaster or emergency, including the:

- 159 (a) Livestock Forage Disaster Program;  
160 (b) Livestock Indemnity Program;  
161 (c) Emergency Assistance for Livestock, Honeybees, and  
162 Farm-Raised Fish;  
163 (d) Emergency Conservation Program;  
164 (e) Noninsured Crop Disaster Assistance Program;  
165 (f) Pasture, Rangeland, Forage Pilot Insurance Program;  
166 (g) Annual Forage Pilot Program;  
167 (h) Livestock Risk Protection Insurance Plan; [and]  
168 (i) Livestock Gross Margin Insurance Plan; [and]  
169 (11) For all tax years beginning on or after January  
170 1, 2018, any interest expense paid or accrued in the current  
171 taxable year, but not deducted as a result of the limitation  
172 imposed under 26 U.S.C. Section 163(j), as amended. For the  
173 purposes of this subdivision, an interest expense is  
174 considered paid or accrued only in the first taxable year  
175 the deduction would have been allowable under 26 U.S.C.  
176 Section 163, as amended, if the limitation under 26 U.S.C.  
177 Section 163(j), as amended, did not exist; **and**

178 **(12) One hundred percent of any retirement benefits**  
179 **received by any taxpayer as a result of the taxpayer's**  
180 **service in the Armed Forces of the United States, including**  
181 **reserve components and the National Guard of this state, as**  
182 **defined in 32 U.S.C. Sections 101(3) and 109, and any other**  
183 **military force organized under the laws of this state.**

184 4. There shall be added to or subtracted from the  
185 taxpayer's federal adjusted gross income the taxpayer's  
186 share of the Missouri fiduciary adjustment provided in  
187 section 143.351.

188           5. There shall be added to or subtracted from the  
189 taxpayer's federal adjusted gross income the modifications  
190 provided in section 143.411.

191           6. In addition to the modifications to a taxpayer's  
192 federal adjusted gross income in this section, to calculate  
193 Missouri adjusted gross income there shall be subtracted  
194 from the taxpayer's federal adjusted gross income any gain  
195 recognized pursuant to 26 U.S.C. Section 1033 of the  
196 Internal Revenue Code of 1986, as amended, arising from  
197 compulsory or involuntary conversion of property as a result  
198 of condemnation or the imminence thereof.

199           7. (1) As used in this subsection, "qualified health  
200 insurance premium" means the amount paid during the tax year  
201 by such taxpayer for any insurance policy primarily  
202 providing health care coverage for the taxpayer, the  
203 taxpayer's spouse, or the taxpayer's dependents.

204           (2) In addition to the subtractions in subsection 3 of  
205 this section, one hundred percent of the amount of qualified  
206 health insurance premiums shall be subtracted from the  
207 taxpayer's federal adjusted gross income to the extent the  
208 amount paid for such premiums is included in federal taxable  
209 income. The taxpayer shall provide the department of  
210 revenue with proof of the amount of qualified health  
211 insurance premiums paid.

212           8. (1) Beginning January 1, 2014, in addition to the  
213 subtractions provided in this section, one hundred percent  
214 of the cost incurred by a taxpayer for a home energy audit  
215 conducted by an entity certified by the department of  
216 natural resources under section 640.153 or the  
217 implementation of any energy efficiency recommendations made  
218 in such an audit shall be subtracted from the taxpayer's  
219 federal adjusted gross income to the extent the amount paid

220 for any such activity is included in federal taxable  
221 income. The taxpayer shall provide the department of  
222 revenue with a summary of any recommendations made in a  
223 qualified home energy audit, the name and certification  
224 number of the qualified home energy auditor who conducted  
225 the audit, and proof of the amount paid for any activities  
226 under this subsection for which a deduction is claimed. The  
227 taxpayer shall also provide a copy of the summary of any  
228 recommendations made in a qualified home energy audit to the  
229 department of natural resources.

230 (2) At no time shall a deduction claimed under this  
231 subsection by an individual taxpayer or taxpayers filing  
232 combined returns exceed one thousand dollars per year for  
233 individual taxpayers or cumulatively exceed two thousand  
234 dollars per year for taxpayers filing combined returns.

235 (3) Any deduction claimed under this subsection shall  
236 be claimed for the tax year in which the qualified home  
237 energy audit was conducted or in which the implementation of  
238 the energy efficiency recommendations occurred. If  
239 implementation of the energy efficiency recommendations  
240 occurred during more than one year, the deduction may be  
241 claimed in more than one year, subject to the limitations  
242 provided under subdivision (2) of this subsection.

243 (4) A deduction shall not be claimed for any otherwise  
244 eligible activity under this subsection if such activity  
245 qualified for and received any rebate or other incentive  
246 through a state-sponsored energy program or through an  
247 electric corporation, gas corporation, electric cooperative,  
248 or municipally owned utility.

249 9. The provisions of subsection 8 of this section  
250 shall expire on December 31, 2020.

143.124. 1. Other provisions of law to the contrary  
2 notwithstanding, for tax years ending on or before December  
3 31, 2006, the total amount of all annuities, pensions, or  
4 retirement allowances above the amount of six thousand  
5 dollars annually provided by any law of this state, the  
6 United States, or any other state to any person except as  
7 provided in subsection 4 of this section, shall be subject  
8 to tax pursuant to the provisions of this chapter, in the  
9 same manner, to the same extent and under the same  
10 conditions as any other taxable income received by the  
11 person receiving it. For purposes of this section,  
12 "annuity, pension, retirement benefit, or retirement  
13 allowance" shall be defined as an annuity, pension or  
14 retirement allowance provided by the United States, this  
15 state, any other state or any political subdivision or  
16 agency or institution of this or any other state. For all  
17 tax years beginning on or after January 1, 1998, for  
18 purposes of this section, annuity, pension or retirement  
19 allowance shall be defined to include 401(k) plans, deferred  
20 compensation plans, self-employed retirement plans, also  
21 known as Keogh plans, annuities from a defined pension plan  
22 and individual retirement arrangements, also known as IRAs,  
23 as described in the Internal Revenue Code, but not including  
24 Roth IRAs, as well as an annuity, pension or retirement  
25 allowance provided by the United States, this state, any  
26 other state or any political subdivision or agency or  
27 institution of this or any other state. An individual  
28 taxpayer shall only be allowed a maximum deduction equal to  
29 the amounts provided under this section for each taxpayer on  
30 the combined return.

31 2. For the period beginning July 1, 1989, and ending  
32 December 31, 1989, there shall be subtracted from Missouri

33 adjusted gross income for that period, determined pursuant  
34 to section 143.121, the first three thousand dollars of  
35 retirement benefits received by each taxpayer:

36 (1) If the taxpayer's filing status is single, head of  
37 household or qualifying widow(er) and the taxpayer's  
38 Missouri adjusted gross income is less than twelve thousand  
39 five hundred dollars; or

40 (2) If the taxpayer's filing status is married filing  
41 combined and their combined Missouri adjusted gross income  
42 is less than sixteen thousand dollars; or

43 (3) If the taxpayer's filing status is married filing  
44 separately and the taxpayer's Missouri adjusted gross income  
45 is less than eight thousand dollars.

46 3. For the tax years beginning on or after January 1,  
47 1990, but ending on or before December 31, 2006, there shall  
48 be subtracted from Missouri adjusted gross income,  
49 determined pursuant to section 143.121, a maximum of the  
50 first six thousand dollars of retirement benefits received  
51 by each taxpayer from sources other than privately funded  
52 sources, and for tax years beginning on or after January 1,  
53 1998, there shall be subtracted from Missouri adjusted gross  
54 income, determined pursuant to section 143.121, a maximum of  
55 the first one thousand dollars of any retirement allowance  
56 received from any privately funded source for tax years  
57 beginning on or after January 1, 1998, but before January 1,  
58 1999, and a maximum of the first three thousand dollars of  
59 any retirement allowance received from any privately funded  
60 source for tax years beginning on or after January 1, 1999,  
61 but before January 1, 2000, and a maximum of the first four  
62 thousand dollars of any retirement allowance received from  
63 any privately funded source for tax years beginning on or  
64 after January 1, 2000, but before January 1, 2001, and a



65 maximum of the first five thousand dollars of any retirement  
66 allowance received from any privately funded source for tax  
67 years beginning on or after January 1, 2001, but before  
68 January 1, 2002, and a maximum of the first six thousand  
69 dollars of any retirement allowance received from any  
70 privately funded sources for tax years beginning on or after  
71 January 1, 2002. A taxpayer shall be entitled to the  
72 maximum exemption provided by this subsection:

73 (1) If the taxpayer's filing status is single, head of  
74 household or qualifying widow(er) and the taxpayer's  
75 Missouri adjusted gross income is less than twenty-five  
76 thousand dollars; or

77 (2) If the taxpayer's filing status is married filing  
78 combined and their combined Missouri adjusted gross income  
79 is less than thirty-two thousand dollars; or

80 (3) If the taxpayer's filing status is married filing  
81 separately and the taxpayer's Missouri adjusted gross income  
82 is less than sixteen thousand dollars.

83 4. If a taxpayer's adjusted gross income exceeds the  
84 adjusted gross income ceiling for such taxpayer's filing  
85 status, as provided in subdivisions (1), (2) and (3) of  
86 subsection 3 of this section, such taxpayer shall be  
87 entitled to an exemption equal to the greater of zero or the  
88 maximum exemption provided in subsection 3 of this section  
89 reduced by one dollar for every dollar such taxpayer's  
90 income exceeds the ceiling for his or her filing status.

91 5. For purposes of this subsection, the term "maximum  
92 Social Security benefit available" shall mean thirty-two  
93 thousand five hundred dollars for the tax year beginning on  
94 or after January 1, 2007, and for each subsequent tax year  
95 such amount shall be increased by the percentage increase in  
96 the Consumer Price Index for All Urban Consumers, or its

97 successor index, as such index is defined and officially  
98 reported by the United States Department of Labor, or its  
99 successor agency. For the tax year beginning on or after  
100 January 1, 2007, but ending on or before December 31, 2007,  
101 there shall be subtracted from Missouri adjusted gross  
102 income, determined pursuant to section 143.121, a maximum of  
103 an amount equal to the greater of: six thousand dollars in  
104 retirement benefits received from sources other than  
105 privately funded sources, to the extent such benefits are  
106 included in the taxpayer's federal adjusted gross income; or  
107 twenty percent of the retirement benefits received from  
108 sources other than privately funded sources in the tax year,  
109 but not to exceed the maximum Social Security benefit  
110 available for such tax year. For the tax year beginning on  
111 or after January 1, 2008, but ending on or before December  
112 31, 2008, there shall be subtracted from Missouri adjusted  
113 gross income, determined pursuant to section 143.121, a  
114 maximum of an amount equal to the greater of: six thousand  
115 dollars in retirement benefits received from sources other  
116 than privately funded sources, to the extent such benefits  
117 are included in the taxpayer's federal adjusted gross  
118 income; or thirty-five percent of the retirement benefits  
119 received from sources other than privately funded sources in  
120 the tax year, but not to exceed the maximum Social Security  
121 benefit available for such tax year. For the tax year  
122 beginning on or after January 1, 2009, but ending on or  
123 before December 31, 2009, there shall be subtracted from  
124 Missouri adjusted gross income, determined pursuant to  
125 section 143.121, a maximum of an amount equal to the greater  
126 of: six thousand dollars in retirement benefits received  
127 from sources other than privately funded sources, to the  
128 extent such benefits are included in the taxpayer's federal

129 adjusted gross income; or fifty percent of the retirement  
130 benefits received from sources other than privately funded  
131 sources in the tax year, but not to exceed the maximum  
132 Social Security benefit available for such tax year. For  
133 the tax year beginning on or after January 1, 2010, but  
134 ending on or before December 31, 2010, there shall be  
135 subtracted from Missouri adjusted gross income, determined  
136 pursuant to section 143.121, a maximum of an amount equal to  
137 the greater of: six thousand dollars in retirement benefits  
138 received from sources other than privately funded sources,  
139 to the extent such benefits are included in the taxpayer's  
140 federal adjusted gross income; or sixty-five percent of the  
141 retirement benefits received from sources other than  
142 privately funded sources in the tax year, but not to exceed  
143 the maximum Social Security benefit available for such tax  
144 year. For the tax year beginning on or after January 1,  
145 2011, but ending on or before December 31, 2011, there shall  
146 be subtracted from Missouri adjusted gross income,  
147 determined pursuant to section 143.121, a maximum of an  
148 amount equal to the greater of: six thousand dollars in  
149 retirement benefits received from sources other than  
150 privately funded sources, to the extent such benefits are  
151 included in the taxpayer's federal adjusted gross income; or  
152 eighty percent of the retirement benefits received from  
153 sources other than privately funded sources in the tax year,  
154 but not to exceed the maximum Social Security benefit  
155 available for such tax year. For all tax years beginning on  
156 or after January 1, 2012, there shall be subtracted from  
157 Missouri adjusted gross income, determined pursuant to  
158 section 143.121, a maximum of an amount equal to one hundred  
159 percent of the retirement benefits received from sources  
160 other than privately funded sources in the tax year, but not

161 to exceed the maximum Social Security benefit available for  
162 such tax year. A taxpayer shall be entitled to the maximum  
163 exemption provided by this subsection:

164 (1) If the taxpayer's filing status is married filing  
165 combined, and their combined Missouri adjusted gross income  
166 is equal to or less than one hundred thousand dollars; or

167 (2) If the taxpayer's filing status is single, head of  
168 household, qualifying widow(er), or married filing  
169 separately, and the taxpayer's Missouri adjusted gross  
170 income is equal to or less than eighty-five thousand dollars.

171 6. If a taxpayer's adjusted gross income exceeds the  
172 adjusted gross income ceiling for such taxpayer's filing  
173 status, as provided in subdivisions (1) and (2) of  
174 subsection 5 of this section, such taxpayer shall be  
175 entitled to an exemption, less any applicable reduction  
176 provided under subsection 7 of this section, equal to the  
177 greater of zero or the maximum exemption provided in  
178 subsection 5 of this section reduced by one dollar for every  
179 dollar such taxpayer's income exceeds the ceiling for his or  
180 her filing status.

181 7. For purposes of calculating the subtraction  
182 provided in subsection 5 of this section, such subtraction  
183 shall be decreased by an amount equal to any Social Security  
184 benefit exemption provided under section 143.125.

185 8. For purposes of this section, any Social Security  
186 benefits otherwise included in Missouri adjusted gross  
187 income shall be subtracted; but Social Security benefits  
188 shall not be subtracted for purposes of other computations  
189 pursuant to this chapter, and are not to be considered as  
190 retirement benefits for purposes of this section.

191 9. The provisions of subdivisions (1) and (2) of  
192 subsection 3 of this section shall apply during all tax

193 years in which the federal Internal Revenue Code provides  
194 exemption levels for calculation of the taxability of Social  
195 Security benefits that are the same as the levels in  
196 subdivisions (1) and (2) of subsection 3 of this section.  
197 If the exemption levels for the calculation of the  
198 taxability of Social Security benefits are adjusted by  
199 applicable federal law or regulation, the exemption levels  
200 in subdivisions (1) and (2) of subsection 3 of this section  
201 shall be accordingly adjusted to the same exemption levels.

202       10. The portion of a taxpayer's lump sum distribution  
203 from an annuity or other retirement plan not otherwise  
204 included in Missouri adjusted gross income as calculated  
205 pursuant to this chapter but subject to taxation under  
206 Internal Revenue Code Section 402 shall be taxed in an  
207 amount equal to ten percent of the taxpayer's federal  
208 liability on such distribution for the same tax year.

209       11. For purposes of this section, retirement benefits  
210 received shall not include any withdrawals from qualified  
211 retirement plans which are subsequently rolled over into  
212 another retirement plan.

213       12. The exemptions provided for in this section shall  
214 not affect the calculation of the income to be used to  
215 determine the property tax credit provided in sections  
216 135.010 to 135.035.

217       13. The exemptions provided for in this section shall  
218 apply to any annuity, pension, or retirement allowance as  
219 defined in subsection 1 of this section to the extent that  
220 such amounts are included in the taxpayer's federal adjusted  
221 gross income and not otherwise deducted from the taxpayer's  
222 federal adjusted gross income in the calculation of Missouri  
223 taxable income. This subsection shall not apply to any

224 individual who qualifies under federal guidelines to be one  
225 hundred percent disabled.

226 [14. In addition to all other subtractions authorized  
227 in this section, for all tax years beginning on or after  
228 January 1, 2010, there shall be subtracted from Missouri  
229 adjusted gross income, determined under section 143.121, any  
230 retirement benefits received by any taxpayer as a result of  
231 the taxpayer's service in the Armed Forces of the United  
232 States, including reserve components and the National Guard  
233 of this state, as defined in Sections 101(3) and 109 of  
234 Title 32, United States Code, and any other military force  
235 organized under the laws of this state, to the extent such  
236 benefits are included in the taxpayer's federal adjusted  
237 gross income and not otherwise deducted from the taxpayer's  
238 federal adjusted gross income in the calculation of Missouri  
239 taxable income. Such retirement benefits shall be  
240 subtracted as provided in the following schedule:

241 (1) For the tax year beginning on January 1, 2010,  
242 fifteen percent of such retirement benefits;

243 (2) For the tax year beginning on January 1, 2011,  
244 thirty percent of such retirement benefits;

245 (3) For the tax year beginning on January 1, 2012,  
246 forty-five percent of such retirement benefits;

247 (4) For the tax year beginning on January 1, 2013,  
248 sixty percent of such retirement benefits;

249 (5) For the tax year beginning on January 1, 2014,  
250 seventy-five percent of such retirement benefits;

251 (6) For the tax year beginning on January 1, 2015,  
252 ninety percent of such retirement benefits;

253 (7) For tax years beginning on or after January 1,  
254 2016, one hundred percent of such retirement benefits.]

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

3 (1) "Military connected student", a student enrolled  
4 in a school district or charter school who:

5 (a) Is a dependent of a current or former member of  
6 the Armed Forces of the United States, the Missouri National  
7 Guard, or any reserve component of the Armed Forces of the  
8 United States; or

9 (b) Was a dependent of a member of the Armed Forces of  
10 the United States, the Missouri National Guard, or any  
11 reserve component of the Armed Forces of the United States  
12 who was killed while on active duty.

13 2. The department of elementary and secondary  
14 education shall designate a school district as a purple star  
15 campus if the school district applies and qualifies for the  
16 designation under this section.

17 3. To qualify as a purple star campus, a school  
18 district shall:

19 (1) Designate a staff member as a military liaison to  
20 serve as the point of contact between the school district  
21 and military connected students and their families;

22 (2) Identify military connected students enrolled in  
23 the school district;

24 (3) Determine appropriate services available to  
25 military connected students;

26 (4) Coordinate programs relevant to military connected  
27 students;

28 (5) Maintain on the school district website an easily  
29 accessible webpage that includes resources for military  
30 connected students and their families, including information  
31 regarding:

32           (a) Relocation to, enrollment at, registration at, and  
33 transferring records to the school district;

34           (b) Academic planning, course sequences, and advanced  
35 classes available;

36           (c) Counseling and other support services available  
37 for military connected students enrolled in the school  
38 district;

39           (d) The military liaison designated under subdivision  
40 (1) of this section;

41           (6) Establish and maintain a transition program led by  
42 the students, when appropriate, that assists military  
43 connected students in transitioning into the school district;

44           (7) Offer professional development and education for  
45 staff members on issues related to military connected  
46 students; and

47           (8) Offer at least one of the following programs:

48           (a) A resolution showing support for military  
49 connected students and their families;

50           (b) Recognition of the military holidays with relevant  
51 events hosted by the school district; or

52           (c) A partnership with a local military installation  
53 that provides opportunities for active duty military members  
54 to volunteer with the school district, speak at an assembly,  
55 or host a field trip.

302.188. 1. A person may apply to the department of  
2 revenue to obtain a veteran designation on a driver's  
3 license or identification card issued under this chapter by  
4 providing:

5           (1) A United States Department of Defense discharge  
6 document, otherwise known as a DD Form 214, that shows a  
7 discharge status of "honorable" or "general under honorable



8 conditions" that establishes the person's service in the  
9 Armed Forces of the United States; or

10 (2) A United States Uniformed Services Identification  
11 Card, otherwise known as a DD Form 2, that includes a  
12 discharge status of "retired" or "reserve retired"  
13 establishing the person's service in the Armed Forces of the  
14 United States; or

15 (3) A United States Department of Veterans Affairs  
16 photo identification card; or

17 (4) A discharge document WD AGO 53, WD AGO 55, WD AGO  
18 53-55, NAVPERS 553, NAVMC 78 PD, NAVCG 553, or DD 215 form  
19 that shows a discharge status of "honorable" or "general  
20 under honorable conditions"; and

21 (5) Payment of the fee for the driver's license or  
22 identification card authorized under this chapter.

23 2. If the person is seeking a duplicate driver's  
24 license with the veteran designation and his or her driver's  
25 license has not expired, the fee shall be as provided under  
26 section 302.185.

27 3. The department of revenue [may determine the  
28 appropriate placement of] **shall place** the veteran  
29 designation on the **front of** driver's licenses and  
30 identification cards authorized under this section and may  
31 promulgate the necessary rules for administration of this  
32 section.

33 4. Any rule or portion of a rule, as that term is  
34 defined in section 536.010, that is created under the  
35 authority delegated in this section shall become effective  
36 only if it complies with and is subject to all of the  
37 provisions of chapter 536 and if applicable, section  
38 536.028. This section and chapter 536 are nonseverable and  
39 if any of the powers vested with the general assembly

40 pursuant to chapter 536 to review, to delay the effective  
41 date, or to disapprove and annul a rule are subsequently  
42 held unconstitutional, then the grant of rulemaking  
43 authority and any rule proposed or adopted after August 28,  
44 2012, shall be invalid and void.

379.122. 1. No insurer shall refuse to write a policy  
2 for an applicant or base an adverse underwriting decision,  
3 **including but not limited to charging an increased premium,**  
4 solely on the fact that the applicant has never purchased  
5 such a policy of motor vehicle insurance where the lack of  
6 motor vehicle insurance coverage is due to the applicant  
7 serving in the armed services and the applicant has not  
8 operated a motor vehicle in violation of any financial  
9 responsibility or compulsory insurance requirement within  
10 the past twelve months.

11 2. No insurer shall refuse to write a policy for an  
12 applicant or base an adverse underwriting decision,  
13 **including but not limited to charging an increased premium,**  
14 solely on the fact that the applicant has not owned or been  
15 covered by such a policy of motor vehicle insurance during  
16 any specified period immediately preceding the date of  
17 application where the lack of motor vehicle insurance  
18 coverage is due to the applicant serving in the armed  
19 services and the applicant has not operated a motor vehicle  
20 in violation of any financial responsibility or compulsory  
21 insurance requirement within the past twelve months.  
22 Nothing in this subsection shall prohibit an insurer from  
23 giving a discount for such an applicant that has been  
24 covered by a policy of insurance during such a specified  
25 period.

26 3. Nothing in this section shall prohibit an insurer  
27 from basing an adverse underwriting decision on an

28 applicant's previous driving record where such record  
29 indicates that the applicant is a substandard risk.

30 4. In order to establish compliance with this section,  
31 an insurer may require any applicant claiming to meet the  
32 criteria of subsection 1 or 2 of this section to provide  
33 proof of eligibility in a manner as the insurer may  
34 prescribe.

35 **5. The adjutant general shall ensure that members of**  
36 **the state military forces, as defined in section 40.005,**  
37 **receive notice of the protections provided under this**  
38 **section at such time as information regarding the**  
39 **Servicemembers Civil Relief Act, 50 U.S.C. 3901, et seq., is**  
40 **provided, or at such other times as the adjutant general**  
41 **deems appropriate. The notice shall specifically state that**  
42 **insurers are prohibited under this section from refusing to**  
43 **issue a policy of motor vehicle insurance, or from charging**  
44 **higher premiums, based solely on a lack of prior coverage**  
45 **where the lack of prior coverage was due to military**  
46 **service. The secretaries of the branches of the United**  
47 **States Armed Forces are hereby encouraged to likewise notify**  
48 **servicemembers under their jurisdictions of the protections**  
49 **provided under this section.**

620.2005. 1. As used in sections 620.2000 to  
2 620.2020, the following terms mean:

3 (1) "Average wage", the new payroll divided by the  
4 number of new jobs, or the payroll of the retained jobs  
5 divided by the number of retained jobs;

6 (2) "Commencement of operations", the starting date  
7 for the qualified company's first new employee, which shall  
8 be no later than twelve months from the date of the approval;

9 (3) "Contractor", a person, employer, or business  
10 entity that enters into an agreement to perform any service

11 or work or to provide a certain product in exchange for  
12 valuable consideration. This definition shall include but  
13 not be limited to a general contractor, subcontractor,  
14 independent contractor, contract employee, project manager,  
15 or a recruiting or staffing entity;

16 (4) "County average wage", the average wages in each  
17 county as determined by the department for the most recently  
18 completed full calendar year. However, if the computed  
19 county average wage is above the statewide average wage, the  
20 statewide average wage shall be deemed the county average  
21 wage for such county for the purpose of determining  
22 eligibility. The department shall publish the county  
23 average wage for each county at least annually.

24 Notwithstanding the provisions of this subdivision to the  
25 contrary, for any qualified company that in conjunction with  
26 their project is relocating employees from a Missouri county  
27 with a higher county average wage, the company shall obtain  
28 the endorsement of the governing body of the community from  
29 which jobs are being relocated or the county average wage  
30 for their project shall be the county average wage for the  
31 county from which the employees are being relocated;

32 (5) "Department", the Missouri department of economic  
33 development;

34 (6) "Director", the director of the department of  
35 economic development;

36 (7) "Employee", a person employed by a qualified  
37 company, excluding:

38 (a) Owners of the qualified company unless the  
39 qualified company is participating in an employee stock  
40 ownership plan; or

41 (b) Owners of a noncontrolling interest in stock of a  
42 qualified company that is publicly traded;

43           (8) "Existing Missouri business", a qualified company  
44 that, for the ten-year period preceding submission of a  
45 notice of intent to the department, had a physical location  
46 in Missouri and full-time employees who routinely performed  
47 job duties within Missouri;

48           (9) "Full-time employee", an employee of the qualified  
49 company that is scheduled to work an average of at least  
50 thirty-five hours per week for a twelve-month period, and  
51 one for which the qualified company offers health insurance  
52 and pays at least fifty percent of such insurance premiums.  
53 An employee that spends less than fifty percent of the  
54 employee's work time at the facility shall be considered to  
55 be located at a facility if the employee receives his or her  
56 directions and control from that facility, is on the  
57 facility's payroll, one hundred percent of the employee's  
58 income from such employment is Missouri income, and the  
59 employee is paid at or above the applicable percentage of  
60 the county average wage;

61           (10) "Industrial development authority", an industrial  
62 development authority organized under chapter 349 that has  
63 entered into a formal written memorandum of understanding  
64 with an entity of the United States Department of Defense  
65 regarding a qualified military project;

66           (11) "Infrastructure projects", highways, roads,  
67 streets, bridges, sewers, traffic control systems and  
68 devices, water distribution and supply systems, curbing,  
69 sidewalks, storm water and drainage systems, broadband  
70 internet infrastructure, and any other similar public  
71 improvements, but in no case shall infrastructure projects  
72 include private structures;

73           (12) "Local incentives", the present value of the  
74 dollar amount of direct benefit received by a qualified

75 company for a project facility from one or more local  
76 political subdivisions, but this term shall not include  
77 loans or other funds provided to the qualified company that  
78 shall be repaid by the qualified company to the political  
79 subdivision;

80 (13) "Manufacturing capital investment", expenditures  
81 made by a qualified manufacturing company to retool or  
82 reconfigure a manufacturing project facility directly  
83 related to the manufacturing of a new product or the  
84 expansion or modification of the manufacture of an existing  
85 product;

86 (14) "Memorandum of understanding", an agreement  
87 executed by an industrial development authority and an  
88 entity of the United States Department of Defense, a copy of  
89 which is provided to the department of economic development,  
90 that states, but is not limited to:

91 (a) A requirement for the military to provide the  
92 total number of existing jobs, jobs directly created by a  
93 qualified military project, and average salaries of such  
94 jobs to the industrial development authority and the  
95 department of economic development annually for the term of  
96 the benefit;

97 (b) A requirement for the military to provide an  
98 accounting of the expenditures of capital investment made by  
99 the military directly related to the qualified military  
100 project to the industrial development authority and the  
101 department of economic development annually for the term of  
102 the benefit;

103 (c) The process by which the industrial development  
104 authority shall monetize the tax credits annually and any  
105 transaction cost or administrative fee charged by the

106 industrial development authority to the military on an  
107 annual basis;

108 (d) A requirement for the industrial development  
109 authority to provide proof to the department of economic  
110 development of the payment made to the qualified military  
111 project annually, including the amount of such payment;

112 (e) The schedule of the maximum amount of tax credits  
113 which may be authorized in each year for the project and the  
114 specified term of the benefit, as provided by the department  
115 of economic development; and

116 (f) A requirement that the annual benefit paid shall  
117 be the lesser of:

118 a. The maximum amount of tax credits authorized; or

119 b. The actual calculated benefit derived from the  
120 number of new jobs and average salaries;

121 (15) "NAICS" or "NAICS industry classification", the  
122 classification provided by the most recent edition of the  
123 North American Industry Classification System as prepared by  
124 the Executive Office of the President, Office of Management  
125 and Budget;

126 (16) "New capital investment", shall include costs  
127 incurred by the qualified company at the project facility  
128 after acceptance by the qualified company of the proposal  
129 for benefits from the department or the approval notice of  
130 intent, whichever occurs first, for real or personal  
131 property, and may include the value of finance or capital  
132 leases for real or personal property for the term of such  
133 lease at the project facility executed after acceptance by  
134 the qualified company of the proposal for benefits from the  
135 department or the approval of the notice of intent;

136 (17) "New direct local revenue", the present value of  
137 the dollar amount of direct net new tax revenues of the

138 local political subdivisions likely to be produced by the  
139 project over a ten-year period as calculated by the  
140 department, excluding local earnings tax, and net new  
141 utility revenues, provided the local incentives include a  
142 discount or other direct incentives from utilities owned or  
143 operated by the political subdivision;

144 (18) "New job", the number of full-time employees  
145 located at the project facility that exceeds the project  
146 facility base employment less any decrease in the number of  
147 full-time employees at related facilities below the related  
148 facility base employment. No job that was created prior to  
149 the date of the notice of intent shall be deemed a new job;

150 (19) "New payroll", the amount of wages paid for all  
151 new jobs, located at the project facility during the  
152 qualified company's tax year that exceeds the project  
153 facility base payroll;

154 (20) "New product", a new model or line of a  
155 manufactured good that has not been manufactured in Missouri  
156 by a qualified manufacturing company at any time prior to  
157 the date of the notice of intent, or an existing brand,  
158 model, or line of a manufactured good that is redesigned;

159 (21) "Notice of intent", a form developed by the  
160 department and available online, completed by the qualified  
161 company, and submitted to the department stating the  
162 qualified company's intent to request benefits under this  
163 program. The notice of intent shall be accompanied with a  
164 detailed plan by the qualifying company to make good faith  
165 efforts to employ, at a minimum, commensurate with the  
166 percentage of minority populations in the state of Missouri,  
167 as reported in the previous decennial census, the following:  
168 racial minorities, contractors who are racial minorities,  
169 and contractors that, in turn, employ at a minimum racial



170 minorities commensurate with the percentage of minority  
171 populations in the state of Missouri, as reported in the  
172 previous decennial census. At a minimum, such plan shall  
173 include monitoring the effectiveness of outreach and  
174 recruitment strategies in attracting diverse applicants and  
175 linking with different or additional referral sources in the  
176 event that recruitment efforts fail to produce a diverse  
177 pipeline of applicants;

178 (22) "Percent of local incentives", the amount of  
179 local incentives divided by the amount of new direct local  
180 revenue;

181 (23) "Program", the Missouri works program established  
182 in sections 620.2000 to 620.2020;

183 (24) "Project facility", the building or buildings  
184 used by a qualified company at which new or retained jobs  
185 and any new capital investment are or will be located or by  
186 a qualified manufacturing company at which a manufacturing  
187 capital investment is or will be located. A project  
188 facility may include separate buildings located within sixty  
189 miles of each other such that their purpose and operations  
190 are interrelated; provided that where the buildings making  
191 up the project facility are not located within the same  
192 county, the average wage of the new payroll shall exceed the  
193 applicable percentage of the highest county average wage  
194 among the counties in which the buildings are located. Upon  
195 approval by the department, a subsequent project facility  
196 may be designated if the qualified company demonstrates a  
197 need to relocate to the subsequent project facility at any  
198 time during the project period. For qualified military  
199 projects, the term "project facility" means the military  
200 base or installation at which such qualified military  
201 project is or shall be located;

202           (25) "Project facility base employment", the greater  
203 of the number of full-time employees located at the project  
204 facility on the date of the notice of intent or, for the  
205 twelve-month period prior to the date of the notice of  
206 intent, the average number of full-time employees located at  
207 the project facility. In the event the project facility has  
208 not been in operation for a full twelve-month period, the  
209 average number of full-time employees for the number of  
210 months the project facility has been in operation prior to  
211 the date of the notice of intent;

212           (26) "Project facility base payroll", the annualized  
213 payroll for the project facility base employment or the  
214 total amount of taxable wages paid by the qualified company  
215 to full-time employees of the qualified company located at  
216 the project facility in the twelve months prior to the  
217 notice of intent. For purposes of calculating the benefits  
218 under this program, the amount of base payroll shall  
219 increase each year based on an appropriate measure, as  
220 determined by the department;

221           (27) "Project period", the time period within which  
222 benefits are awarded to a qualified company or within which  
223 the qualified company is obligated to perform under an  
224 agreement with the department, whichever is greater;

225           (28) "Projected net fiscal benefit", the total fiscal  
226 benefit to the state less any state benefits offered to the  
227 qualified company, as determined by the department;

228           (29) "Qualified company", a firm, partnership, joint  
229 venture, association, private or public corporation whether  
230 organized for profit or not, or headquarters of such entity  
231 registered to do business in Missouri that is the owner or  
232 operator of a project facility, certifies that it offers  
233 health insurance to all full-time employees of all

234 facilities located in this state, and certifies that it pays  
235 at least fifty percent of such insurance premiums. For the  
236 purposes of sections 620.2000 to 620.2020, the term  
237 "qualified company" shall not include:

238 (a) Gambling establishments (NAICS industry group  
239 7132);

240 (b) Store front consumer-based retail trade  
241 establishments (under NAICS sectors 44 and 45), except with  
242 respect to any company headquartered in this state with a  
243 majority of its full-time employees engaged in operations  
244 not within the NAICS codes specified in this subdivision;

245 (c) Food and drinking places (NAICS subsector 722);

246 (d) Public utilities (NAICS 221 including water and  
247 sewer services);

248 (e) Any company that is delinquent in the payment of  
249 any nonprotested taxes or any other amounts due the state or  
250 federal government or any other political subdivision of  
251 this state;

252 (f) Any company requesting benefits for retained jobs  
253 that has filed for or has publicly announced its intention  
254 to file for bankruptcy protection. However, a company that  
255 has filed for or has publicly announced its intention to  
256 file for bankruptcy may be a qualified company provided that  
257 such company:

258 a. Certifies to the department that it plans to  
259 reorganize and not to liquidate; and

260 b. After its bankruptcy petition has been filed, it  
261 produces proof, in a form and at times satisfactory to the  
262 department, that it is not delinquent in filing any tax  
263 returns or making any payment due to the state of Missouri,  
264 including but not limited to all tax payments due after the  
265 filing of the bankruptcy petition and under the terms of the

266 plan of reorganization. Any taxpayer who is awarded  
267 benefits under this subsection and who files for bankruptcy  
268 under Chapter 7 of the United States Bankruptcy Code, Title  
269 11 U.S.C., shall immediately notify the department and shall  
270 forfeit such benefits and shall repay the state an amount  
271 equal to any state tax credits already redeemed and any  
272 withholding taxes already retained;

273 (g) Educational services (NAICS sector 61);

274 (h) Religious organizations (NAICS industry group  
275 8131);

276 (i) Public administration (NAICS sector 92);

277 (j) Ethanol distillation or production;

278 (k) Biodiesel production; or

279 (l) Health care and social services (NAICS sector 62).

280 Notwithstanding any provision of this section to the  
281 contrary, the headquarters, administrative offices, or  
282 research and development facilities of an otherwise excluded  
283 business may qualify for benefits if the offices or  
284 facilities serve a multistate territory. In the event a  
285 national, state, or regional headquarters operation is not  
286 the predominant activity of a project facility, the jobs and  
287 investment of such operation shall be considered eligible  
288 for benefits under this section if the other requirements  
289 are satisfied;

290 (30) "Qualified manufacturing company", a company that:

291 (a) Is a qualified company that manufactures motor  
292 vehicles (NAICS group 3361);

293 (b) Manufactures goods at a facility in Missouri;

294 (c) Manufactures a new product or has commenced making  
295 a manufacturing capital investment to the project facility  
296 necessary for the manufacturing of such new product, or

297 modifies or expands the manufacture of an existing product  
298 or has commenced making a manufacturing capital investment  
299 for the project facility necessary for the modification or  
300 expansion of the manufacture of such existing product; and

301 (d) Continues to meet the requirements of paragraphs  
302 (a) to (c) of this subdivision for the project period;

303 (31) "Qualified military project", the expansion or  
304 improvement of a military base or installation within this  
305 state that causes:

306 (a) An increase of ten or more **part-time or full-time**  
307 military or civilian support personnel:

308 a. Whose average salaries equal or exceed ninety  
309 percent of the county average wage; and

310 b. Who are offered health insurance, with an entity of  
311 the United States Department of Defense paying at least  
312 fifty percent of such insurance premiums; and

313 (b) Investment in real or personal property at the  
314 base or installation expressly for the purposes of serving a  
315 new or expanded military activity or unit.

316 **For the purposes of this subdivision, part-time military or**  
317 **civilian support personnel shall be converted to full-time**  
318 **new jobs by, in hire date order, counting one full-time new**  
319 **job for every thirty-five averaged hours worked per week by**  
320 **part-time military or civilian support personnel in jobs**  
321 **directly created by the qualified military project. For each**  
322 **such full-time new job, the sum of the wages of the part-**  
323 **time military or civilian support personnel combined and**  
324 **converted to form the new job shall be the wage for the one**  
325 **full-time new job. Each part-time military or civilian**  
326 **support personnel whose job is combined and converted for**  
327 **such a full-time new job shall be offered health insurance**

328 **as described in subparagraph b of paragraph (a) of this**  
329 **subdivision;**

330 (32) "Related company", shall mean:

331 (a) A corporation, partnership, trust, or association  
332 controlled by the qualified company;

333 (b) An individual, corporation, partnership, trust, or  
334 association in control of the qualified company; or

335 (c) Corporations, partnerships, trusts or associations  
336 controlled by an individual, corporation, partnership,  
337 trust, or association in control of the qualified company.

338 As used in this paragraph, "control of a qualified company"  
339 shall mean:

340 a. Ownership, directly or indirectly, of stock  
341 possessing at least fifty percent of the total combined  
342 voting power of all classes of stock entitled to vote in the  
343 case of a qualified company that is a corporation;

344 b. Ownership of at least fifty percent of the capital  
345 or profit interest in such qualified company if it is a  
346 partnership or association;

347 c. Ownership, directly or indirectly, of at least  
348 fifty percent of the beneficial interest in the principal or  
349 income of such qualified company if it is a trust, and  
350 ownership shall be determined as provided in Section 318 of  
351 the Internal Revenue Code of 1986, as amended;

352 (33) "Related facility", a facility operated by the  
353 qualified company or a related company located in this state  
354 that is directly related to the operations of the project  
355 facility or in which operations substantially similar to the  
356 operations of the project facility are performed;

357 (34) "Related facility base employment", the greater  
358 of the number of full-time employees located at all related  
359 facilities on the date of the notice of intent or, for the

360 twelve-month period prior to the date of the notice of  
361 intent, the average number of full-time employees located at  
362 all related facilities of the qualified company or a related  
363 company located in this state;

364 (35) "Related facility base payroll", the annualized  
365 payroll of the related facility base payroll or the total  
366 amount of taxable wages paid by the qualified company to  
367 full-time employees of the qualified company located at a  
368 related facility in the twelve months prior to the filing of  
369 the notice of intent. For purposes of calculating the  
370 benefits under this program, the amount of related facility  
371 base payroll shall increase each year based on an  
372 appropriate measure, as determined by the department;

373 (36) "Rural area", a county in Missouri with a  
374 population less than seventy-five thousand or that does not  
375 contain an individual city with a population greater than  
376 fifty thousand according to the most recent federal  
377 decennial census;

378 (37) "Tax credits", tax credits issued by the  
379 department to offset the state taxes imposed by chapters 143  
380 and 148, or which may be sold or refunded as provided for in  
381 this program;

382 (38) "Withholding tax", the state tax imposed by  
383 sections 143.191 to 143.265. For purposes of this program,  
384 the withholding tax shall be computed using a schedule as  
385 determined by the department based on average wages.

386 2. This section is subject to the provisions of  
387 section 196.1127.

620.2010. 1. In exchange for the consideration  
2 provided by the new tax revenues and other economic stimuli  
3 that will be generated by the new jobs created, a qualified  
4 company may, for a period of five years from the date the

5 new jobs are created, or for a period of six years from the  
6 date the new jobs are created if the qualified company is an  
7 existing Missouri business, retain an amount equal to the  
8 withholding tax as calculated under subdivision (38) of  
9 section 620.2005 from the new jobs that would otherwise be  
10 withheld and remitted by the qualified company under the  
11 provisions of sections 143.191 to 143.265 if:

12 (1) The qualified company creates ten or more new  
13 jobs, and the average wage of the new payroll equals or  
14 exceeds ninety percent of the county average wage;

15 (2) The qualified company creates two or more new jobs  
16 at a project facility located in a rural area, the average  
17 wage of the new payroll equals or exceeds ninety percent of  
18 the county average wage, and the qualified company commits  
19 to making at least one hundred thousand dollars of new  
20 capital investment at the project facility within two years;  
21 or

22 (3) The qualified company creates two or more new jobs  
23 at a project facility located within a zone designated under  
24 sections 135.950 to 135.963, the average wage of the new  
25 payroll equals or exceeds eighty percent of the county  
26 average wage, and the qualified company commits to making at  
27 least one hundred thousand dollars in new capital investment  
28 at the project facility within two years of approval.

29 2. In addition to any benefits available under  
30 subsection 1 of this section, the department may award a  
31 qualified company that satisfies subdivision (1) of  
32 subsection 1 of this section additional tax credits, issued  
33 each year for a period of five years from the date the new  
34 jobs are created, or for a period of six years from the date  
35 the new jobs are created if the qualified company is an  
36 existing Missouri business, in an amount equal to or less



37 than six percent of new payroll; provided that in no event  
38 may the total amount of benefits awarded to a qualified  
39 company under this section exceed nine percent of new  
40 payroll in any calendar year. The amount of tax credits  
41 awarded to a qualified company under this subsection shall  
42 not exceed the projected net fiscal benefit to the state, as  
43 determined by the department, and shall not exceed the least  
44 amount necessary to obtain the qualified company's  
45 commitment to initiate the project. In determining the  
46 amount of tax credits to award to a qualified company under  
47 this subsection or a qualified manufacturing company under  
48 subsection 3 of this section, the department shall consider  
49 the following factors:

50 (1) The significance of the qualified company's need  
51 for program benefits;

52 (2) The amount of projected net fiscal benefit to the  
53 state of the project and the period in which the state would  
54 realize such net fiscal benefit;

55 (3) The overall size and quality of the proposed  
56 project, including the number of new jobs, new capital  
57 investment, manufacturing capital investment, proposed  
58 wages, growth potential of the qualified company, the  
59 potential multiplier effect of the project, and similar  
60 factors;

61 (4) The financial stability and creditworthiness of  
62 the qualified company;

63 (5) The level of economic distress in the area;

64 (6) An evaluation of the competitiveness of  
65 alternative locations for the project facility, as  
66 applicable; and

67 (7) The percent of local incentives committed.

68           3. (1) The department may award tax credits to a  
69 qualified manufacturing company that makes a manufacturing  
70 capital investment of at least five hundred million dollars  
71 not more than three years following the department's  
72 approval of a notice of intent and the execution of an  
73 agreement that meets the requirements of subsection 4 of  
74 this section. Such tax credits shall be issued no earlier  
75 than January 1, 2023, and may be issued each year for a  
76 period of five years. A qualified manufacturing company may  
77 qualify for an additional five-year period under this  
78 subsection if it makes an additional manufacturing capital  
79 investment of at least two hundred fifty million dollars  
80 within five years of the department's approval of the  
81 original notice of intent.

82           (2) The maximum amount of tax credits that any one  
83 qualified manufacturing company may receive under this  
84 subsection shall not exceed five million dollars per  
85 calendar year. The aggregate amount of tax credits awarded  
86 to all qualified manufacturing companies under this  
87 subsection shall not exceed ten million dollars per calendar  
88 year.

89           (3) If, at the project facility at any time during the  
90 project period, the qualified manufacturing company  
91 discontinues the manufacturing of the new product, or  
92 discontinues the modification or expansion of an existing  
93 product, and does not replace it with a subsequent or  
94 additional new product or with a modification or expansion  
95 of an existing product, the company shall immediately cease  
96 receiving any benefit awarded under this subsection for the  
97 remainder of the project period and shall forfeit all rights  
98 to retain or receive any benefit awarded under this  
99 subsection for the remainder of such period.

100           (4) Notwithstanding any other provision of law to the  
101 contrary, any qualified manufacturing company that is  
102 awarded benefits under this section shall not simultaneously  
103 receive tax credits or exemptions under sections 100.700 to  
104 100.850 for the jobs created or retained or capital  
105 improvement that qualified for benefits under this section.  
106 The provisions of subsection 5 of section 285.530 shall not  
107 apply to a qualified manufacturing company that is awarded  
108 benefits under this section.

109           4. Upon approval of a notice of intent to receive tax  
110 credits under subsection 2, 3, 6, or 7 of this section, the  
111 department and the qualified company shall enter into a  
112 written agreement covering the applicable project period.  
113 The agreement shall specify, at a minimum:

114           (1) The committed number of new jobs, new payroll, and  
115 new capital investment, or the manufacturing capital  
116 investment and committed percentage of retained jobs for  
117 each year during the project period;

118           (2) The date or time period during which the tax  
119 credits shall be issued, which may be immediately or over a  
120 period not to exceed two years from the date of approval of  
121 the notice of intent;

122           (3) Clawback provisions, as may be required by the  
123 department;

124           (4) Financial guarantee provisions as may be required  
125 by the department, provided that financial guarantee  
126 provisions shall be required by the department for tax  
127 credits awarded under subsection 7 of this section; and

128           (5) Any other provisions the department may require.

129           5. In lieu of the benefits available under sections 1  
130 and 2 of this section, and in exchange for the consideration  
131 provided by the new tax revenues and other economic stimuli

132 that will be generated by the new jobs created by the  
133 program, a qualified company may, for a period of five years  
134 from the date the new jobs are created, or for a period of  
135 six years from the date the new jobs are created if the  
136 qualified company is an existing Missouri business, retain  
137 an amount equal to the withholding tax as calculated under  
138 subdivision (38) of section 620.2005 from the new jobs that  
139 would otherwise be withheld and remitted by the qualified  
140 company under the provisions of sections 143.191 to 143.265  
141 equal to:

142 (1) Six percent of new payroll for a period of five  
143 years from the date the required number of new jobs were  
144 created if the qualified company creates one hundred or more  
145 new jobs and the average wage of the new payroll equals or  
146 exceeds one hundred twenty percent of the county average  
147 wage of the county in which the project facility is located;  
148 or

149 (2) Seven percent of new payroll for a period of five  
150 years from the date the required number of jobs were created  
151 if the qualified company creates one hundred or more new  
152 jobs and the average wage of the new payroll equals or  
153 exceeds one hundred forty percent of the county average wage  
154 of the county in which the project facility is located.

155 The department shall issue a refundable tax credit for any  
156 difference between the amount of benefit allowed under this  
157 subsection and the amount of withholding tax retained by the  
158 company, in the event the withholding tax is not sufficient  
159 to provide the entire amount of benefit due to the qualified  
160 company under this subsection.

161 6. In addition to the benefits available under  
162 subsection 5 of this section, the department may award a

163 qualified company that satisfies the provisions of  
164 subsection 5 of this section additional tax credits, issued  
165 each year for a period of five years from the date the new  
166 jobs are created, or for a period of six years from the date  
167 the new jobs are created if the qualified company is an  
168 existing Missouri business, in an amount equal to or less  
169 than three percent of new payroll; provided that in no event  
170 may the total amount of benefits awarded to a qualified  
171 company under this section exceed nine percent of new  
172 payroll in any calendar year. The amount of tax credits  
173 awarded to a qualified company under this subsection shall  
174 not exceed the projected net fiscal benefit to the state, as  
175 determined by the department, and shall not exceed the least  
176 amount necessary to obtain the qualified company's  
177 commitment to initiate the project. In determining the  
178 amount of tax credits to award to a qualified company under  
179 this subsection, the department shall consider the factors  
180 provided under subsection 2 of this section.

181       7. In lieu of the benefits available under subsections  
182 1, 2, 5, and 6 of this section, and in exchange for the  
183 consideration provided by the new tax revenues and other  
184 economic stimuli that will be generated by the new jobs and  
185 new capital investment created by the program, the  
186 department may award a qualified company that satisfies the  
187 provisions of subdivision (1) of subsection 1 of this  
188 section tax credits, issued within one year following the  
189 qualified company's acceptance of the department's proposal  
190 for benefits, in an amount equal to or less than nine  
191 percent of new payroll. The amount of tax credits awarded  
192 to a qualified company under this subsection shall not  
193 exceed the projected net fiscal benefit to the state, as  
194 determined by the department, and shall not exceed the least

195 amount necessary to obtain the qualified company's  
196 commitment to initiate the project. In determining the  
197 amount of tax credits to award to a qualified company under  
198 this subsection, the department shall consider the factors  
199 provided under subsection 2 of this section and the  
200 qualified company's commitment to new capital investment and  
201 new job creation within the state for a period of not less  
202 than ten years. For the purposes of this subsection, each  
203 qualified company shall have an average wage of the new  
204 payroll that equals or exceeds one hundred percent of the  
205 county average wage. Notwithstanding the provisions of  
206 section 620.2020 to the contrary, this subsection, shall  
207 expire on June 30, 2025.

208 8. No benefits shall be available under this section  
209 for any qualified company that has performed significant,  
210 project-specific site work at the project facility,  
211 purchased machinery or equipment related to the project, or  
212 has publicly announced its intention to make new capital  
213 investment or manufacturing capital investment at the  
214 project facility prior to receipt of a proposal for benefits  
215 under this section or approval of its notice of intent,  
216 whichever occurs first.

217 9. In lieu of any other benefits under this chapter,  
218 the department of economic development may award a tax  
219 credit to an industrial development authority for a  
220 qualified military project in an amount equal to the  
221 estimated withholding taxes associated with the **part-time**  
222 **and full-time** civilian and military new jobs located at the  
223 facility and directly impacted by the project. The amount  
224 of the tax credit shall be calculated by multiplying:

225 (1) The average percentage of tax withheld, as  
226 provided by the department of revenue to the department of  
227 economic development;

228 (2) The average salaries of the jobs directly created  
229 by the qualified military project; and

230 (3) The number of jobs directly created by the  
231 qualified military project.

232 If the amount of the tax credit represents the least amount  
233 necessary to accomplish the qualified military project, the  
234 tax credits may be issued, but no tax credits shall be  
235 issued for a term longer than fifteen years. No qualified  
236 military project shall be eligible for tax credits under  
237 this subsection unless the department of economic  
238 development determines the qualified military project shall  
239 achieve a net positive fiscal impact to the state.

650.005. 1. There is hereby created a "Department of  
2 Public Safety" in charge of a director appointed by the  
3 governor with the advice and consent of the senate. The  
4 department's role will be to provide overall coordination in  
5 the state's public safety and law enforcement program, to  
6 provide channels of coordination with local and federal  
7 agencies in regard to public safety, law enforcement and  
8 with all correctional and judicial agencies in regard to  
9 matters pertaining to its responsibilities as they may  
10 interrelate with the other agencies or offices of state,  
11 local or federal governments.

12 2. All the powers, duties and functions of the state  
13 highway patrol, chapter 43 and others, are transferred by  
14 type II transfer to the department of public safety. The  
15 governor by and with the advice and consent of the senate  
16 shall appoint the superintendent of the patrol. With the

17 exception of sections 43.100 to 43.120 relating to financial  
18 procedures, the director of public safety shall succeed the  
19 state highways and transportation commission in approving  
20 actions of the superintendent and related matters as  
21 provided in chapter 43. Uniformed members of the patrol  
22 shall be selected in the manner provided by law and shall  
23 receive the compensation provided by law. Nothing in the  
24 Reorganization Act of 1974, however, shall be interpreted to  
25 affect the funding of appropriations or the operation of  
26 chapter 104 relating to retirement system coverage or  
27 section 226.160 relating to workers' compensation for  
28 members of the patrol.

29       3. All the powers, duties and functions of the  
30 supervisor of liquor control, chapter 311 and others, are  
31 transferred by type II transfer to the department of public  
32 safety. The supervisor shall be nominated by the department  
33 director and appointed by the governor with the advice and  
34 consent of the senate. The supervisor shall appoint such  
35 agents, assistants, deputies and inspectors as limited by  
36 appropriations. All employees shall have the qualifications  
37 provided by law and may be removed by the supervisor or  
38 director of the department as provided in section 311.670.

39       4. All the powers, duties and functions of the safety  
40 and fire prevention bureau of the department of public  
41 health and welfare are transferred by type I transfer to the  
42 director of public safety.

43       5. All the powers, duties and functions of the state  
44 fire marshal, chapter 320 and others, are transferred to the  
45 department of public safety by a type I transfer.

46       6. All the powers, duties and functions of the law  
47 enforcement assistance council administering federal grants,  
48 planning and the like relating to Public Laws 90-351, 90-445



49 and related acts of Congress are transferred by type I  
50 transfer to the director of public safety. The director of  
51 public safety shall appoint such advisory bodies as are  
52 required by federal laws or regulations. The council is  
53 abolished.

54 7. The director of public safety shall promulgate  
55 motor vehicle regulations and be ex officio a member of the  
56 safety compact commission in place of the director of  
57 revenue and all powers, duties and functions relating to  
58 chapter 307 are transferred by type I transfer to the  
59 director of public safety.

60 8. [The office of adjutant general and the state  
61 militia are assigned to the department of public safety;  
62 provided, however, nothing herein shall be construed to  
63 interfere with the powers and duties of the governor as  
64 provided in Article IV, Section 6 of the Constitution of the  
65 state of Missouri or chapter 41.

66 9.] All the powers, duties and functions of the  
67 Missouri boat commission, chapter 306 and others, are  
68 transferred by type I transfer to the "Missouri State Water  
69 Patrol", which is hereby created, in the department of  
70 public safety. The Missouri boat commission and the office  
71 of secretary to the commission are abolished. All deputy  
72 boat commissioners and all other employees of the commission  
73 who were employed on February 1, 1974, shall be transferred  
74 to the water patrol without further qualification.  
75 Effective January 1, 2011, all the powers, duties, and  
76 functions of the Missouri state water patrol are transferred  
77 to the division of water patrol within the Missouri state  
78 highway patrol as set out in section 43.390.

79 [10.] 9. The Missouri veterans's commission, chapter  
80 42, is assigned to the department of public safety.

81           [11.] 10. Any rule or portion of a rule, as that term  
82 is defined in section 536.010, that is created under the  
83 authority delegated in this section shall become effective  
84 only if it complies with and is subject to all of the  
85 provisions of chapter 536 and, if applicable, section  
86 536.028. This section and chapter 536 are nonseverable and  
87 if any of the powers vested with the general assembly  
88 pursuant to chapter 536 to review, to delay the effective  
89 date, or to disapprove and annul a rule are subsequently  
90 held unconstitutional, then the grant of rulemaking  
91 authority and any rule proposed or adopted after August 28,  
92 2009, shall be invalid and void.

          Section B. Because of the importance of military jobs  
2 to the state, the repeal and reenactment of sections  
3 620.2005 and 620.2010 of this act is deemed necessary for  
4 the immediate preservation of the public health, welfare,  
5 peace, and safety, and is hereby declared to be an emergency  
6 act within the meaning of the constitution, and the repeal  
7 and reenactment of sections 620.2005 and 620.2010 of this  
8 act shall be in full force and effect upon its passage and  
9 approval.

          Section C. The enactment of section 41.035 and the  
2 repeal and reenactment of section 650.005 of this act shall  
3 become effective only upon approval by the voters of an  
4 amendment to article IV of the Constitution of Missouri that  
5 establishes the Missouri department of the National Guard.

✓