

SENATE BILL NO. 864

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

4789S.02I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 135.305, 135.686, 135.772, 135.775, 135.778, 135.1610, 137.1018, 348.436, 348.491, and 348.493, RSMo, and to enact in lieu thereof nine 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, 135.772, 135.775,
2 135.778, 135.1610, 137.1018, 348.436, 348.491, and 348.493,
3 RSMo, are repealed and nine new sections enacted in lieu
4 thereof, to be known as sections 135.305, 135.686, 135.772,
5 135.775, 135.778, 135.1610, 137.1018, 348.491, and 348.493, to
6 read as 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, 2028.] In no event shall
12 the aggregate amount of all tax credits allowed under
13 sections 135.300 to 135.311 exceed six million dollars in

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

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, 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 **or 148**;

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 **or 148**;

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

hundred individuals in all meat processing facilities owned by the individual or entity in this country;

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

3. For all tax years beginning on or after January 1, 2017, [but ending on or before December 31, 2028,] a taxpayer shall be allowed a tax credit for meat processing modernization or expansion related to the taxpayer's meat processing facility. The tax credit amount shall be equal to twenty-five percent of the amount the taxpayer paid in the tax year for meat processing modernization or expansion.

4. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed. No tax credit claimed under this section shall be refundable. The tax credit shall be claimed in the tax year in which the meat processing modernization or expansion expenses were paid, but any amount of credit that the taxpayer is prohibited by this section from claiming in a tax year may be carried forward to any of the taxpayer's four subsequent tax years. The total amount of tax credits that any taxpayer may claim shall not exceed seventy-five thousand dollars per year. If two or more persons own and operate the meat processing facility, each person may claim a credit under this section in proportion to such person's ownership interest; except that, the aggregate amount of the credits claimed by all persons who own and operate the meat processing facility shall not exceed seventy-five thousand dollars per year. The amount of tax credits authorized in this section in a calendar year shall not exceed two million dollars. Tax credits shall be issued on an as-received application basis

91 until the calendar year limit is reached. Any credits not
92 issued in any calendar year shall expire and shall not be
93 issued in any subsequent year.

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

121 6. Any information provided under this section shall
122 be confidential information, to be shared with no one except

state and federal animal health officials, except as provided in subsection 5 of this section.

7. The authority shall promulgate rules establishing a process for verifying that a facility's modernization or expansion for which tax credits were allowed under this section has in fact expanded the facility's production within three years of the issuance of the tax credit and if not, the authority shall promulgate through rulemaking a process by which the taxpayer shall repay the authority an amount equal to that of the tax credit allowed.

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

9. The authority may 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, 2016, shall be invalid and void.

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

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

(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. For any
33 retail dealer or distributor with a tax year beginning prior
34 to January 1, 2023, but ending during the 2023 calendar
35 year, such retail dealer or distributor shall be allowed a

36 tax credit for the amount of higher ethanol blend sold
37 during the portion of such tax year that occurs during the
38 2023 calendar year. Tax credits authorized pursuant to this
39 section shall not be transferred, sold, or assigned. If the
40 amount of the tax credit exceeds the taxpayer's state tax
41 liability, the difference shall not be refundable but may be
42 carried forward to any of the five subsequent tax years.
43 The total amount of tax credits issued pursuant to this
44 section for any given fiscal year shall not exceed five
45 million dollars.

46 3. In the event the total amount of tax credits
47 claimed under this section exceeds the amount of available
48 tax credits, the tax credits shall be apportioned among all
49 eligible retail dealers and distributors claiming a tax
50 credit by April fifteenth, or as directed by section
51 143.851, of the fiscal year in which the tax credit is
52 claimed.

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

61 5. The department shall promulgate rules to implement
62 the provisions of this section. Any rule or portion of a
63 rule, as that term is defined in section 536.010, that is
64 created under the authority delegated in this section shall
65 become effective only if it complies with and is subject to
66 all of the provisions of chapter 536 and, if applicable,
67 section 536.028. This section and chapter 536 are

68 nonseverable and if any of the powers vested with the
69 general assembly pursuant to chapter 536 to review, to delay
70 the effective date, or to disapprove and annul a rule are
71 subsequently held unconstitutional, then the grant of
72 rulemaking authority and any rule proposed or adopted after
73 January 2, 2023, shall be invalid and void.

74 [6. Under section 23.253 of the Missouri sunset act:

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

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

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

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

3 (1) "Biodiesel blend", a blend of diesel fuel and
4 biodiesel fuel of at least five percent and not more than
5 twenty percent for on-road [and] **or** off-road diesel-fueled
6 vehicle use;

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

16 within waste oil and grease collected within the United
17 States;

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

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

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

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

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

31 (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 For any retail dealer or distributor with a tax year
46 beginning prior to January 1, 2023, but ending during the
47 2023 calendar year, such retail dealer or distributor shall

48 be allowed a tax credit for the amount of biodiesel blend
49 sold during the portion of such tax year that occurs during
50 the 2023 calendar year. The amount of the credit shall be
51 equal to:

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

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

62 3. Tax credits authorized under this section shall not
63 be transferred, sold, or assigned. If the amount of the tax
64 credit exceeds the taxpayer's state tax liability, the
65 difference shall be refundable. The total amount of tax
66 credits issued under this section for any given fiscal year
67 shall not exceed sixteen million dollars.

68 4. In the event the total amount of tax credits
69 claimed under this section exceeds the amount of available
70 tax credits, the tax credits shall be apportioned among all
71 eligible retail dealers and distributors claiming a tax
72 credit by April fifteenth, or as directed by section
73 143.851, of the fiscal year in which the tax credit is
74 claimed.

75 5. The tax credit allowed by this section shall be
76 claimed by such taxpayer at the time such taxpayer files a
77 return and shall be applied against the income tax liability
78 imposed by chapter 143, excluding the withholding tax
79 imposed by sections 143.191 to 143.265, after reduction for

80 all other credits allowed thereon. The department may
81 require any documentation it deems necessary to administer
82 the provisions of this section.

83 6. 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 7. **In the event a taxpayer is denied part or all of a**
90 **tax credit to which the taxpayer has qualified pursuant to**
91 **any provision of law due to lack of available funds, and**
92 **such denial causes a balance-due notice to be generated by**
93 **the department of revenue or any other redeeming agency, a**
94 **taxpayer shall not be held liable for any penalty or**
95 **interest on such balance due, provided the balance is paid**
96 **or approved payment arrangements have been made within sixty**
97 **days from the notice of denial. Any payments not timely**
98 **made pursuant to this section shall be subject to penalty**
99 **and interest pursuant to this chapter.**

100 8. The department shall promulgate rules to implement
101 and administer the provisions of this section. Any rule or
102 portion of a rule, as that term is defined in section
103 536.010, that is created pursuant to the authority delegated
104 in this section shall become effective only if it complies
105 with and is subject to all of the provisions of chapter 536
106 and, if applicable, section 536.028. This section and
107 chapter 536 are nonseverable and if any of the powers vested
108 with the general assembly pursuant to chapter 536 to review,
109 to delay the effective date, or to disapprove and annul a
110 rule are subsequently held unconstitutional, then the grant

of rulemaking authority and any rule proposed or adopted after January 2, 2023, shall be invalid and void.

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

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

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

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

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

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

(1) "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

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 January 2, 2023.

29 2. For all tax years beginning on or after January 1,
30 2023, a Missouri biodiesel producer shall be allowed a tax
31 credit to be taken against the producer's state income tax
32 liability. For any Missouri biodiesel producer with a tax
33 year beginning prior to January 1, 2023, but ending during
34 the 2023 calendar year, such Missouri biodiesel producer
35 shall be allowed a tax credit for the amount of biodiesel
36 fuel produced during the portion of such tax year that
37 occurs during the 2023 calendar year. The amount of the tax
38 credit shall be two cents per gallon of biodiesel fuel
39 produced by the Missouri biodiesel producer during the tax
40 year for which the tax credit is claimed.

41 3. Tax credits authorized under this section shall not
42 be transferred, sold, or assigned. If the amount of the tax
43 credit exceeds the taxpayer's state tax liability, the
44 difference shall be refundable. The total amount of tax
45 credits issued under this section for any given fiscal year
46 shall not exceed five million five hundred thousand dollars,
47 which shall be authorized on a first-come, first-served
48 basis.

49 4. 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 5. The department shall promulgate rules to implement
58 and administer the provisions of this section. Any rule or
59 portion of a rule, as that term is defined in section
60 536.010, that is created pursuant to the authority delegated
61 in this section shall become effective only if it complies
62 with and is subject to all of the provisions of chapter 536
63 and, if applicable, section 536.028. This section and
64 chapter 536 are nonseverable and if any of the powers vested
65 with the general assembly pursuant to chapter 536 to review,
66 to delay the effective date, or to disapprove and annul a
67 rule are subsequently held unconstitutional, then the grant
68 of rulemaking authority and any rule proposed or adopted
69 after January 2, 2023, shall be invalid and void.

70 [6. Under section 23.253 of the Missouri sunset act:

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

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

78 (3) This section shall terminate on September first of
79 the calendar year immediately following the calendar year in
80 which the program authorized under this section is sunset.
81 The termination of the program as described in this
82 subsection shall not be construed to preclude any qualified
83 taxpayer who claims any benefit under any program that is
84 sunset under this subsection from claiming such benefit for
85 all allowable activities related to such claim that were
86 completed before the program was sunset, or to eliminate any
87 responsibility of the department to verify the continued
88 eligibility of qualified individuals receiving tax credits
89 and to enforce other requirements of law that applied before
90 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

that is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or any charitable organization that 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;

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

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

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

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be allowed to claim a tax credit under this section in excess of five thousand dollars for each urban farm. The total amount of tax credits that may be authorized for all taxpayers for eligible expenses incurred on any given urban farm shall not exceed twenty-five thousand dollars. Any issued tax credit that cannot be claimed in the tax year in which the eligible expenses were incurred may be carried over to the next three succeeding 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 January 2,
70 2023, 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

the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100.

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

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

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

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

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

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions 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, 2028; and

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

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 crop
14 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-

time loan review fee of one percent, which shall be collected by the lender at the time of the loan and paid to the authority.

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

10. 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 January 2, 2023, shall be invalid and void.

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

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

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

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

348.493. 1. As used in this section, "state tax 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

credits created under this section as provided in section 148.064 and receive a net tax credit against taxes actually paid in the amount of the first year's interest on loans made under this section. If such first year tax credits reduce taxes due as provided in section 148.064 to zero, the remaining tax credits may be carried over as otherwise provided in this section and used as provided in section 148.064 in subsequent years.

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

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

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

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

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

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