

SECOND REGULAR SESSION

SENATE BILL NO. 986

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

4843S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 135.305, 135.686, and 348.436, RSMo, and to enact in lieu thereof three new sections relating to tax credits.

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

Section A. Sections 135.305, 135.686, and 348.436, RSMo,
2 are repealed and three new sections enacted in lieu thereof, to
3 be known as sections 135.305, 135.686, and 348.436, to read as
4 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.

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

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.

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

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