

SENATE SUBSTITUTE

FOR

SENATE BILL NO. 8

AN ACT

To repeal sections 135.305, 135.686, 137.1018, 144.030, 348.436, and 348.500, RSMo, and to enact in lieu thereof twelve new sections relating to agricultural tax relief, with an emergency clause.

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

Section A. Sections 135.305, 135.686, 137.1018, 144.030, 2 348.436, and 348.500, RSMo, are repealed and twelve new sections 3 enacted in lieu thereof, to be known as sections 135.305, 4 135.686, 135.755, 135.775, 135.778, 135.1610, 137.1018, 5 144.030, 348.436, 348.491, 348.493, and 348.500, to read as 6 follows:

135.305. A Missouri wood energy producer shall be 2 eligible for a tax credit on taxes otherwise due under 3 chapter 143, except sections 143.191 to 143.261, as a 4 production incentive to produce processed wood products in a 5 qualified wood-producing facility using Missouri forest 6 product residue. The tax credit to the wood energy producer 7 shall be five dollars per ton of processed material. The 8 credit may be claimed for a period of five years and is to 9 be a tax credit against the tax otherwise due. No new tax 10 credits, provided for under sections 135.300 to 135.311, 11 shall be authorized after June 30, **[2020]** 2028. In no event 12 shall the aggregate amount of all tax credits allowed under 13 sections 135.300 to 135.311 exceed six million dollars in 14 any given fiscal year. There shall be no tax credits 15 authorized under sections 135.300 to 135.311 unless an 16 appropriation is made for such tax credits.

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

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

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

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

11 (3) "Meat processing modernization or expansion",
12 constructing, improving, or acquiring buildings or
13 facilities, or acquiring equipment for meat processing
14 including the following, if used exclusively for meat
15 processing and if acquired and placed in service in this
16 state during tax years beginning on or after January 1,
17 2017, but ending on or before December 31, ~~2021~~ 2028:

18 (a) Building construction including livestock
19 handling, product intake, storage, and warehouse facilities;

20 (b) Building additions;

21 (c) Upgrades to utilities including water, electric,
22 heat, refrigeration, freezing, and waste facilities;

23 (d) Livestock intake and storage equipment;

24 (e) Processing and manufacturing equipment including
25 cutting equipment, mixers, grinders, sausage stuffers, meat
26 smokers, curing equipment, cooking equipment, pipes, motors,
27 pumps, and valves;

28 (f) Packaging and handling equipment including
29 sealing, bagging, boxing, labeling, conveying, and product
30 movement equipment;

31 (g) Warehouse equipment including storage and curing
32 racks;

33 (h) Waste treatment and waste management equipment
34 including tanks, blowers, separators, dryers, digesters, and
35 equipment that uses waste to produce energy, fuel, or
36 industrial products;

37 (i) Computer software and hardware used for managing
38 the claimant's meat processing operation including software
39 and hardware related to logistics, inventory management,
40 production plant controls, and temperature monitoring
41 controls; and

42 (j) Construction or expansion of retail facilities or
43 the purchase or upgrade of retail equipment for the
44 commercial sale of meat products if the retail facility is
45 located at the same location as the meat processing facility;

46 (4) "Tax credit", a credit against the tax otherwise
47 due under chapter 143, excluding withholding tax imposed
48 under sections 143.191 to 143.265, or otherwise due under
49 chapter 147;

50 (5) "Taxpayer", any individual or entity who:

51 (a) Is subject to the tax imposed under chapter 143,
52 excluding withholding tax imposed under sections 143.191 to
53 143.265, or the tax imposed under chapter 147;

54 (b) In the case of an individual, is a resident of
55 this state as verified by a 911 address or, in the absence
56 of a 911 system, a physical address; and

57 (c) Owns a meat processing facility located in this
58 state and employs a combined total of fewer than five
59 hundred individuals in all meat processing facilities owned
60 by the individual or entity in this country;

61 (6) "Used exclusively", used to the exclusion of all
62 other uses except for use not exceeding five percent of
63 total use.

64 3. For all tax years beginning on or after January 1,
65 2017, but ending on or before December 31, [2021] 2028, a

66 taxpayer shall be allowed a tax credit for meat processing
67 modernization or expansion related to the taxpayer's meat
68 processing facility. The tax credit amount shall be equal
69 to twenty-five percent of the amount the taxpayer paid in
70 the tax year for meat processing modernization or expansion.

71 4. The amount of the tax credit claimed shall not
72 exceed the amount of the taxpayer's state tax liability for
73 the tax year for which the credit is claimed. No tax credit
74 claimed under this section shall be refundable. The tax
75 credit shall be claimed in the tax year in which the meat
76 processing modernization or expansion expenses were paid,
77 but any amount of credit that the taxpayer is prohibited by
78 this section from claiming in a tax year may be carried
79 forward to any of the taxpayer's four subsequent tax years.
80 The total amount of tax credits that any taxpayer may claim
81 shall not exceed seventy-five thousand dollars per year. If
82 two or more persons own and operate the meat processing
83 facility, each person may claim a credit under this section
84 in proportion to [his or her] such person's ownership
85 interest; except that, the aggregate amount of the credits
86 claimed by all persons who own and operate the meat
87 processing facility shall not exceed seventy-five thousand
88 dollars per year. The amount of tax credits authorized in
89 this section [and section 135.679] in a calendar year shall
90 not exceed two million dollars. Tax credits shall be issued
91 on an as-received application basis until the calendar year
92 limit is reached. Any credits not issued in any calendar
93 year shall expire and shall not be issued in any subsequent
94 year.

95 5. To claim the tax credit allowed under this section,
96 the taxpayer shall submit to the authority an application
97 for the tax credit on a form provided by the authority and
98 any application fee imposed by the authority. The

99 application shall be filed with the authority at the end of
100 each calendar year in which a meat processing modernization
101 or expansion project was completed and for which a tax
102 credit is claimed under this section. The application shall
103 include any certified documentation, proof of meat
104 processing modernization or expansion, and any other
105 information required by the authority. All required
106 information obtained by the authority shall be confidential
107 and not disclosed except by court order, subpoena, or as
108 otherwise provided by law. If the taxpayer and the meat
109 processing modernization or expansion meet all criteria
110 required by this section and approval is granted by the
111 authority, the authority shall issue a tax credit
112 certificate in the appropriate amount. Tax credit
113 certificates issued under this section may be assigned,
114 transferred, sold, or otherwise conveyed, and the new owner
115 of the tax credit certificate shall have the same rights in
116 the tax credit as the original taxpayer. If a tax credit
117 certificate is assigned, transferred, sold, or otherwise
118 conveyed, a notarized endorsement shall be filed with the
119 authority specifying the name and address of the new owner
120 of the tax credit certificate and the value of the tax
121 credit.

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

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

132 process by which the taxpayer shall repay the authority an
133 amount equal to that of the tax credit allowed.

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

137 9. The authority may promulgate rules to implement the
138 provisions of this section. Any rule or portion of a rule,
139 as that term is defined in section 536.010, that is created
140 under the authority delegated in this section shall become
141 effective only if it complies with and is subject to all of
142 the provisions of chapter 536 and, if applicable, section
143 536.028. This section and chapter 536 are nonseverable and
144 if any of the powers vested with the general assembly
145 pursuant to chapter 536 to review, to delay the effective
146 date, or to disapprove and annul a rule are subsequently
147 held unconstitutional, then the grant of rulemaking
148 authority and any rule proposed or adopted after August 28,
149 2016, shall be invalid and void.

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

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

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

4 (2) "Distributor", a person, firm, or corporation
5 doing business in this state that:

6 (a) Produces, refines, blends, compounds, or
7 manufactures motor fuel;

8 (b) Imports motor fuel into the state; or

9 (c) Is engaged in distribution of motor fuel;

10 (3) "Higher ethanol blend", a fuel capable of being
11 dispensed directly into motor vehicle fuel tanks for
12 consumption that is comprised of at least fifteen percent
13 but not more than eighty-five percent ethanol;

14 (4) "Retail dealer", a person, firm, or corporation
15 doing business in this state that owns or operates a retail
16 service station in this state;

17 (5) "Retail service station", a location in this state
18 from which higher ethanol blend is sold to the general
19 public and is dispensed directly into motor vehicle fuel
20 tanks for consumption.

21 2. For all tax years beginning on or after January 1,
22 2023, a retail dealer that sells higher ethanol blend at
23 such retail dealer's retail service station or a distributor
24 that sells higher ethanol blend directly to the final user
25 located in this state shall be allowed a tax credit to be
26 taken against the retail dealer's or distributor's state
27 income tax liability. The amount of the credit shall equal
28 five cents per gallon of higher ethanol blend sold by the
29 retail dealer and dispensed through metered pumps at the
30 retail dealer's retail service station or by a distributor
31 directly to the final user located in this state during the
32 tax year for which the tax credit is claimed. Tax credits
33 authorized pursuant to this section shall not be
34 transferred, sold, or assigned. If the amount of the tax
35 credit exceeds the taxpayer's state tax liability, the
36 difference shall not be refundable but may be carried
37 forward to any of the five subsequent tax years. The total
38 amount of tax credits issued pursuant to this section for
39 any given fiscal year shall not exceed five million dollars.

40 3. In the event the total amount of tax credits
41 claimed under this section exceeds the amount of available
42 tax credits, the tax credits shall be apportioned among all
43 eligible retail dealers and distributors claiming a tax
44 credit by April fifteenth, or as directed by section
45 143.851, of the fiscal year in which the tax credit is
46 claimed.

47 4. The tax credit allowed by this section shall be
48 claimed by such taxpayer at the time such taxpayer files a
49 return and shall be applied against the income tax liability
50 imposed by chapter 143, excluding the withholding tax
51 imposed by sections 143.191 to 143.265, after reduction for
52 all other credits allowed thereon. The department may
53 require any documentation it deems necessary to implement
54 the provisions of this section.

55 5. The department shall promulgate rules to implement
56 the provisions of this section. Any rule or portion of a
57 rule, as that term is defined in section 536.010, that is
58 created under the authority delegated in this section shall
59 become effective only if it complies with and is subject to
60 all of the provisions of chapter 536 and, if applicable,
61 section 536.028. This section and chapter 536 are
62 nonseverable and if any of the powers vested with the
63 general assembly pursuant to chapter 536 to review, to delay
64 the effective date, or to disapprove and annul a rule are
65 subsequently held unconstitutional, then the grant of
66 rulemaking authority and any rule proposed or adopted after
67 the effective date of this section shall be invalid and void.

68 6. Under section 23.253 of the Missouri sunset act:

69 (1) The provisions of this section shall automatically
70 sunset on December 31, 2028, unless reauthorized by an act
71 of the general assembly; and

72 (2) If such program is reauthorized, the program
73 authorized under this section shall automatically sunset
74 twelve years after the effective date of the reauthorization
75 of this section; and

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

135.775. 1. As used in this section, the following

terms mean:

(1) "Biodiesel blend", a blend of diesel fuel and biodiesel fuel of at least five percent and not more than twenty percent for on-road and off-road diesel-fueled vehicle use;

(2) "Biodiesel fuel", a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock. A fuel shall be deemed to be biodiesel fuel if the fuel consists of a pure B100 or B99 ratio. Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section unless the palm oil is contained within waste oil and grease collected within the United States;

(3) "B99", a blend of ninety-nine percent biodiesel fuel that meets the most recent version of the ASTM International D6751 Standard Specification for Biodiesel Fuel Blend Stock with a minimum of one-tenth of one percent and maximum of one percent diesel fuel that meets the most recent version of the ASTM International D975 Standard Specification for Diesel Fuel;

(4) "Department", the Missouri department of revenue;

(5) "Distributor", a person, firm, or corporation doing business in this state that:

(a) Produces, refines, blends, compounds, or manufactures motor fuel;

(b) Imports motor fuel into the state; or

(c) Is engaged in distribution of motor fuel;

32 (6) "Retail dealer", a person, firm, or corporation
33 doing business in this state that owns or operates a retail
34 service station in this state;

35 (7) "Retail service station", a location in this state
36 from which biodiesel blend is sold to the general public and
37 is dispensed directly into motor vehicle fuel tanks for
38 consumption at retail.

39 2. For all tax years beginning on or after January 1,
40 2023, a retail dealer that sells a biodiesel blend at a
41 retail service station or a distributor that sells a
42 biodiesel blend directly to the final user located in this
43 state shall be allowed a tax credit to be taken against the
44 retail dealer or distributor's state income tax liability.
45 The amount of the credit shall be equal to:

46 (1) Two cents per gallon of biodiesel blend of at
47 least five percent but not more than ten percent sold by the
48 retail dealer at a retail service station or by a
49 distributor directly to the final user located in this state
50 during the tax year for which the tax credit is claimed; and

51 (2) Five cents per gallon of biodiesel blend in excess
52 of ten percent but not more than twenty percent sold by the
53 retail dealer at a retail service station or by a
54 distributor directly to the final user located in this state
55 during the tax year for which the tax credit is claimed.

56 3. Tax credits authorized under this section shall not
57 be transferred, sold, or assigned. If the amount of the tax
58 credit exceeds the taxpayer's state tax liability, the
59 difference shall be refundable. The total amount of tax
60 credits issued under this section for any given fiscal year
61 shall not exceed sixteen million dollars.

62 4. In the event the total amount of tax credits
63 claimed under this section exceeds the amount of available
64 tax credits, the tax credits shall be apportioned among all

65 eligible retail dealers and distributors claiming a tax
66 credit by April fifteenth, or as directed by section
67 143.851, of the fiscal year in which the tax credit is
68 claimed.

69 5. The tax credit allowed by this section shall be
70 claimed by such taxpayer at the time such taxpayer files a
71 return and shall be applied against the income tax liability
72 imposed by chapter 143, excluding the withholding tax
73 imposed by sections 143.191 to 143.265, after reduction for
74 all other credits allowed thereon. The department may
75 require any documentation it deems necessary to administer
76 the provisions of this section.

77 6. Notwithstanding any other provision of law to the
78 contrary, if the maximum amount of tax credits authorized by
79 this section are not claimed, the remaining amount of tax
80 credits available to claim shall be applied to the tax
81 credit in section 135.778 if the maximum amount of tax
82 credits authorized by section 135.778 have been claimed.

83 7. Notwithstanding the provisions of section 32.057 to
84 the contrary, the department may work with the division of
85 weights and measures within the department of agriculture to
86 validate that the biodiesel blend a retail dealer or
87 distributor claims for the tax credit authorized under this
88 section contains a sufficient percentage of biodiesel fuel.

89 8. The department shall promulgate rules to implement
90 and administer the provisions of this section. Any rule or
91 portion of a rule, as that term is defined in section
92 536.010, that is created pursuant to the authority delegated
93 in this section shall become effective only if it complies
94 with and is subject to all of the provisions of chapter 536
95 and, if applicable, section 536.028. This section and
96 chapter 536 are nonseverable and if any of the powers vested
97 with the general assembly pursuant to chapter 536 to review,

98 to delay the effective date, or to disapprove and annul a
99 rule are subsequently held unconstitutional, then the grant
100 of rulemaking authority and any rule proposed or adopted
101 after the effective date of this section shall be invalid
102 and void.

103 9. Under section 23.253 of the Missouri sunset act:

104 (1) The provisions of the new program authorized under
105 this section shall automatically sunset on December 31,
106 2028, unless reauthorized by an act of the general assembly;

107 (2) If such program is reauthorized, the program
108 authorized under this section shall automatically sunset
109 twelve years after the effective date of the reauthorization
110 of this section; and

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

114 The termination of the program as described in this
115 subsection shall not be construed to preclude any qualified
116 taxpayer who claims any benefit under any program that is
117 sunset under this subsection from claiming such benefit for
118 all allowable activities related to such claim that were
119 completed before the program was sunset or to eliminate any
120 responsibility of the department to verify the continued
121 eligibility of qualified individuals receiving tax credits
122 and to enforce other requirements of law that applied before
123 the program was sunset.

2 135.778. 1. For the purposes of this section, the
following terms shall mean:

3 (1) "Biodiesel fuel", a renewable, biodegradable, mono
4 alkyl ester combustible liquid fuel that is derived from
5 agricultural and other plant oils or animal fats and that
6 meets the most recent version of the ASTM International
7 D6751 Standard Specification for Biodiesel Fuel Blend

8 Stock. A fuel shall be deemed to be biodiesel fuel if the
9 fuel consists of a pure B100 or B99 ratio. Biodiesel
10 produced from palm oil is not biodiesel fuel for the
11 purposes of this section unless the palm oil is contained
12 within waste oil and grease collected within the United
13 States;

14 (2) "B99", a blend of ninety-nine percent biodiesel
15 fuel that meets the most recent version of the ASTM
16 International D6751 Standard Specification for Biodiesel
17 Fuel Blend Stock with a minimum of one-tenth of one percent
18 and maximum of one percent diesel fuel that meets the most
19 recent version of the ASTM International D975 Standard
20 Specification for Diesel Fuel;

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

22 (4) "Missouri biodiesel producer", a person, firm, or
23 corporation doing business in this state that produces
24 biodiesel fuel in this state, is registered with the United
25 States Environmental Protection Agency according to the
26 requirements of 40 CFR Part 79, and has begun construction
27 on such facility or has been selling biodiesel fuel produced
28 at such facility on or before the effective date of this
29 section.

30 2. For all tax years beginning on or after January 1,
31 2023, a Missouri biodiesel producer shall be allowed a tax
32 credit to be taken against the producer's state income tax
33 liability. The amount of the tax credit shall be two cents
34 per gallon of biodiesel fuel produced by the Missouri
35 biodiesel producer during the tax year for which the tax
36 credit is claimed.

37 3. Tax credits authorized under this section shall not
38 be transferred, sold, or assigned. If the amount of the tax
39 credit exceeds the taxpayer's state tax liability, the
40 difference shall be refundable. The total amount of tax

41 credits issued under this section for any given fiscal year
42 shall not exceed four million dollars.

43 4. In the event the total amount of tax credits
44 claimed under this section exceeds the amount of available
45 tax credits, the tax credits shall be apportioned among all
46 eligible Missouri biodiesel producers claiming the credit by
47 April fifteenth, or as directed by section 143.851, of the
48 fiscal year in which the tax credit is claimed.

49 5. The tax credit authorized under this section shall
50 be claimed by such taxpayer at the time such taxpayer files
51 a return and shall be applied against the income tax
52 liability imposed by chapter 143, excluding the withholding
53 tax imposed by sections 143.191 to 143.265, after reduction
54 for all other credits allowed thereon. The department may
55 require any documentation it deems necessary to administer
56 the provisions of this section.

57 6. Notwithstanding any other provision of law to the
58 contrary, if the maximum amount of tax credits authorized by
59 this section are not claimed, the remaining amount of tax
60 credits available to claim shall be applied to the tax
61 credit in section 135.775 if the maximum amount of tax
62 credits authorized by section 135.775 have been claimed.

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

74 of rulemaking authority and any rule proposed or adopted
75 after the effective date of this section shall be invalid
76 and void.

77 8. Under section 23.253 of the Missouri sunset act:

78 (1) The provisions of the new program authorized under
79 this section shall automatically sunset on December 31,
80 2028, unless reauthorized by an act of the general assembly;

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

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

88 The termination of the program as described in this
89 subsection shall not be construed to preclude any qualified
90 taxpayer who claims any benefit under any program that is
91 sunset under this subsection from claiming such benefit for
92 all allowable activities related to such claim that were
93 completed before the program was sunset, or to eliminate any
94 responsibility of the department to verify the continued
95 eligibility of qualified individuals receiving tax credits
96 and to enforce other requirements of law that applied before
97 the program was sunset.

135.1610. 1. As used in this section, the following
2 terms mean:

3 (1) "Eligible expenses", expenses incurred in the
4 construction or development of establishing or improving an
5 urban farm in an urban area. The term "eligible expenses"
6 shall not include any expense for labor or any expense
7 incurred to grow medical marijuana or industrial hemp;

8 (2) "Tax credit", a credit against the tax otherwise
9 due under chapter 143, excluding withholding tax imposed
10 under sections 143.191 to 143.265;

11 (3) "Taxpayer", any individual, partnership, or
12 corporation as described under section 143.441 or 143.471
13 that is subject to the tax imposed under chapter 143,
14 excluding withholding tax imposed under sections 143.191 to
15 143.265, or any charitable organization that is exempt from
16 federal income tax and whose Missouri unrelated business
17 taxable income, if any, would be subject to the state income
18 tax imposed under chapter 143;

19 (4) "Urban area", an urbanized area as defined by the
20 United States Census Bureau;

21 (5) "Urban farm", an agricultural plot or facility in
22 an urban area that produces agricultural food products used
23 solely for distribution to the public by sale or donation.
24 "Urban farm" shall include community-run gardens. "Urban
25 farm" shall not include personal farms or residential lots
26 for personal use.

27 2. For all tax years beginning on or after January 1,
28 2023, a taxpayer shall be allowed to claim a tax credit
29 against the taxpayer's state tax liability in an amount
30 equal to fifty percent of the taxpayer's eligible expenses
31 for establishing or improving an urban farm that focuses on
32 food production.

33 3. The amount of the tax credit claimed shall not
34 exceed the amount of the taxpayer's state tax liability in
35 the tax year for which the credit is claimed, and the
36 taxpayer shall not be allowed to claim a tax credit under
37 this section in excess of five thousand dollars for each
38 urban farm. The total amount of tax credits that may be
39 authorized for all taxpayers for eligible expenses incurred
40 on any given urban farm shall not exceed twenty-five

41 thousand dollars. Any issued tax credit that cannot be
42 claimed in the tax year in which the eligible expenses were
43 incurred may be carried over to the next three succeeding
44 tax years until the full credit is claimed.

45 4. The total amount of tax credits that may be
46 authorized under this section shall not exceed two hundred
47 thousand dollars in any calendar year.

48 5. Tax credits issued under the provisions of this
49 section shall not be transferred, sold, or assigned.

50 6. The Missouri agricultural and small business
51 development authority shall recapture the amount of tax
52 credits issued to any taxpayer who, after receiving such tax
53 credit, uses the urban farm for the personal benefit of the
54 taxpayer instead of for producing agricultural food products
55 used solely for distribution to the public by sale or
56 donation.

57 7. The Missouri agricultural and small business
58 development authority may promulgate rules to implement the
59 provisions of this section. Any rule or portion of a rule,
60 as that term is defined in section 536.010, that is created
61 under the authority delegated in this section shall become
62 effective only if it complies with and is subject to all of
63 the provisions of chapter 536 and, if applicable, section
64 536.028. This section and chapter 536 are nonseverable and
65 if any of the powers vested with the general assembly
66 pursuant to chapter 536 to review, to delay the effective
67 date, or to disapprove and annul a rule are subsequently
68 held unconstitutional, then the grant of rulemaking
69 authority and any rule proposed or adopted after the
70 effective date of this section shall be invalid and void.

71 8. Under section 23.253 of the Missouri sunset act:

72 (1) The program authorized under this section shall
73 automatically sunset on December 31, 2028, unless
74 reauthorized by an act of the general assembly;

75 (2) If such program is reauthorized, the program
76 authorized under this section shall automatically sunset on
77 December thirty-first twelve years after the effective date
78 of the reauthorization of this section;

79 (3) This section shall terminate on September first of
80 the calendar year immediately following the calendar year in
81 which the program authorized under this section is sunset;
82 and

83 (4) Nothing in this subsection shall prevent a
84 taxpayer from claiming a tax credit properly issued before
85 the program was sunset in a tax year after the program is
86 sunset.

137.1018. 1. The commission shall ascertain the
2 statewide average rate of property taxes levied the
3 preceding year, based upon the total assessed valuation of
4 the railroad and street railway companies and the total
5 property taxes levied upon the railroad and street railway
6 companies. It shall determine total property taxes levied
7 from reports prescribed by the commission from the railroad
8 and street railway companies. Total taxes levied shall not
9 include revenues from the surtax on subclass three real
10 property.

11 2. The commission shall report its determination of
12 average property tax rate for the preceding year, together
13 with the taxable distributable assessed valuation of each
14 freight line company for the current year to the director no
15 later than October first of each year.

16 3. Taxes on property of such freight line companies
17 shall be collected at the state level by the director on
18 behalf of the counties and other local public taxing

19 entities and shall be distributed in accordance with
20 sections 137.1021 and 137.1024. The director shall tax such
21 property based upon the distributable assessed valuation
22 attributable to Missouri of each freight line company, using
23 the average tax rate for the preceding year of the railroad
24 and street railway companies certified by the commission.
25 Such tax shall be due and payable on or before December
26 thirty-first of the year levied and, if it becomes
27 delinquent, shall be subject to a penalty equal to that
28 specified in section 140.100.

29 4. (1) As used in this subsection, the following
30 terms mean:

31 (a) "Eligible expenses", expenses incurred in this
32 state to manufacture, maintain, or improve a freight line
33 company's qualified rolling stock;

34 (b) "Qualified rolling stock", any freight, stock,
35 refrigerator, or other railcars subject to the tax levied
36 under this section.

37 (2) For all taxable years beginning on or after
38 January 1, 2009, a freight line company shall, subject to
39 appropriation, be allowed a credit against the tax levied
40 under this section for the applicable tax year. The tax
41 credit amount shall be equal to the amount of eligible
42 expenses incurred during the calendar year immediately
43 preceding the tax year for which the credit under this
44 section is claimed. The amount of the tax credit issued
45 shall not exceed the freight line company's liability for
46 the tax levied under this section for the tax year for which
47 the credit is claimed.

48 (3) A freight line company may apply for the credit by
49 submitting to the commission an application in the form
50 prescribed by the state tax commission.

51 (4) Subject to appropriation, the state shall
52 reimburse, on an annual basis, any political subdivision of
53 this state for any decrease in revenue due to the provisions
54 of this subsection.

55 5. Pursuant to section 23.253 of the Missouri sunset
56 act:

57 (1) The program authorized under subsection 4 of this
58 section shall expire on August 28, ~~2020~~ 2028; and

59 (2) Subsection 4 of this section shall terminate on
60 September 1, ~~2021~~ 2029.

144.030. 1. There is hereby specifically exempted
2 from the provisions of sections 144.010 to 144.525 and from
3 the computation of the tax levied, assessed or payable
4 pursuant to sections 144.010 to 144.525 such retail sales as
5 may be made in commerce between this state and any other
6 state of the United States, or between this state and any
7 foreign country, and any retail sale which the state of
8 Missouri is prohibited from taxing pursuant to the
9 Constitution or laws of the United States of America, and
10 such retail sales of tangible personal property which the
11 general assembly of the state of Missouri is prohibited from
12 taxing or further taxing by the constitution of this state.

13 2. There are also specifically exempted from the
14 provisions of the local sales tax law as defined in section
15 32.085, section 238.235, and sections 144.010 to 144.525 and
16 144.600 to 144.761 and from the computation of the tax
17 levied, assessed or payable pursuant to the local sales tax
18 law as defined in section 32.085, section 238.235, and
19 sections 144.010 to 144.525 and 144.600 to 144.745:

20 (1) Motor fuel or special fuel subject to an excise
21 tax of this state, unless all or part of such excise tax is
22 refunded pursuant to section 142.824; or upon the sale at
23 retail of fuel to be consumed in manufacturing or creating

24 gas, power, steam, electrical current or in furnishing water
25 to be sold ultimately at retail; or feed for livestock or
26 poultry; or grain to be converted into foodstuffs which are
27 to be sold ultimately in processed form at retail; or seed,
28 limestone or fertilizer which is to be used for seeding,
29 liming or fertilizing crops which when harvested will be
30 sold at retail or will be fed to livestock or poultry to be
31 sold ultimately in processed form at retail; economic
32 poisons registered pursuant to the provisions of the
33 Missouri pesticide registration law, sections 281.220 to
34 281.310, which are to be used in connection with the growth
35 or production of crops, fruit trees or orchards applied
36 before, during, or after planting, the crop of which when
37 harvested will be sold at retail or will be converted into
38 foodstuffs which are to be sold ultimately in processed form
39 at retail;

40 (2) Materials, manufactured goods, machinery and parts
41 which when used in manufacturing, processing, compounding,
42 mining, producing or fabricating become a component part or
43 ingredient of the new personal property resulting from such
44 manufacturing, processing, compounding, mining, producing or
45 fabricating and which new personal property is intended to
46 be sold ultimately for final use or consumption; and
47 materials, including without limitation, gases and
48 manufactured goods, including without limitation slagging
49 materials and firebrick, which are ultimately consumed in
50 the manufacturing process by blending, reacting or
51 interacting with or by becoming, in whole or in part,
52 component parts or ingredients of steel products intended to
53 be sold ultimately for final use or consumption;

54 (3) Materials, replacement parts and equipment
55 purchased for use directly upon, and for the repair and
56 maintenance or manufacture of, motor vehicles, watercraft,

57 railroad rolling stock or aircraft engaged as common
58 carriers of persons or property;

59 (4) Replacement machinery, equipment, and parts and
60 the materials and supplies solely required for the
61 installation or construction of such replacement machinery,
62 equipment, and parts, used directly in manufacturing,
63 mining, fabricating or producing a product which is intended
64 to be sold ultimately for final use or consumption; and
65 machinery and equipment, and the materials and supplies
66 required solely for the operation, installation or
67 construction of such machinery and equipment, purchased and
68 used to establish new, or to replace or expand existing,
69 material recovery processing plants in this state. For the
70 purposes of this subdivision, a "material recovery
71 processing plant" means a facility that has as its primary
72 purpose the recovery of materials into a usable product or a
73 different form which is used in producing a new product and
74 shall include a facility or equipment which are used
75 exclusively for the collection of recovered materials for
76 delivery to a material recovery processing plant but shall
77 not include motor vehicles used on highways. For purposes
78 of this section, the terms motor vehicle and highway shall
79 have the same meaning pursuant to section 301.010. For the
80 purposes of this subdivision, subdivision (5) of this
81 subsection, and section 144.054, as well as the definition
82 in subdivision (9) of subsection 1 of section 144.010, the
83 term "product" includes telecommunications services and the
84 term "manufacturing" shall include the production, or
85 production and transmission, of telecommunications
86 services. The preceding sentence does not make a
87 substantive change in the law and is intended to clarify
88 that the term "manufacturing" has included and continues to
89 include the production and transmission of

90 "telecommunications services", as enacted in this
91 subdivision and subdivision (5) of this subsection, as well
92 as the definition in subdivision (9) of subsection 1 of
93 section 144.010. The preceding two sentences reaffirm
94 legislative intent consistent with the interpretation of
95 this subdivision and subdivision (5) of this subsection in
96 *Southwestern Bell Tel. Co. v. Director of Revenue*, 78 S.W.3d
97 763 (Mo. banc 2002) and *Southwestern Bell Tel. Co. v.*
98 *Director of Revenue*, 182 S.W.3d 226 (Mo. banc 2005), and
99 accordingly abrogates the Missouri supreme court's
100 interpretation of those exemptions in *IBM Corporation v.*
101 *Director of Revenue*, 491 S.W.3d 535 (Mo. banc 2016) to the
102 extent inconsistent with this section and *Southwestern Bell*
103 *Tel. Co. v. Director of Revenue*, 78 S.W.3d 763 (Mo. banc
104 2002) and *Southwestern Bell Tel. Co. v. Director of Revenue*,
105 182 S.W.3d 226 (Mo. banc 2005). The construction and
106 application of this subdivision as expressed by the Missouri
107 supreme court in *DST Systems, Inc. v. Director of Revenue*,
108 43 S.W.3d 799 (Mo. banc 2001); *Southwestern Bell Tel. Co. v.*
109 *Director of Revenue*, 78 S.W.3d 763 (Mo. banc 2002); and
110 *Southwestern Bell Tel. Co. v. Director of Revenue*, 182
111 S.W.3d 226 (Mo. banc 2005), is hereby affirmed. Material
112 recovery is not the reuse of materials within a
113 manufacturing process or the use of a product previously
114 recovered. The material recovery processing plant shall
115 qualify under the provisions of this section regardless of
116 ownership of the material being recovered;

117 (5) Machinery and equipment, and parts and the
118 materials and supplies solely required for the installation
119 or construction of such machinery and equipment, purchased
120 and used to establish new or to expand existing
121 manufacturing, mining or fabricating plants in the state if
122 such machinery and equipment is used directly in

123 manufacturing, mining or fabricating a product which is
124 intended to be sold ultimately for final use or
125 consumption. The construction and application of this
126 subdivision as expressed by the Missouri supreme court in
127 DST Systems, Inc. v. Director of Revenue, 43 S.W.3d 799 (Mo.
128 banc 2001); Southwestern Bell Tel. Co. v. Director of
129 Revenue, 78 S.W.3d 763 (Mo. banc 2002); and Southwestern
130 Bell Tel. Co. v. Director of Revenue, 182 S.W.3d 226 (Mo.
131 banc 2005), is hereby affirmed;

132 (6) Tangible personal property which is used
133 exclusively in the manufacturing, processing, modification
134 or assembling of products sold to the United States
135 government or to any agency of the United States government;

136 (7) Animals or poultry used for breeding or feeding
137 purposes, or captive wildlife;

138 (8) Newsprint, ink, computers, photosensitive paper
139 and film, toner, printing plates and other machinery,
140 equipment, replacement parts and supplies used in producing
141 newspapers published for dissemination of news to the
142 general public;

143 (9) The rentals of films, records or any type of sound
144 or picture transcriptions for public commercial display;

145 (10) Pumping machinery and equipment used to propel
146 products delivered by pipelines engaged as common carriers;

147 (11) Railroad rolling stock for use in transporting
148 persons or property in interstate commerce and motor
149 vehicles licensed for a gross weight of twenty-four thousand
150 pounds or more or trailers used by common carriers, as
151 defined in section 390.020, in the transportation of persons
152 or property;

153 (12) Electrical energy used in the actual primary
154 manufacture, processing, compounding, mining or producing of
155 a product, or electrical energy used in the actual secondary

156 processing or fabricating of the product, or a material
157 recovery processing plant as defined in subdivision (4) of
158 this subsection, in facilities owned or leased by the
159 taxpayer, if the total cost of electrical energy so used
160 exceeds ten percent of the total cost of production, either
161 primary or secondary, exclusive of the cost of electrical
162 energy so used or if the raw materials used in such
163 processing contain at least twenty-five percent recovered
164 materials as defined in section 260.200. There shall be a
165 rebuttable presumption that the raw materials used in the
166 primary manufacture of automobiles contain at least twenty-
167 five percent recovered materials. For purposes of this
168 subdivision, "processing" means any mode of treatment, act
169 or series of acts performed upon materials to transform and
170 reduce them to a different state or thing, including
171 treatment necessary to maintain or preserve such processing
172 by the producer at the production facility;

173 (13) Anodes which are used or consumed in
174 manufacturing, processing, compounding, mining, producing or
175 fabricating and which have a useful life of less than one
176 year;

177 (14) Machinery, equipment, appliances and devices
178 purchased or leased and used solely for the purpose of
179 preventing, abating or monitoring air pollution, and
180 materials and supplies solely required for the installation,
181 construction or reconstruction of such machinery, equipment,
182 appliances and devices;

183 (15) Machinery, equipment, appliances and devices
184 purchased or leased and used solely for the purpose of
185 preventing, abating or monitoring water pollution, and
186 materials and supplies solely required for the installation,
187 construction or reconstruction of such machinery, equipment,
188 appliances and devices;

189 (16) Tangible personal property purchased by a rural
190 water district;

191 (17) All amounts paid or charged for admission or
192 participation or other fees paid by or other charges to
193 individuals in or for any place of amusement, entertainment
194 or recreation, games or athletic events, including museums,
195 fairs, zoos and planetariums, owned or operated by a
196 municipality or other political subdivision where all the
197 proceeds derived therefrom benefit the municipality or other
198 political subdivision and do not inure to any private
199 person, firm, or corporation, provided, however, that a
200 municipality or other political subdivision may enter into
201 revenue-sharing agreements with private persons, firms, or
202 corporations providing goods or services, including
203 management services, in or for the place of amusement,
204 entertainment or recreation, games or athletic events, and
205 provided further that nothing in this subdivision shall
206 exempt from tax any amounts retained by any private person,
207 firm, or corporation under such revenue-sharing agreement;

208 (18) All sales of insulin, and all sales, rentals,
209 repairs, and parts of durable medical equipment, prosthetic
210 devices, and orthopedic devices as defined on January 1,
211 1980, by the federal Medicare program pursuant to Title
212 XVIII of the Social Security Act of 1965, including the
213 items specified in Section 1862(a)(12) of that act, and also
214 specifically including hearing aids and hearing aid supplies
215 and all sales of drugs which may be legally dispensed by a
216 licensed pharmacist only upon a lawful prescription of a
217 practitioner licensed to administer those items, including
218 samples and materials used to manufacture samples which may
219 be dispensed by a practitioner authorized to dispense such
220 samples and all sales or rental of medical oxygen, home
221 respiratory equipment and accessories including parts, and

222 hospital beds and accessories and ambulatory aids including
223 parts, and all sales or rental of manual and powered
224 wheelchairs including parts, and stairway lifts, Braille
225 writers, electronic Braille equipment and, if purchased or
226 rented by or on behalf of a person with one or more physical
227 or mental disabilities to enable them to function more
228 independently, all sales or rental of scooters including
229 parts, and reading machines, electronic print enlargers and
230 magnifiers, electronic alternative and augmentative
231 communication devices, and items used solely to modify motor
232 vehicles to permit the use of such motor vehicles by
233 individuals with disabilities or sales of over-the-counter
234 or nonprescription drugs to individuals with disabilities,
235 and drugs required by the Food and Drug Administration to
236 meet the over-the-counter drug product labeling requirements
237 in 21 CFR 201.66, or its successor, as prescribed by a
238 health care practitioner licensed to prescribe;

239 (19) All sales made by or to religious and charitable
240 organizations and institutions in their religious,
241 charitable or educational functions and activities and all
242 sales made by or to all elementary and secondary schools
243 operated at public expense in their educational functions
244 and activities;

245 (20) All sales of aircraft to common carriers for
246 storage or for use in interstate commerce and all sales made
247 by or to not-for-profit civic, social, service or fraternal
248 organizations, including fraternal organizations which have
249 been declared tax-exempt organizations pursuant to Section
250 501(c) (8) or (10) of the 1986 Internal Revenue Code, as
251 amended, in their civic or charitable functions and
252 activities and all sales made to eleemosynary and penal
253 institutions and industries of the state, and all sales made
254 to any private not-for-profit institution of higher

255 education not otherwise excluded pursuant to subdivision
256 (19) of this subsection or any institution of higher
257 education supported by public funds, and all sales made to a
258 state relief agency in the exercise of relief functions and
259 activities;

260 (21) All ticket sales made by benevolent, scientific
261 and educational associations which are formed to foster,
262 encourage, and promote progress and improvement in the
263 science of agriculture and in the raising and breeding of
264 animals, and by nonprofit summer theater organizations if
265 such organizations are exempt from federal tax pursuant to
266 the provisions of the Internal Revenue Code and all
267 admission charges and entry fees to the Missouri state fair
268 or any fair conducted by a county agricultural and
269 mechanical society organized and operated pursuant to
270 sections 262.290 to 262.530;

271 (22) All sales made to any private not-for-profit
272 elementary or secondary school, all sales of feed additives,
273 medications or vaccines administered to livestock or poultry
274 in the production of food or fiber, all sales of pesticides
275 used in the production of crops, livestock or poultry for
276 food or fiber, all sales of bedding used in the production
277 of livestock or poultry for food or fiber, all sales of
278 propane or natural gas, electricity or diesel fuel used
279 exclusively for drying agricultural crops, natural gas used
280 in the primary manufacture or processing of fuel ethanol as
281 defined in section 142.028, natural gas, propane, and
282 electricity used by an eligible new generation cooperative
283 or an eligible new generation processing entity as defined
284 in section 348.432, and all sales of farm machinery and
285 equipment, other than airplanes, motor vehicles and
286 trailers, and any freight charges on any exempt item. As
287 used in this subdivision, the term "feed additives" means

288 tangible personal property which, when mixed with feed for
289 livestock or poultry, is to be used in the feeding of
290 livestock or poultry. As used in this subdivision, the term
291 "pesticides" includes adjuvants such as crop oils,
292 surfactants, wetting agents and other assorted pesticide
293 carriers used to improve or enhance the effect of a
294 pesticide and the foam used to mark the application of
295 pesticides and herbicides for the production of crops,
296 livestock or poultry. As used in this subdivision, the term
297 "farm machinery and equipment" [means] shall mean:

298 (a) New or used farm tractors and such other new or
299 used farm machinery and equipment, including utility
300 vehicles used for any agricultural use, and repair or
301 replacement parts thereon and any accessories for and
302 upgrades to such farm machinery and equipment[,] and rotary
303 mowers used [exclusively] for any agricultural purposes[,]
304 and]. For the purposes of this subdivision, "utility
305 vehicle" shall mean any motorized vehicle manufactured and
306 used exclusively for off-highway use which is more than
307 fifty inches but no more than eighty inches in width,
308 measured from outside of tire rim to outside of tire rim,
309 with an unladen dry weight of three thousand five hundred
310 pounds or less, traveling on four or six wheels;

311 (b) Supplies and lubricants used exclusively, solely,
312 and directly for producing crops, raising and feeding
313 livestock, fish, poultry, pheasants, chukar, quail, or for
314 producing milk for ultimate sale at retail, including field
315 drain tile[,]; and

316 (c) One-half of each purchaser's purchase of diesel
317 fuel therefor which is:

318 [(a)] a. Used exclusively for agricultural purposes;

319 [(b)] b. Used on land owned or leased for the purpose
320 of producing farm products; and

321 [(c)] c. Used directly in producing farm products to
322 be sold ultimately in processed form or otherwise at retail
323 or in producing farm products to be fed to livestock or
324 poultry to be sold ultimately in processed form at retail;

325 (23) Except as otherwise provided in section 144.032,
326 all sales of metered water service, electricity, electrical
327 current, natural, artificial or propane gas, wood, coal or
328 home heating oil for domestic use and in any city not within
329 a county, all sales of metered or unmetered water service
330 for domestic use:

331 (a) "Domestic use" means that portion of metered water
332 service, electricity, electrical current, natural,
333 artificial or propane gas, wood, coal or home heating oil,
334 and in any city not within a county, metered or unmetered
335 water service, which an individual occupant of a residential
336 premises uses for nonbusiness, noncommercial or
337 nonindustrial purposes. Utility service through a single or
338 master meter for residential apartments or condominiums,
339 including service for common areas and facilities and vacant
340 units, shall be deemed to be for domestic use. Each seller
341 shall establish and maintain a system whereby individual
342 purchases are determined as exempt or nonexempt;

343 (b) Regulated utility sellers shall determine whether
344 individual purchases are exempt or nonexempt based upon the
345 seller's utility service rate classifications as contained
346 in tariffs on file with and approved by the Missouri public
347 service commission. Sales and purchases made pursuant to
348 the rate classification "residential" and sales to and
349 purchases made by or on behalf of the occupants of
350 residential apartments or condominiums through a single or
351 master meter, including service for common areas and
352 facilities and vacant units, shall be considered as sales
353 made for domestic use and such sales shall be exempt from

354 sales tax. Sellers shall charge sales tax upon the entire
355 amount of purchases classified as nondomestic use. The
356 seller's utility service rate classification and the
357 provision of service thereunder shall be conclusive as to
358 whether or not the utility must charge sales tax;

359 (c) Each person making domestic use purchases of
360 services or property and who uses any portion of the
361 services or property so purchased for a nondomestic use
362 shall, by the fifteenth day of the fourth month following
363 the year of purchase, and without assessment, notice or
364 demand, file a return and pay sales tax on that portion of
365 nondomestic purchases. Each person making nondomestic
366 purchases of services or property and who uses any portion
367 of the services or property so purchased for domestic use,
368 and each person making domestic purchases on behalf of
369 occupants of residential apartments or condominiums through
370 a single or master meter, including service for common areas
371 and facilities and vacant units, under a nonresidential
372 utility service rate classification may, between the first
373 day of the first month and the fifteenth day of the fourth
374 month following the year of purchase, apply for credit or
375 refund to the director of revenue and the director shall
376 give credit or make refund for taxes paid on the domestic
377 use portion of the purchase. The person making such
378 purchases on behalf of occupants of residential apartments
379 or condominiums shall have standing to apply to the director
380 of revenue for such credit or refund;

381 (24) All sales of handicraft items made by the seller
382 or the seller's spouse if the seller or the seller's spouse
383 is at least sixty-five years of age, and if the total gross
384 proceeds from such sales do not constitute a majority of the
385 annual gross income of the seller;

386 (25) Excise taxes, collected on sales at retail,
387 imposed by Sections 4041, 4071, 4081, 4091, 4161, 4181,
388 4251, 4261 and 4271 of Title 26, United States Code. The
389 director of revenue shall promulgate rules pursuant to
390 chapter 536 to eliminate all state and local sales taxes on
391 such excise taxes;

392 (26) Sales of fuel consumed or used in the operation
393 of ships, barges, or waterborne vessels which are used
394 primarily in or for the transportation of property or cargo,
395 or the conveyance of persons for hire, on navigable rivers
396 bordering on or located in part in this state, if such fuel
397 is delivered by the seller to the purchaser's barge, ship,
398 or waterborne vessel while it is afloat upon such river;

399 (27) All sales made to an interstate compact agency
400 created pursuant to sections 70.370 to 70.441 or sections
401 238.010 to 238.100 in the exercise of the functions and
402 activities of such agency as provided pursuant to the
403 compact;

404 (28) Computers, computer software and computer
405 security systems purchased for use by architectural or
406 engineering firms headquartered in this state. For the
407 purposes of this subdivision, "headquartered in this state"
408 means the office for the administrative management of at
409 least four integrated facilities operated by the taxpayer is
410 located in the state of Missouri;

411 (29) All livestock sales when either the seller is
412 engaged in the growing, producing or feeding of such
413 livestock, or the seller is engaged in the business of
414 buying and selling, bartering or leasing of such livestock;

415 (30) All sales of barges which are to be used
416 primarily in the transportation of property or cargo on
417 interstate waterways;

418 (31) Electrical energy or gas, whether natural,
419 artificial or propane, water, or other utilities which are
420 ultimately consumed in connection with the manufacturing of
421 cellular glass products or in any material recovery
422 processing plant as defined in subdivision (4) of this
423 subsection;

424 (32) Notwithstanding other provisions of law to the
425 contrary, all sales of pesticides or herbicides used in the
426 production of crops, aquaculture, livestock or poultry;

427 (33) Tangible personal property and utilities
428 purchased for use or consumption directly or exclusively in
429 the research and development of agricultural/biotechnology
430 and plant genomics products and prescription pharmaceuticals
431 consumed by humans or animals;

432 (34) All sales of grain bins for storage of grain for
433 resale;

434 (35) All sales of feed which are developed for and
435 used in the feeding of pets owned by a commercial breeder
436 when such sales are made to a commercial breeder, as defined
437 in section 273.325, and licensed pursuant to sections
438 273.325 to 273.357;

439 (36) All purchases by a contractor on behalf of an
440 entity located in another state, provided that the entity is
441 authorized to issue a certificate of exemption for purchases
442 to a contractor under the provisions of that state's laws.
443 For purposes of this subdivision, the term "certificate of
444 exemption" shall mean any document evidencing that the
445 entity is exempt from sales and use taxes on purchases
446 pursuant to the laws of the state in which the entity is
447 located. Any contractor making purchases on behalf of such
448 entity shall maintain a copy of the entity's exemption
449 certificate as evidence of the exemption. If the exemption
450 certificate issued by the exempt entity to the contractor is

451 later determined by the director of revenue to be invalid
452 for any reason and the contractor has accepted the
453 certificate in good faith, neither the contractor or the
454 exempt entity shall be liable for the payment of any taxes,
455 interest and penalty due as the result of use of the invalid
456 exemption certificate. Materials shall be exempt from all
457 state and local sales and use taxes when purchased by a
458 contractor for the purpose of fabricating tangible personal
459 property which is used in fulfilling a contract for the
460 purpose of constructing, repairing or remodeling facilities
461 for the following:

462 (a) An exempt entity located in this state, if the
463 entity is one of those entities able to issue project
464 exemption certificates in accordance with the provisions of
465 section 144.062; or

466 (b) An exempt entity located outside the state if the
467 exempt entity is authorized to issue an exemption
468 certificate to contractors in accordance with the provisions
469 of that state's law and the applicable provisions of this
470 section;

471 (37) All sales or other transfers of tangible personal
472 property to a lessor who leases the property under a lease
473 of one year or longer executed or in effect at the time of
474 the sale or other transfer to an interstate compact agency
475 created pursuant to sections 70.370 to 70.441 or sections
476 238.010 to 238.100;

477 (38) Sales of tickets to any collegiate athletic
478 championship event that is held in a facility owned or
479 operated by a governmental authority or commission, a quasi-
480 governmental agency, a state university or college or by the
481 state or any political subdivision thereof, including a
482 municipality, and that is played on a neutral site and may
483 reasonably be played at a site located outside the state of

484 Missouri. For purposes of this subdivision, "neutral site"
485 means any site that is not located on the campus of a
486 conference member institution participating in the event;

487 (39) All purchases by a sports complex authority
488 created under section 64.920, and all sales of utilities by
489 such authority at the authority's cost that are consumed in
490 connection with the operation of a sports complex leased to
491 a professional sports team;

492 (40) All materials, replacement parts, and equipment
493 purchased for use directly upon, and for the modification,
494 replacement, repair, and maintenance of aircraft, aircraft
495 power plants, and aircraft accessories;

496 (41) Sales of sporting clays, wobble, skeet, and trap
497 targets to any shooting range or similar places of business
498 for use in the normal course of business and money received
499 by a shooting range or similar places of business from
500 patrons and held by a shooting range or similar place of
501 business for redistribution to patrons at the conclusion of
502 a shooting event;

503 (42) All sales of motor fuel, as defined in section
504 142.800, used in any watercraft, as defined in section
505 306.010;

506 (43) Any new or used aircraft sold or delivered in
507 this state to a person who is not a resident of this state
508 or a corporation that is not incorporated in this state, and
509 such aircraft is not to be based in this state and shall not
510 remain in this state more than ten business days subsequent
511 to the last to occur of:

512 (a) The transfer of title to the aircraft to a person
513 who is not a resident of this state or a corporation that is
514 not incorporated in this state; or

515 (b) The date of the return to service of the aircraft
516 in accordance with 14 CFR 91.407 for any maintenance,

517 preventive maintenance, rebuilding, alterations, repairs, or
518 installations that are completed contemporaneously with the
519 transfer of title to the aircraft to a person who is not a
520 resident of this state or a corporation that is not
521 incorporated in this state;

522 (44) Motor vehicles registered in excess of fifty-four
523 thousand pounds, and the trailers pulled by such motor
524 vehicles, that are actually used in the normal course of
525 business to haul property on the public highways of the
526 state, and that are capable of hauling loads commensurate
527 with the motor vehicle's registered weight; and the
528 materials, replacement parts, and equipment purchased for
529 use directly upon, and for the repair and maintenance or
530 manufacture of such vehicles. For purposes of this
531 subdivision, "motor vehicle" and "public highway" shall have
532 the meaning as ascribed in section 390.020;

533 (45) All internet access or the use of internet access
534 regardless of whether the tax is imposed on a provider of
535 internet access or a buyer of internet access. For purposes
536 of this subdivision, the following terms shall mean:

537 (a) "Direct costs", costs incurred by a governmental
538 authority solely because of an internet service provider's
539 use of the public right-of-way. The term shall not include
540 costs that the governmental authority would have incurred if
541 the internet service provider did not make such use of the
542 public right-of-way. Direct costs shall be determined in a
543 manner consistent with generally accepted accounting
544 principles;

545 (b) "Internet", computer and telecommunications
546 facilities, including equipment and operating software, that
547 comprises the interconnected worldwide network that employ
548 the transmission control protocol or internet protocol, or

549 any predecessor or successor protocols to that protocol, to
550 communicate information of all kinds by wire or radio;

551 (c) "Internet access", a service that enables users to
552 connect to the internet to access content, information, or
553 other services without regard to whether the service is
554 referred to as telecommunications, communications,
555 transmission, or similar services, and without regard to
556 whether a provider of the service is subject to regulation
557 by the Federal Communications Commission as a common carrier
558 under 47 U.S.C. Section 201, et seq. For purposes of this
559 subdivision, internet access also includes: the purchase,
560 use, or sale of communications services, including
561 telecommunications services as defined in section 144.010,
562 to the extent the communications services are purchased,
563 used, or sold to provide the service described in this
564 subdivision or to otherwise enable users to access content,
565 information, or other services offered over the internet;
566 services that are incidental to the provision of a service
567 described in this subdivision, when furnished to users as
568 part of such service, including a home page, electronic
569 mail, and instant messaging, including voice-capable and
570 video-capable electronic mail and instant messaging, video
571 clips, and personal electronic storage capacity; a home page
572 electronic mail and instant messaging, including voice-
573 capable and video-capable electronic mail and instant
574 messaging, video clips, and personal electronic storage
575 capacity that are provided independently or that are not
576 packed with internet access. As used in this subdivision,
577 internet access does not include voice, audio, and video
578 programming or other products and services, except services
579 described in this paragraph or this subdivision, that use
580 internet protocol or any successor protocol and for which
581 there is a charge, regardless of whether the charge is

582 separately stated or aggregated with the charge for services
583 described in this paragraph or this subdivision;

584 (d) "Tax", any charge imposed by the state or a
585 political subdivision of the state for the purpose of
586 generating revenues for governmental purposes and that is
587 not a fee imposed for a specific privilege, service, or
588 benefit conferred, except as described as otherwise under
589 this subdivision, or any obligation imposed on a seller to
590 collect and to remit to the state or a political subdivision
591 of the state any gross retail tax, sales tax, or use tax
592 imposed on a buyer by such a governmental entity. The term
593 tax shall not include any franchise fee or similar fee
594 imposed or authorized under **[section]** sections 67.1830 to
595 67.1846 or section 67.2689; Section 622 or 653 of the
596 Communications Act of 1934, 47 U.S.C. Section 542 and 47
597 U.S.C. Section 573; or any other fee related to obligations
598 of telecommunications carriers under the Communications Act
599 of 1934, 47 U.S.C. Section 151, et seq., except to the
600 extent that:

601 a. The fee is not imposed for the purpose of
602 recovering direct costs incurred by the franchising or other
603 governmental authority from providing the specific
604 privilege, service, or benefit conferred to the payer of the
605 fee; or

606 b. The fee is imposed for the use of a public right-of-
607 way based on a percentage of the service revenue, and the
608 fee exceeds the incremental direct costs incurred by the
609 governmental authority associated with the provision of that
610 right-of-way to the provider of internet access service.

611 Nothing in this subdivision shall be interpreted as an
612 exemption from taxes due on goods or services that were
613 subject to tax on January 1, 2016;

614 (46) All purchases by a company of solar photovoltaic
615 energy systems, components used to construct a solar
616 photovoltaic energy system, and all purchases of materials
617 and supplies used directly to construct or make improvements
618 to such systems, provided that such systems:

619 (a) Are sold or leased to an end user; or

620 (b) Are used to produce, collect and transmit
621 electricity for resale or retail.

622 3. Any ruling, agreement, or contract, whether written
623 or oral, express or implied, between a person and this
624 state's executive branch, or any other state agency or
625 department, stating, agreeing, or ruling that such person is
626 not required to collect sales and use tax in this state
627 despite the presence of a warehouse, distribution center, or
628 fulfillment center in this state that is owned or operated
629 by the person or an affiliated person shall be null and void
630 unless it is specifically approved by a majority vote of
631 each of the houses of the general assembly. For purposes of
632 this subsection, an "affiliated person" means any person
633 that is a member of the same controlled group of
634 corporations as defined in Section 1563(a) of the Internal
635 Revenue Code of 1986, as amended, as the vendor or any other
636 entity that, notwithstanding its form of organization, bears
637 the same ownership relationship to the vendor as a
638 corporation that is a member of the same controlled group of
639 corporations as defined in Section 1563(a) of the Internal
640 Revenue Code, as amended.

348.436. The provisions of sections 348.430 to 348.436
2 shall expire December 31, [2021] 2028.

348.491. 1. This section shall be known and may be
2 cited as the "Specialty Agricultural Crops Act".

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

4 (1) "Authority", the Missouri agricultural and small
5 business development authority created in section 348.020;

6 (2) "Family farmer", a farmer who is a Missouri
7 resident and who has less than one hundred thousand dollars
8 in agricultural sales per year;

9 (3) "Lender", the same definition as in section
10 348.015;

11 (4) "Specialty crop", fruits and vegetables, tree
12 nuts, dried fruits, and horticulture and nursery crops
13 including, but not limited to, floriculture. "Specialty
14 crop" shall not include medical marijuana or industrial hemp.

15 3. The authority shall establish a specialty
16 agricultural crops loan program for family farmers for the
17 purchase of specialty crop seeds, seedlings, or trees; soil
18 amendments including compost; irrigation equipment; fencing;
19 row covers; trellising; season extension equipment;
20 refrigeration equipment; and equipment for planting and
21 harvesting.

22 4. To participate in the loan program, a family farmer
23 shall first obtain approval for a specialty agricultural
24 crops loan from a lender. Each family farmer shall be
25 eligible for only one specialty agricultural crops loan per
26 family.

27 5. The maximum amount of the specialty agricultural
28 crops loan for specialty crop producers shall be thirty-five
29 thousand dollars.

30 6. Eligible borrowers under the program:

31 (1) Shall use the proceeds of the specialty
32 agricultural crops loan to acquire the farming resources
33 described in subsection 3 of this section;

34 (2) Shall not finance more than ninety percent of the
35 anticipated cost of the purchase of such farming resources
36 through the specialty agricultural crops loan; and

37 (3) Shall not be charged interest by the lender for
38 the first year of the qualified specialty agricultural crops
39 loan.

40 7. Upon approval of the specialty agricultural crops
41 loan by a lender under subsection 4 of this section, the
42 loan shall be submitted for approval by the authority. The
43 authority shall promulgate rules establishing eligibility
44 under this section, taking into consideration:

45 (1) The eligible borrower's ability to repay the
46 specialty agricultural crops loan;

47 (2) The general economic conditions of the area in
48 which the farm is located;

49 (3) The prospect of a financial return for the family
50 farmer for the type of farming resource for which the
51 specialty agricultural crops loan is sought; and

52 (4) Such other factors as the authority may establish.

53 8. For eligible borrowers participating in the
54 program, the authority shall be responsible for reviewing
55 the purchase price of any farming resources to be purchased
56 by an eligible borrower under the program to determine
57 whether the price to be paid is appropriate for the type of
58 farming resources purchased. The authority may impose a one-
59 time loan review fee of one percent, which shall be
60 collected by the lender at the time of the loan and paid to
61 the authority.

62 9. Nothing in this section shall be construed to
63 preclude a family farmer from participating in any other
64 agricultural program.

65 10. Any rule or portion of a rule, as that term is
66 defined in section 536.010, that is created under the
67 authority delegated in this section shall become effective
68 only if it complies with and is subject to all of the
69 provisions of chapter 536 and, if applicable, section

70 536.028. This section and chapter 536 are nonseverable and
71 if any of the powers vested with the general assembly
72 pursuant to chapter 536 to review, to delay the effective
73 date, or to disapprove and annul a rule are subsequently
74 held unconstitutional, then the grant of rulemaking
75 authority and any rule proposed or adopted after the
76 effective date of this section shall be invalid and void.

77 11. Under section 23.253 of the Missouri sunset act:

78 (1) The provisions of the new program authorized under
79 this section shall automatically sunset on December 31,
80 2028, unless reauthorized by an act of the general assembly;
81 and

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

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

348.493. 1. As used in this section, "state tax
2 liability" means any state tax liability incurred by a
3 taxpayer under the provisions of chapter 143, 147, or 148,
4 exclusive of the provisions relating to the withholding of
5 tax as provided for in sections 143.191 to 143.265 and
6 related provisions.

7 2. Any eligible lender under the specialty
8 agricultural crops loan program under section 348.491 shall
9 be entitled to receive a tax credit equal to one hundred
10 percent of the amount of interest waived by the lender under
11 section 348.491 on a qualifying loan for the first year of
12 the loan only. The tax credit shall be evidenced by a
13 certificate of tax credit issued by the Missouri
14 agricultural and small business development authority and

15 may be used to satisfy the state tax liability of the owner
16 of such certificate that becomes due in the tax year in
17 which the interest on a qualified loan is waived by the
18 lender under section 348.491. No lender shall receive a tax
19 credit under this section unless such lender presents a
20 certificate of tax credit to the department of revenue for
21 payment of such state tax liability. The amount of the tax
22 credits that may be issued to all eligible lenders claiming
23 tax credits authorized in this section in a fiscal year
24 shall not exceed three hundred thousand dollars.

25 3. The Missouri agricultural and small business
26 development authority shall be responsible for the
27 administration and issuance of the certificate of tax
28 credits authorized by this section. The authority shall
29 issue a certificate of tax credit at the request of any
30 lender. Each request shall include a true copy of the loan
31 documents, the name of the lender who is to receive a
32 certificate of tax credit, the type of state tax liability
33 against which the tax credit is to be used, and the amount
34 of the certificate of tax credit to be issued to the lender
35 based on the interest waived by the lender under section
36 348.491 on the loan for the first year.

37 4. The department of revenue shall accept a
38 certificate of tax credit in lieu of other payment in such
39 amount as is equal to the lesser of the amount of the tax or
40 the remaining unused amount of the credit as indicated on
41 the certificate of tax credit and shall indicate on the
42 certificate of tax credit the amount of tax thereby paid and
43 the date of such payment.

44 5. The following provisions shall apply to tax credits
45 authorized under this section:

46 (1) Tax credits claimed in a tax year may be claimed
47 on a quarterly basis and applied to the estimated quarterly
48 tax of the lender;

49 (2) Any amount of tax credit that exceeds the tax due,
50 including any estimated quarterly taxes paid by the lender
51 under subdivision (1) of this subsection that result in an
52 overpayment of taxes for a tax year, shall not be refunded
53 but may be carried over to any subsequent tax year, not to
54 exceed a total of three years for which a tax credit may be
55 taken for a qualified specialty agricultural crops loan;

56 (3) Notwithstanding any provision of law to the
57 contrary, a lender may assign, transfer, sell, or otherwise
58 convey tax credits authorized under this section, with the
59 new owner of the tax credit receiving the same rights in the
60 tax credit as the lender. For any tax credits assigned,
61 transferred, sold, or otherwise conveyed, a notarized
62 endorsement shall be filed by the lender with the authority
63 specifying the name and address of the new owner of the tax
64 credit and the value of such tax credit; and

65 (4) Notwithstanding any other provision of this
66 section to the contrary, any commercial bank may use tax
67 credits created under this section as provided in section
68 148.064 and receive a net tax credit against taxes actually
69 paid in the amount of the first year's interest on loans
70 made under this section. If such first year tax credits
71 reduce taxes due as provided in section 148.064 to zero, the
72 remaining tax credits may be carried over as otherwise
73 provided in this section and used as provided in section
74 148.064 in subsequent years.

75 6. Under section 23.253 of the Missouri sunset act:

76 (1) The provisions of the new program authorized under
77 this section shall automatically sunset on December 31,

78 2028, unless reauthorized by an act of the general assembly;
79 and

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

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

348.500. 1. This section shall be known and may be
2 cited as the "Family Farms Act".

3 2. As used in this section, "small farmer" means a
4 farmer who is a Missouri resident and who has less than [two
5 hundred fifty] five hundred thousand dollars in gross sales
6 per year.

7 3. The agricultural and small business development
8 authority shall establish a family farm breeding livestock
9 loan program for small farmers for the purchase of beef
10 cattle, dairy cattle, sheep and goats, and swine only.

11 4. To participate in the loan program, a small farmer
12 shall first obtain approval for a family farm livestock loan
13 from a lender as defined in section 348.015. [Each small
14 farmer shall be eligible for only one family farm livestock
15 loan per family and for only one type of livestock.]

16 5. The maximum amount of the family farm livestock
17 loan for each type of livestock shall be as follows:

18 (1) [Seventy-five] One hundred fifty thousand dollars
19 for beef cattle;

20 (2) [Seventy-five] One hundred fifty thousand dollars
21 for dairy cattle;

22 (3) [Thirty-five] Seventy thousand dollars for swine;
23 and

24 (4) [Thirty] Sixty thousand dollars for sheep and
25 goats.

26 6. Eligible borrowers under the program:

27 (1) Shall use the proceeds of the family farm loan to
28 acquire breeding livestock;

29 (2) Shall not finance more than ninety percent of the
30 anticipated cost of the purchase of such livestock through
31 the family farm livestock loan; and

32 (3) Shall not be charged interest by the lender, as
33 defined in section 348.015, for the first year of the
34 qualified family farm livestock loan.

35 7. Upon approval of the family farm livestock loan by
36 a lender under subsection 4 of this section, the loan shall
37 be submitted for approval by the agricultural and small
38 business development authority. The authority shall
39 promulgate rules establishing eligibility under this
40 section, taking into consideration:

41 (1) The eligible borrower's ability to repay the
42 family farm livestock loan;

43 (2) The general economic conditions of the area in
44 which the farm is located;

45 (3) The prospect of a financial return for the small
46 farmer for the type of livestock for which the family farm
47 livestock loan is sought; and

48 (4) Such other factors as the authority may establish.

49 8. For eligible borrowers participating in the
50 program, the authority shall be responsible for reviewing
51 the purchase price of any livestock to be purchased by an
52 eligible borrower under the program to determine whether the
53 price to be paid is appropriate for the type of livestock
54 purchased. The authority may impose a one-time loan review
55 fee of one percent which shall be collected by the lender at
56 the time of the loan and paid to the authority.

57 9. Nothing in this section shall preclude a small
58 farmer from participating in any other agricultural program.

59 10. Any rule or portion of a rule, as that term is
60 defined in section 536.010, that is created under the
61 authority delegated in this section shall become effective
62 only if it complies with and is subject to all of the
63 provisions of chapter 536 and, if applicable, section
64 536.028. This section and chapter 536 are nonseverable and
65 if any of the powers vested with the general assembly
66 pursuant to chapter 536 to review, to delay the effective
67 date, or to disapprove and annul a rule are subsequently
68 held unconstitutional, then the grant of rulemaking
69 authority and any rule proposed or adopted after August 28,
70 2006, shall be invalid and void.

 Section B. Because immediate action is necessary to
2 maintain agricultural production, the repeal and reenactment
3 of sections 135.305, 135.686, 137.1018, 348.436, and
4 348.500, and the enactment of sections 135.755, 135.775,
5 135.778, 135.1610, 348.491, and 348.493 of this act is
6 deemed necessary for the immediate preservation of the
7 public health, welfare, peace, and safety, and is hereby
8 declared to be an emergency act within the meaning of the
9 constitution, and the repeal and reenactment of sections
10 135.305, 135.686, 137.1018, 348.436, and 348.500, and the
11 enactment of sections 135.755, 135.775, 135.778, 135.1610,
12 348.491, and 348.493 of this act shall be in full force and
13 effect upon its passage and approval.