

SECOND REGULAR SESSION

SENATE BILL NO. 1406

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR HENDERSON.

5856S.011

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to incentives for converting a business to produce certain chemicals, gases, metals, and minerals.

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

Section A. Chapter 620, RSMo, is amended by adding thereto
2 one new section, to be known as section 620.1641, to read as
3 follows:

620.1641. 1. This section shall be known and may be
2 cited as the "Missouri Defense and Energy Independence Act".

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

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

6 (2) "Qualified amount", for a qualified company in a
7 given tax year, a portion of such qualified company's
8 qualified conversion costs, subject to the limitations
9 provided in this section;

10 (3) "Qualified company", a firm, partnership, joint
11 venture, association, private or public corporation
12 regardless of whether organized for profit, or headquarters
13 of such entity registered to do business in Missouri, that
14 is a nontraditional defense contractor, as such term is
15 defined in 10 U.S.C. Section 3014, as amended, and that
16 incurs qualified conversion costs;

17 (4) "Qualified conversion costs", costs a qualified
18 company incurs in converting such company to produce
19 chemicals, metals, gases, or rare earth minerals that will
20 be used for projects designed to decrease or eliminate
21 reliance on foreign-produced chemicals, metals, gases, or
22 rare earth minerals used in the production of energy
23 projects or Department of Defense or successor agency
24 projects;

25 (5) "Tax credit", tax credits issued by the department
26 to offset the state taxes imposed by chapters 143 and 148,
27 excluding the withholding tax imposed under sections 143.191
28 to 143.265.

29 3. (1) For all tax years beginning on or after
30 January 1, 2027, a qualified company shall be allowed to
31 claim a tax credit against the qualified company's state tax
32 liability in an amount equal to the qualified company's
33 qualified amount, subject to the limitations provided in
34 this subsection.

35 (2) The total qualified amount a qualified company
36 shall be allowed to claim under this section shall not
37 exceed fifteen percent of the cumulative amount of tax
38 credits allowed under subsection 4 of this section. One-
39 fourth of such total qualified amount a qualified company is
40 eligible to receive shall be issued in each of the four tax
41 years immediately following the tax year for which the
42 qualified company claimed the tax credit.

43 4. The cumulative amount of tax credits allowed to all
44 taxpayers under this section shall not exceed forty million
45 dollars per tax year. If the amount of tax credits claimed
46 in a tax year under this section exceeds forty million
47 dollars, tax credits shall be allowed based on the order in
48 which they are claimed.

49 5. (1) Tax credits issued under the provisions of
50 this section shall not be refundable.

51 (2) No tax credit claimed under this section shall be
52 carried forward to any subsequent tax year.

53 (3) Tax credits claimed pursuant to this section may
54 be assigned, transferred, sold, or otherwise conveyed.

55 6. (1) There is hereby created in the state treasury
56 the "Grants for Independence from Foreign Influence Fund",
57 which shall consist of at least ten million dollars
58 appropriated by the general assembly and any gifts,
59 contributions, grants, or bequests received from federal,
60 private, or other sources. The state treasurer shall be
61 custodian of the fund. In accordance with sections 30.170
62 and 30.180, the state treasurer may approve disbursements.
63 The fund shall be a dedicated fund and, upon appropriation,
64 moneys in the fund shall be used solely as provided in
65 subsection 7 of this section.

66 (2) Notwithstanding the provisions of section 33.080
67 to the contrary, any moneys remaining in the fund at the end
68 of the biennium shall not revert to the credit of the
69 general revenue fund.

70 (3) The state treasurer shall invest moneys in the
71 fund in the same manner as other funds are invested. Any
72 interest and moneys earned on such investments shall be
73 credited to the fund.

74 7. (1) The department shall develop and implement
75 grants for independence from foreign influence as provided
76 in this subsection.

77 (2) The department shall establish procedures for the
78 solicitation, evaluation, and approval of grant applications
79 received from a qualified company. A qualified company may
80 submit a grant application for the award of moneys for

81 qualified conversion costs incurred by the qualified company
82 as provided in this subsection.

83 (3) The department shall evaluate each application and
84 approve or reject such application. Subject to
85 appropriations, upon approval of an application, the
86 department shall administer a grant award of moneys from the
87 grants for independence from foreign influence fund in an
88 amount not to exceed five hundred thousand dollars per grant
89 application.

90 (4) Moneys granted to a qualified company under this
91 section shall be used solely for qualified conversion costs
92 incurred before the completion of the conversion of the
93 qualified company.

94 8. The department shall promulgate all necessary rules
95 and regulations for the administration of this section
96 including, but not limited to, rules relating to the
97 verification of a qualified company's qualified amount and
98 qualified conversion costs. Any rule or portion of a rule,
99 as that term is defined in section 536.010, that is created
100 under the authority delegated in this section shall become
101 effective only if it complies with and is subject to all of
102 the provisions of chapter 536 and, if applicable, section
103 536.028. This section and chapter 536 are nonseverable and
104 if any of the powers vested with the general assembly
105 pursuant to chapter 536 to review, to delay the effective
106 date, or to disapprove and annul a rule are subsequently
107 held unconstitutional, then the grant of rulemaking
108 authority and any rule proposed or adopted after August 28,
109 2026, shall be invalid and void.

110 9. Pursuant to section 23.253 of the Missouri sunset
111 act:

112 (1) The program authorized pursuant to this section
113 shall automatically sunset six years after the effective
114 date of this section unless reauthorized by an act of the
115 general assembly;

116 (2) This section shall terminate on September first of
117 the calendar year immediately following the calendar year in
118 which the program authorized pursuant to this section is
119 sunset; and

120 (3) The provisions of this subsection shall not be
121 construed to impair or impede the state's fulfillment of any
122 obligations, including the authorization, issuance, or
123 redemption of tax credits, incurred pursuant to this section
124 prior to the date the program authorized pursuant to this
125 section is sunset.

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