

## SENATE COMMITTEE SUBSTITUTE

FOR

SENATE BILL NO. 184

AN ACT

To repeal sections 67.3000 and 67.3005, RSMo, and to enact in lieu thereof two new sections relating to tax credits for certain sporting events.

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

Section A. Sections 67.3000 and 67.3005, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section 67.3005, the following words shall mean:

(1) "Active member", an organization located in the state of Missouri which solicits and services sports events, sports organizations, and other types of sports-related activities in that community;

(2) "Applicant" or "applicants", one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively;

(3) "Certified sponsor" or "certified sponsors", a nonprofit organization which is an active member of the [National Association of Sports Commissions] Sports Events and Tourism Association;

(4) "Department", the Missouri department of economic development;

(5) "Director", the director of revenue;

(6) ["Eligible costs" shall include:

(a) Costs necessary for conducting the sporting event;

(b) Costs relating to the preparations necessary for the conduct of the sporting event; and

(c) An applicant's pledged obligations to the site selection organization as evidenced by the support contract for the sporting event including, but not limited to, bid fees and financial guarantees.

Eligible costs shall not include any cost associated with the rehabilitation or construction of any facilities used to host the sporting event or direct payments to a for-profit site selection organization, but may include costs associated with the retrofitting of a facility necessary to accommodate the sporting event;

**[(7)]** (7) "Eligible donation", donations received, by a certified sponsor or local organizing committee, from a taxpayer that may include cash, publicly traded stocks and bonds, and real estate that will be valued and documented according to rules promulgated by the department. Such donations shall be used solely to provide funding to attract sporting events to this state;

**[(8)]** (7) "Endorsing municipality" or "endorsing municipalities", any city, town, incorporated village, or county that contains a site selected by a site selection organization for one or more sporting events;

**[(9)]** (8) "Joinder agreement", an agreement entered into by one or more applicants, acting individually or collectively, and a site selection organization setting out representations and assurances by each applicant in connection with the selection of a site in this state for the location of a sporting event;

**[(10)]** (9) "Joinder undertaking", an agreement entered into by one or more applicants, acting individually or collectively, and a site selection organization that each applicant will execute a joinder agreement in the event that the site selection organization selects a site in this state for a sporting event;

[(11)] (10) "Local organizing committee", a nonprofit corporation or its successor in interest that:

(a) Has been authorized by one or more certified sponsors, endorsing municipalities, or endorsing counties, acting individually or collectively, to pursue an application and bid on its or the applicant's behalf to a site selection organization for selection as the host of one or more sporting events; or

(b) With the authorization of one or more certified sponsors, endorsing municipalities, or endorsing counties, acting individually or collectively, executes an agreement with a site selection organization regarding a bid to host one or more sporting events;

(11) "Registered participant", an individual who is registered to compete in a sporting event, or an athlete, coach, or other individual who is part of a team's official contingent with an official capacity for such sporting event;

(12) "Site selection organization", the National Collegiate Athletic Association (NCAA); an NCAA member conference, university, or institution; the National Association of Intercollegiate Athletics (NAIA); the United States Olympic & Paralympic Committee [(USOC)] (USOPC); a national governing body (NGB) or international federation of a sport recognized by the [(USOC)] USOPC; the United States Golf Association (USGA); the United States Tennis Association (USTA); the Amateur Athletic Union (AAU); the National Christian College Athletic Association (NCCAA); the National Junior College Athletic Association (NJCAA); the United States Sports Specialty Association (USSSA); any rights holder member of the [National Association of Sports Commissions (NASC)] Sports Events and Tourism Association (Sports ETA); other major regional, national, and international sports associations, and amateur organizations

that promote, organize, or administer sporting games or competitions; or other major regional, national, and international organizations that promote or organize sporting events;

(13) "Sporting event" or "sporting events", an amateur, collegiate, or Olympic sporting event that is competitively bid or is awarded by a site selection organization;

(14) "Support contract" or "support contracts", an event award notification, joinder undertaking, joinder agreement, or contract executed by an applicant and a site selection organization;

(15) "Tax credit" or "tax credits", a credit or credits issued by the department against the tax otherwise due under chapter 143 or 148, excluding withholding tax imposed under sections 143.191 to 143.265;

(16) "Taxpayer", any of the following individuals or entities who make an eligible donation:

(a) A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed under chapter 143;

(b) A corporation subject to the annual corporation franchise tax imposed under chapter 147;

(c) An insurance company paying an annual tax on its gross premium receipts in this state;

(d) Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148;

(e) An individual subject to the state income tax imposed under chapter 143;

(f) Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business

taxable income, if any, would be subject to the state income tax imposed under chapter 143.

2. An applicant may submit a copy of a support contract for a sporting event to the department. Within sixty days of receipt of the sporting event support contract, the department may review the applicant's support contract and certify such support contract if it complies with the requirements of this section. Upon certification of the support contract by the department, the applicant may be authorized to receive the tax credit under subsection 4 of this section.

3. No more than ninety days following the conclusion of the sporting event, the applicant shall submit [eligible costs and documentation of the costs evidenced by receipts, paid invoices, event settlements, or other documentation in a manner prescribed by the department. Eligible costs may be paid by the applicant or an entity cohosting the event with the applicant] a ticket sales or box office statement verifying the total number of tickets sold for such event, or, if such event was participant-based, a list of all registered participants.

4. (1) [No later than seven days following the conclusion of the sporting event, the department, in consultation with the director, shall determine the total number of tickets sold at face value for such event or, if such event was participant-based and did not sell admission tickets, the total number of paid participant registrations.

(2)] No later than sixty days following the receipt of [eligible costs and] documentation of [such costs] ticket sales or registered participants from the applicant as required in subsection 3 of this section, the department shall, except for the limitations under subsection 5 of this

section, issue a certificate for a refundable tax credit to the applicant for [the least of]:

(a) [One hundred percent of eligible costs incurred by the applicant;

(b)] An amount equal to [five] six dollars for every admission ticket sold to such event; or

[(c)] (b) An amount equal to [ten] twelve dollars for every [paid] registered participant [registration] if such event was participant-based [and did not sell admission tickets].

The calculations under paragraphs [(b)] (a) and [(c)] (b) of this subdivision shall use the actual number of tickets sold or [registrations paid] registered participants, not an estimated amount.

(2) The department of revenue shall issue a refund of the refundable tax credit to the applicant within ninety days of the applicant's submission of a valid tax credit certificate issued in accordance with subdivision (1) of this subsection. Notwithstanding any provision of law to the contrary, this may include a refund issued in advance of the close of the tax period to which the tax credit applies.

(3) Tax credits authorized by this section may be claimed against taxes imposed by chapters 143 and 148 [and shall be claimed within one year of the close of the tax year for which the credits were issued]. Tax credits authorized by this section [may] shall not be transferred, sold, or assigned [by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department]. Notwithstanding any provision of law to the contrary, tax credits authorized by this section may be refunded at any time following issuance, even

prior to the close of the tax period for which the credits were issued. An erroneous, excessive, or improper refund of these tax credits shall be considered an underpayment of tax on the date made. If any applicant is issued tax credits pursuant to this section that are refunded to such applicant, but the department of revenue later determines that the applicant receiving the credits owes or owed taxes that were not paid for the tax year for which the tax credit was issued, such applicant shall pay to the department of revenue the applicant's tax liability still due, including any underpayment caused by the erroneous, excessive, or improper refund of these tax credits.

5. In no event shall the amount of tax credits issued by the department under subsection 4 of this section exceed three million dollars in any fiscal year. For all events located within the following counties, the total amount of tax credits issued shall not exceed two million seven hundred thousand dollars in any fiscal year:

- (1) A county with a charter form of government and with more than six hundred thousand inhabitants; or
- (2) A city not within a county.

6. An applicant shall provide any information necessary as determined by the department for the department and the director to fulfill the duties required by this section. At any time upon the request of the state of Missouri, a certified sponsor shall subject itself to an audit conducted by the state.

7. This section shall not be construed as creating or requiring a state guarantee of obligations imposed on an endorsing municipality under a support contract or any other agreement relating to hosting one or more sporting events in this state.

8. The department shall only certify an applicant's support contract for a sporting event in which the site selection organization has yet to select a location for the sporting event as of December 1, 2012. No support contract shall be certified unless the site selection organization has chosen to use a location in this state from competitive bids, at least one of which was a bid for a location outside of this state, except that competitive bids shall not be required for any previously-awarded event whose site selection organization extends its contractual agreement with the event's certified sponsor or for any [post-season] neutral-site collegiate [football game or other neutral-site] game with at least one out-of-state team. Support contracts shall not be certified by the department after August 28, [2025] 2032, provided that the support contracts may be certified on or prior to August 28, [2025] 2032, for sporting events that will be held after such date.

9. The department may promulgate rules as necessary to implement the provisions of this section. 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, 2013, shall be invalid and void.

10. The repeal and reenactment of subsection 8 of this section shall become effective August 28, 2025, and the repeal and reenactment of the remainder of the provisions of



this section shall become effective July 1, 2026, and shall apply only to tax credits issued on or after July 1, 2026.

67.3005. 1. For all tax years beginning on or after January 1, 2013, any taxpayer shall be allowed a credit against the taxes otherwise due under chapter 143, 147, or 148, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to fifty percent of the amount of an eligible donation, subject to the restrictions in this section. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state income tax liability in the tax year for which the credit is claimed. Any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year shall not be refundable, but may be carried forward to any of the taxpayer's two subsequent tax years.

2. To claim the credit authorized in this section, a certified sponsor or local organizing committee shall submit to the department an application for the tax credit authorized by this section on behalf of taxpayers. The department shall verify that the applicant has submitted the following items accurately and completely:

(1) A valid application in the form and format required by the department;

(2) A statement attesting to the eligible donation received, which shall include the name and taxpayer identification number of the individual making the eligible donation, the amount of the eligible donation, and the date the eligible donation was received; and

(3) Payment from the certified sponsor or local organizing committee equal to the value of the tax credit for which application is made.

If the certified sponsor or local organizing committee applying for the tax credit meets all criteria required by

this subsection, the department shall issue a certificate in the appropriate amount.

3. Tax credits issued under this section may be assigned, transferred, sold, or otherwise conveyed, and the new owner of the tax credit shall have the same rights in the credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit or the value of the credit. In no event shall the amount of tax credits issued by the department under this section exceed [ten million] five hundred thousand dollars in any fiscal year.

4. The department shall promulgate rules to implement the provisions of this section. 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, 2013, shall be invalid and void.

5. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section and section 67.3000 [and under this section] shall automatically sunset six years after August 28, [2019] 2026, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section and section 67.3000 [and under this section] shall automatically sunset twelve years after the effective date of the reauthorization of these sections; and

(3) Section 67.3000 and this section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under these sections is sunset.

6. The repeal and reenactment of subsection 5 of this section shall become effective August 28, 2025, and the repeal and reenactment of the remainder of the provisions of this section shall become effective July 1, 2026, and shall apply only to tax credits issued on or after July 1, 2026.