

SENATE AMENDMENT NO. _____
TO
SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SA to SS/HCS/House Bill No. 999, Page 1, Section _____, Line 2,

2 by inserting after all of said line the following:

3 "99.720. 1. Sections 99.720 to 99.730 shall be known
 4 and may be cited as the "Revitalizing Missouri Downtowns and
 5 Main Streets Act".

6 2. As used in sections 99.720 to 99.730, the following
 7 terms mean, unless the context requires otherwise:

8 (1) "Department", the Missouri department of economic
 9 development;

10 (2) "Qualified conversion expenditures", any amount
 11 properly chargeable to a capital account. The term
 12 "qualified conversion expenditures" shall not include:

13 (a) The cost of acquisition;

14 (b) Any expenditure attributable to the enlargement of
 15 an existing building; or

16 (c) Tax-exempt properties;

17 (3) "Qualified converted building", any building and
 18 its structural components if:

19 (a) Prior to conversion, such building was
 20 nonresidential real property, as defined in 26 U.S.C.
 21 Section 168(e)(2)(B), as amended, which was leased, or

22 available for lease, to office tenants, or utilized for
23 office purposes by the owner-occupant;

24 (b) Such building has been substantially converted
25 from an office use to a predominantly residential use,
26 defined as more than fifty percent of the gross square
27 footage of the building, and may also include retail, or
28 other commercial use, and may also include accessory on-site
29 parking; and

30 (c) Such building was initially placed in service at
31 least twenty-five years before the beginning of the
32 conversion;

33 (4) "Qualified Missouri main street district", an
34 accredited, associated, or affiliated main street district
35 of the Missouri main street program created pursuant to
36 sections 251.470 to 251.485;

37 (5) "State tax liability", any liability incurred by a
38 taxpayer pursuant to chapter 143 or chapter 148, exclusive
39 of the provisions relating to the withholding of taxes
40 provided for in sections 143.191 to 143.265 and related
41 provisions;

42 (6) "Substantially converted", qualified conversion
43 expenditures incurred during the twenty-four-month period
44 preceding final approval of tax credits that in total are
45 greater than the greater of either:

46 (a) The adjusted basis of such building and its
47 structural components, as determined as of the beginning of
48 the first day of such twenty-four-month period, or of the
49 holding period of the building, whichever is later; or

50 (b) Fifteen thousand dollars if the property is
51 located in a qualified Missouri main street district, or
52 five hundred thousand dollars if the property is not located
53 in a qualified Missouri main street district.

54 In the case of any conversion which may reasonably be
55 expected to be completed in phases set forth in
56 architectural plans and specifications completed before the
57 conversion begins, qualified conversion expenditures shall
58 be totaled for the sixty-month period preceding final
59 approval of tax credits rather than the twenty-four-month
60 period preceding such final approval;

61 (7) "Upper floor housing", any housing that is
62 attached to or contained in the same building as commercial
63 property, whether located on the ground floor behind the
64 traditional storefront or on other floors of the building.

65 99.722. 1. For all tax years beginning on or after
66 January 1, 2026, the department shall issue a taxpayer a
67 credit against the taxpayer's state tax liability equal to
68 twenty-five percent of qualified conversion expenditures
69 incurred on or after January 1, 2026, with respect to a
70 qualified converted building. If the amount of such tax
71 credit exceeds the taxpayer's state tax liability for the
72 year in which tax credits are issued, the amount that
73 exceeds the state tax liability may be carried back to any
74 of the three preceding tax years or carried forward for
75 credit against state tax liability for the succeeding ten
76 tax years, or until the full credit is used, whichever
77 occurs first.

78 2. Tax credits authorized pursuant to this section may
79 be transferred, sold, or assigned, and shall retain the same
80 attributes as in the hands of the assignor. Tax credits may
81 be transferred multiple times. In order to transfer a tax
82 credit authorized pursuant to this section, the assignor and
83 assignee shall complete and submit a tax credit transfer
84 form provided by the department of revenue. Such transfers
85 may be facilitated through an intermediary entity as

permitted by law without affecting the nature or attributes of the tax credit.

3. Tax credits authorized for a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata, or pursuant to an executed agreement among the partners, members, or owners documenting an alternate distribution method.

4. The assignee of a tax credit may use the acquired tax credits to offset up to one hundred percent of the taxpayer's state tax liability. The assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department.

99.724. 1. For all tax years beginning on or after January 1, 2026, the department shall issue a taxpayer a credit against the taxpayer's state tax liability equal to thirty percent of qualified conversion expenditures incurred on or after January 1, 2026, with respect to upper floor housing located in a qualified Missouri main street district. If the amount of such tax credit exceeds the taxpayer's state tax liability for the year in which tax credits are issued, the amount that exceeds the state tax liability may be carried back to any of the three preceding tax years or carried forward for credit against state tax liability for the succeeding ten tax years, or until the full credit is used, whichever occurs first.

2. Tax credits authorized pursuant to this section may be transferred, sold, or assigned, and shall retain the same attributes as in the hands of the assignor. Tax credits may be transferred multiple times. In order to transfer a tax credit authorized pursuant to this section, the assignor and

119 assignee shall complete and submit a tax credit transfer
120 form provided by the department of revenue. Such transfers
121 may be facilitated through an intermediary entity as
122 permitted by law without affecting the nature or attributes
123 of the tax credit.

124 3. Tax credits authorized for a partnership, a limited
125 liability company taxed as a partnership, or multiple owners
126 of property shall be passed through to the partners,
127 members, or owners respectively pro rata, or pursuant to an
128 executed agreement among the partners, members, or owners
129 documenting an alternate distribution method.

130 4. The assignee of a tax credit may use the acquired
131 tax credits to offset up to one hundred percent of the
132 taxpayer's state tax liability. The assignor shall perfect
133 such transfer by notifying the department in writing within
134 thirty calendar days following the effective date of the
135 transfer and shall provide any information as may be
136 required by the department.

137 99.726. 1. The total amount of tax credits authorized
138 pursuant to sections 99.720 to 99.730 shall not exceed fifty
139 million dollars in any fiscal year.

140 2. Fifty percent of the maximum amount of tax credits
141 available to be authorized to taxpayers in a fiscal year
142 pursuant to this section shall be authorized solely for
143 structures of more than seven hundred fifty thousand gross
144 square feet. If the total amount of such reserved tax
145 credits have been authorized, structures of more than seven
146 hundred fifty thousand gross square feet may receive tax
147 credits from the remaining unreserved amount of tax
148 credits. If the total amount of reserved tax credits have
149 not been authorized by the department, structures of less
150 than seven hundred fifty thousand gross square feet may be
151 authorized tax credits from such reserved amount. The total

amount of tax credits for a structure of more than seven hundred fifty thousand gross square feet may be allocated to the annual limits provided in this section over a period of up to ten years, if:

(1) The project otherwise meets all the requirements of sections 99.720 to 99.730; and

(2) The project meets the ten percent incurred costs test under subsection 6 of section 99.728 within thirty-six months after an award is authorized.

3. Twenty-five percent of the maximum amount of tax credits available to be authorized to taxpayers in a fiscal year pursuant to this section shall be authorized solely for upper floor housing projects located in a qualified Missouri main street district. If the total amount of such reserved tax credits have been authorized, upper floor housing projects located in a qualified Missouri main street district may receive tax credits from the remaining unreserved amount of tax credits. If the total amount of reserved tax credits have not been authorized by the department, projects not located in a qualified Missouri main street district may be authorized tax credits from such reserved amount.

4. If the maximum amount of tax credits allowed in any fiscal year, as provided pursuant to this section, is authorized, the maximum amount of tax credits allowed pursuant to subsection 1 of this section shall be adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers, or its successor index, as such index is defined and officially reported by the United States Department of Labor, or its successor agency. Only one such adjustment shall be made for each instance in which the provisions of this subsection apply. The department shall publish such adjusted amount.

185 5. In the event the department authorizes tax credits
186 equal to the total amount available pursuant to this
187 section, or sufficient that when totaled with all other
188 approvals, the amount available pursuant to this section is
189 exhausted, all taxpayers with applications then awaiting
190 approval or thereafter submitted for approval shall be
191 notified by the department that no additional approvals
192 shall be granted during the fiscal year and shall be
193 notified of the priority given to such taxpayer's
194 application then awaiting approval. Such applications shall
195 be kept on file by the department and shall be considered
196 for approval for tax credits in the order established in
197 this section in the event that additional tax credits become
198 available due to the rescission of approvals, or when a new
199 fiscal year's allocation of tax credits becomes available
200 for approval.

201 99.728. 1. To obtain approval for tax credits
202 pursuant to sections 99.720 to 99.730, a taxpayer shall
203 submit an application for tax credit authorization to the
204 department. The department shall have sixty days to review
205 the application and shall notify the applicant in writing
206 within thirty days of the decision of whether the
207 application has been authorized for tax credits. Each
208 application for approval, including any applications
209 received for supplemental allocations of tax credits as
210 provided pursuant to subsection 2 of section 99.730, shall,
211 if approved, be authorized for tax credits in the order of
212 submission.

213 2. Each application shall be reviewed by the
214 department for approval. In order to receive approval, an
215 application shall include:

216 (1) Proof of ownership or site control. Proof of
217 ownership shall include evidence that the taxpayer is the

218 fee simple owner of the eligible property, such as a
219 warranty deed or a closing statement. Proof of site control
220 may be evidenced by a leasehold interest or an option to
221 acquire such an interest. If the taxpayer is in the process
222 of acquiring fee simple ownership, proof of site control
223 shall include an executed sales contract or an executed
224 option to purchase the eligible property;

225 (2) Floor plans of the existing structure,
226 architectural plans, and, where applicable, plans of the
227 proposed conversion of the structure, as well as proposed
228 additions;

229 (3) The estimated cost of conversion, the anticipated
230 total costs of the project, the estimated qualified
231 conversion expenditures, the actual basis of the property,
232 as shown by proof of actual acquisition costs, the
233 anticipated total labor costs, the estimated project start
234 date, and the estimated project completion date;

235 (4) Proof that the property is an eligible property;

236 (5) A copy of all land use and building approvals
237 reasonably necessary for the commencement of the project; and

238 (6) Any other information which the department may
239 reasonably require to review the project for approval.

240 Only the property for which a property address is provided
241 in the application shall be reviewed for approval. Once
242 selected for review, a taxpayer shall not be permitted to
243 request the review of another property for approval in the
244 place of the property contained in such application. The
245 department shall notify the applicant of incomplete
246 applications and the applicant shall have a thirty-day
247 period from the date of such notice to submit missing
248 information or documentation to remedy the failure. Any
249 application that is not complete after this opportunity to
250 cure shall be disapproved by the department. Any

disapproved application shall be removed from the review process. If an application is removed from the review process, the department shall notify the taxpayer in writing of the decision to remove such application. The taxpayer may subsequently submit a revised application. For the purposes of determining the order of submission and authorization of credits, the revised application shall be considered a new application.

3. If the department determines that the application meets the requirements of sections 99.720 to 99.730 to receive an authorization of tax credits, the taxpayer shall be notified in writing of the approval for an amount of tax credits equal to the amounts provided in sections 99.722 and 99.724, less any amount of tax credits previously approved pursuant to this section. Tax credits approved pursuant to this section shall be approved and administered independently and shall not be evaluated in conjunction with any other state tax credit program. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such tax credits.

4. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:

(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same; provided, however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or

284 (2) Where the ownership of the project is changed due
285 to a foreclosure, deed in lieu of a foreclosure or voluntary
286 conveyance, or a transfer in bankruptcy.

287 5. All taxpayers with applications receiving approval
288 shall submit within one hundred twenty days following the
289 authorization of credits evidence of the capacity of the
290 applicant to finance the costs and expenses for the
291 conversion of the eligible property in the form of a line of
292 credit or letter of commitment subject to the lender's
293 termination for a material adverse change impacting the
294 extension of credit. If the department determines that a
295 taxpayer has failed to comply with the requirements of this
296 subsection, then the department shall notify the applicant
297 of such failure and the applicant shall have a thirty-day
298 period from the date of such notice to submit additional
299 evidence to remedy the failure.

300 6. All taxpayers with applications receiving approval,
301 excluding projects described in subsection 2 of section
302 99.726, shall commence conversion within twelve months of
303 the date of issuance of the letter from the department
304 granting the approval for tax credits. For the purposes of
305 this subsection, "commence conversion" shall mean that, as
306 of the date in which actual physical work, contemplated by
307 the architectural plans submitted with the application, has
308 begun, the taxpayer has incurred no less than ten percent of
309 the estimated qualified conversion expenditures provided in
310 the application. Taxpayers with approval of a project shall
311 submit evidence of compliance with the provisions of this
312 subsection. If the department determines that a taxpayer
313 has failed to comply with the requirements of this
314 subsection, the approval for the amount of tax credits for
315 such taxpayer shall be rescinded and such amount of tax
316 credits shall then be included in the total amount of tax

317 credits from which approvals may be granted. Any taxpayer
318 whose approval shall be subject to rescission shall be
319 notified of such from the department and, upon receipt of
320 such notice, may submit a new application for the project.

321 99.730. 1. To claim a tax credit authorized pursuant
322 to sections 99.720 to 99.730, a taxpayer with approval
323 shall, except with respect to a tax credit authorized
324 pursuant to subsection 2 of section 99.726, apply for final
325 approval and issuance of tax credits from the department,
326 which shall determine the final amount of qualified
327 conversion expenditures and whether the completed
328 rehabilitation meets the requirements of sections 99.720 to
329 99.730. A taxpayer shall submit to the department a final
330 application demonstrating:

331 (1) That the taxpayer has substantially converted a
332 qualified converted building or upper floor housing;

333 (2) Satisfactory evidence of any qualified conversion
334 expenditures for the structure, as determined by the
335 department; and

336 (3) Any other information reasonably requested by the
337 department relating to verifying qualified conversion
338 expenditures or compliance with the requirements of sections
339 99.720 to 99.730.

340 Tax credits authorized pursuant to sections 99.720 to 99.730
341 shall be deemed to be redevelopment tax credits for the
342 purposes of sections 135.800 to 135.830. The approval of
343 all applications and the issuing of certificates of tax
344 credits to taxpayers shall be performed by the department.
345 The department shall inform a taxpayer of final approval by
346 letter and shall issue, to the taxpayer, tax credit
347 certificates. The taxpayer shall attach the certificate to
348 all Missouri income tax returns on which the credit is
349 claimed.

350 2. (1) The department shall issue seventy-five
351 percent of the approved tax credits within seventy-five days
352 of receiving all required final application materials.
353 Within one hundred twenty days, the department shall make a
354 final determination of qualified conversion expenditures and
355 issue the remaining twenty-five percent of approved tax
356 credits, or request repayment from the applicant if the
357 final determination results in an over-issuance of tax
358 credits. In the event the amount of qualified conversion
359 expenditures incurred by a taxpayer would result in the
360 issuance of an amount of tax credits in excess of the amount
361 authorized pursuant to subsection 3 of section 99.728, such
362 taxpayer may apply to the department for issuance of tax
363 credits in an amount equal to such excess. Applications for
364 issuance of tax credits in excess of the amount provided
365 under a taxpayer's authorization shall be made on a form
366 prescribed by the department. Such applications shall be
367 subject to all provisions regarding priority provided under
368 subsection 1 of section 99.728.

369 (2) For tax credits authorized pursuant to subsection
370 2 of section 99.726, the applicant may submit to the
371 department an application for the issuance of tax credits
372 annually prior to final completion of the project. Upon
373 approval of the annual application for issuance, the
374 department shall issue eighty percent of the amount of tax
375 credits that would result from the qualified conversion
376 expenditures, provided the total amount of credits issued to
377 date does not exceed the total amount of credits authorized
378 for the project. Any remaining authorized tax credits shall
379 be issued upon the final approval of the project. The
380 department shall issue eighty percent of the approved
381 credits within seventy-five days of receiving all required
382 application materials. Within one hundred twenty days, the

department shall make a final determination of qualified conversion expenditures and issue any remaining authorized tax credits upon the final completion of the phased project, or request repayment if an over-issuance of credits is determined.

3. The department shall determine, on an annual basis, the overall economic impact to the state from the conversion of eligible property pursuant to sections 99.720 to 99.730.

4. (1) No taxpayer shall be issued tax credits for qualified conversion expenditures on a qualified converted building within twenty-seven years of a previous issuance of tax credits pursuant to sections 99.720 to 99.730 on such qualified converted building. No taxpayer shall be issued tax credits pursuant to sections 99.722 and 99.724 for the same qualified conversion expenditures.

(2) A taxpayer may be authorized and issued tax credits pursuant to sections 99.720 to 99.730 in addition to tax credits authorized and issued pursuant to sections 253.544 to 253.559 for the same expenditures.

5. The department may promulgate any rules and regulations necessary to administer the provisions of sections 99.720 to 99.730. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

416 6. Notwithstanding the provisions of section 23.253 of
417 the Missouri sunset act to the contrary:

418 (1) The program authorized pursuant to sections 99.720
419 to 99.730 shall automatically sunset on December 31, 2033,
420 unless reauthorized by an act of the general assembly; and

421 (2) If such program is reauthorized, the program
422 authorized pursuant to sections 99.720 to 99.730 shall
423 automatically sunset twelve years after the effective date
424 of the reauthorization;

425 (3) Sections 99.720 to 99.730 shall terminate on
426 September first of the calendar year immediately following
427 the calendar year in which the program authorized pursuant
428 to sections 99.720 to 99.730 is sunset; and

429 (4) The provisions of this subsection shall not be
430 construed to limit or in any way impair:

431 (a) A taxpayer's ability to complete a project and be
432 issued tax credits pursuant to sections 99.720 to 99.730 for
433 any project for which the taxpayer has received an
434 authorization of tax credits from the department pursuant to
435 sections 99.720 to 99.730 on or before the date the program
436 authorized pursuant to sections 99.720 to 99.730 expires; or

437 (b) The department's ability to issue and the
438 department of revenue's ability to redeem tax credits
439 authorized by the department on or before the date the
440 program authorized pursuant to sections 99.720 to 99.730
441 expires, or a taxpayer's ability to redeem such tax
442 credits."