

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR

SENATE BILL NO. 913

103RD GENERAL ASSEMBLY
2026

5521S.02T

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 eleven 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3 RSMo, are repealed and eleven new sections enacted in lieu
4 thereof, to be known as sections 135.305, 135.686, 135.772,
5 135.775, 135.778, 135.1210, 135.1610, 137.1018, 348.436,
6 348.491, and 348.493, to 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] **2033**. In no event
12 shall the aggregate amount of all tax credits allowed under

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

13 sections 135.300 to 135.311 exceed six million dollars in
14 any given fiscal year. There shall be no tax credits
15 authorized under sections 135.300 to 135.311 unless an
16 appropriation is made for such tax credits.

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] 2033:

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] chapters 147 and 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] chapters 147 and**
54 **148;**

55 (b) In the case of an individual, is a resident of
56 this state as verified by a 911 address or, in the absence
57 of a 911 system, a physical address; and

58 (c) Owns a meat processing facility located in this
59 state and employs a combined total of fewer than five

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

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

65 3. For all tax years beginning on or after January 1,
66 2017, but ending on or before December 31, [2028] 2033, a
67 taxpayer shall be allowed a tax credit for meat processing
68 modernization or expansion related to the taxpayer's meat
69 processing facility. The tax credit amount shall be equal
70 to twenty-five percent of the amount the taxpayer paid in
71 the tax year for meat processing modernization or expansion.

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

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

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

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

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

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

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

137 9. The authority may promulgate rules to implement the
138 provisions of this section. Any rule or portion of a rule,
139 as that term is defined in section 536.010, that is created
140 under the authority delegated in this section shall become
141 effective only if it complies with and is subject to all of
142 the provisions of chapter 536 and, if applicable, section
143 536.028. This section and chapter 536 are nonseverable and
144 if any of the powers vested with the general assembly
145 pursuant to chapter 536 to review, to delay the effective
146 date, or to disapprove and annul a rule are subsequently
147 held unconstitutional, then the grant of rulemaking
148 authority and any rule proposed or adopted after August 28,
149 2016, shall be invalid and void.

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

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

3 (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] 2033, unless reauthorized by
77 an act 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 is 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

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

113 [8.] 9. Under section 23.253 of the Missouri sunset
114 act:

115 (1) The provisions of the new program authorized under
116 this section shall automatically sunset on December 31,
117 [2028] 2033, unless reauthorized by an act of the general
118 assembly;

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

123 (3) This section shall terminate on September first of
124 the calendar year immediately following the calendar year in
125 which the program authorized under this section is sunset.
126 The termination of the program as described in this
127 subsection shall not be construed to preclude any qualified
128 taxpayer who claims any benefit under any program that is
129 sunset under this subsection from claiming such benefit for
130 all allowable activities related to such claim that were
131 completed before the program was sunset or to eliminate any
132 responsibility of the department to verify the continued
133 eligibility of qualified individuals receiving tax credits
134 and to enforce other requirements of law that applied before
135 the program was sunset.

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

3 (1) "Biodiesel fuel", a renewable, biodegradable, mono
4 alkyl ester combustible liquid fuel that is derived from
5 agricultural and other plant oils or animal fats and that
6 meets the most recent version of the ASTM International
7 D6751 Standard Specification for Biodiesel Fuel Blend

8 Stock. A fuel shall be deemed to be biodiesel fuel if the
9 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] 2033, unless reauthorized by an act of the general
74 assembly;

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

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

**135.1210. 1. As used in this section, the following
2 terms mean:**

3 (1) "Eligible customer", a person who uses any
4 railroad or railroad-related property, facilities, or
5 structures located wholly or partly within the state of
6 Missouri to directly or indirectly transport property,
7 commodities, or goods, or who is served by any railroad, or
8 who stores railcars on any railroad in Missouri;

9 (2) "Eligible taxpayer":

10 (a) Any short line railroad company located wholly or
11 partly in the state of Missouri that is classified by the

12 United States Surface Transportation Board as a Class II or
13 Class III railroad; or

14 (b) Any owner or lessee of a rail siding, industrial
15 spur, or industry track located on or adjacent to any
16 railroad in the state of Missouri;

17 and subject to the state income tax imposed under chapter
18 143, 147, or 148, excluding the withholding tax imposed
19 under sections 143.191 to 143.265, who made qualified
20 railroad track expenditures in Missouri or qualified new
21 rail infrastructure expenditures in Missouri during the tax
22 year for which a credit under this section is claimed;

23 (3) "Eligible vendor", a person who provides railroad-
24 related services directly to an eligible taxpayer;

25 (4) "Person", the same meaning as defined under
26 section 1.020;

27 (5) "Qualified amount", for any eligible taxpayer in a
28 given tax year, an amount equal to fifty percent of an
29 eligible taxpayer's qualified railroad track expenditures or
30 qualified new rail infrastructure expenditures, provided
31 that:

32 (a) For qualified railroad track expenditures, the
33 amount of tax credit shall not exceed an amount equal to the
34 product of five thousand dollars multiplied by the number of
35 miles of railroad track owned or leased in the state by a
36 Class II or Class III railroad as of the close of the tax
37 year; and

38 (b) For qualified new rail infrastructure
39 expenditures, the amount of tax credit shall not exceed one
40 million dollars for each new rail-served customer project of
41 an eligible taxpayer;

42 (6) "Qualified new rail infrastructure expenditures",
43 gross expenditures for new rail infrastructure by an
44 eligible taxpayer, which includes the construction of new
45 track infrastructure such as industrial leads, switches,
46 spurs, sidings, rail loading docks, and transloading
47 structures involved with servicing new customer locations or
48 expansions by any railroad located in Missouri;

49 (7) "Qualified railroad expenditures", gross
50 expenditures for maintenance, reconstruction, or replacement
51 of railroad infrastructure, including track, roadbed,
52 bridges, industrial leads and sidings, and track-related
53 structures owned or leased by a Class II or Class III
54 railroad located in Missouri. "Qualified railroad
55 expenditures" does not include expenditures used to generate
56 a federal tax credit or expenditures funded by a state or
57 federal grant;

58 (8) "Railroad-related services", includes, but is not
59 limited to, the following: transport of freight by rail;
60 loading and unloading of freight transported by rail;
61 railroad bridge services; railroad track construction;
62 provision of railroad track material or equipment;
63 locomotive or freight train car leasing or rental; provision
64 of railroad financial services, including banking or
65 insurance; maintenance of a railroad's right-of-way,
66 including vegetation control; and freight train car repair,
67 rehabilitation, or remanufacturing repair services;

68 (9) "Tax credit", a credit against the tax otherwise
69 due under chapter 143, 147, or 148, excluding withholding
70 tax imposed under sections 143.191 to 143.265.

71 2. For all tax years beginning on or after January 1,
72 2027, an eligible taxpayer shall be allowed to claim a
73 nonrefundable tax credit for qualified railroad track

74 expenditures in Missouri or for qualified new rail
75 infrastructure expenditures in Missouri against the
76 taxpayer's state tax liability in an amount equal to the
77 taxpayer's qualified amount.

78 3. An eligible taxpayer who seeks to claim a tax
79 credit under this section shall submit a certificate of
80 eligibility to the Missouri department of economic
81 development after completion of the qualified railroad
82 expenditures or qualified new rail infrastructure
83 expenditures. The certificate shall include the number of
84 miles of railroad track owned or leased in this state and a
85 description of the amount of qualified railroad expenditures
86 or qualified new rail infrastructure expenditures
87 completed. The certificate shall be made on forms and in
88 the manner prescribed by the department and considered in
89 the order received.

90 4. If the department of economic development
91 determines that the taxpayer meets the requirements to claim
92 a tax credit under this section, the department may issue a
93 certificate of eligibility to the eligible taxpayer. The
94 certificate shall be numbered for identification and declare
95 its date of issuance and the amount of the tax credit
96 allowed under this section.

97 5. (1) The cumulative amount of tax credits under
98 this section authorized for qualified railroad track
99 expenditures in this state shall not exceed four million
100 five hundred thousand dollars per calendar year. If the
101 amount of tax credits claimed in a calendar year under this
102 section exceeds four million five hundred thousand dollars,
103 tax credits shall be allowed based on the order in which
104 they are claimed.

105 (2) The cumulative amount of tax credits under this
106 section authorized for qualified new rail infrastructure
107 expenditures in this state shall not exceed five million
108 dollars per calendar year. If the amount of tax credits
109 claimed in a calendar year under this section exceeds five
110 million dollars, tax credits shall be allowed based on the
111 order in which they are claimed.

112 6. Any unused portion of a tax credit allowed under
113 this section may be carried forward for up to five
114 subsequent tax years immediately following the tax year the
115 credit was allowed.

116 7. (1) Subject to the requirements of this
117 subsection, an eligible taxpayer who earns and is entitled
118 to the credit or to an unused portion of the credit allowed
119 by this section may transfer all or a portion of the unused
120 credit by written agreement to any eligible customer,
121 eligible vendor, or any taxpayer subject to tax imposed
122 under chapter 143, 147, or 148, excluding withholding tax
123 imposed under sections 143.191 to 143.265, at any time
124 during the year in which the credit is earned and the five
125 years following the year of the qualified expenditures. The
126 taxpayer originally allowed the tax credit and the
127 subsequent transferee shall jointly file a copy of the
128 written credit transfer agreement with the department of
129 revenue. The agreement shall include the name, address, and
130 taxpayer identification number of the parties to the
131 transfer; the amount of the credit being transferred; the
132 year the credit was originally allowed to the transferring
133 taxpayer; and the tax year or years for which the credit may
134 be claimed. In the event of such a transfer, the transferee
135 may claim the credit on the transferee's income tax return
136 originally filed during the calendar year in which the

137 transfer takes place and in the case of carryover of the
138 credit, on the transferee's returns for the number of years
139 of carryover available to the transferor at the time of the
140 transfer unless earlier exhausted.

141 (2) In the event that after the transfer the
142 department of revenue determines that the amount of credit
143 properly available under this section is less than the
144 amount claimed by the transferor of the credit or that the
145 credit is subject to recapture, the department shall assess
146 the amount of overstated or recaptured credit as taxes due
147 from the transferor and not the transferee. The assessment
148 shall be made in the manner provided for a deficiency in
149 taxes under state law.

150 8. The department of economic development shall
151 prepare an annual report for the general assembly outlining
152 tax credit transfers that take place each calendar year,
153 listing the qualified railroad expenditures and qualified
154 new rail infrastructure expenditures for each eligible
155 taxpayer and a statement summarizing the investments made by
156 the eligible taxpayer.

157 9. The department of economic development may
158 promulgate rules governing the allowance of the income tax
159 credit provided for in this section, including provisions
160 for the verification of the timeliness of a claim, the
161 process and documentation required for the department of
162 economic development to approve an income tax credit for
163 qualified railroad expenditures or qualified new rail
164 infrastructure expenditures, and any documentation that the
165 department of economic development requires in order to
166 determine that an eligible taxpayer, eligible customer, or
167 eligible vendor meets the requirements of this section. In
168 addition to other needed rules, the department of economic

169 development may promulgate rules prescribing, in the case of
170 S corporations, partnerships, trusts, or estates, a method
171 of attributing the credit under this section to the
172 shareholders, partners, or beneficiaries in proportion to
173 their share of the income from the S corporation,
174 partnership, trust, or estate.

175 10. The department of revenue and the department of
176 economic development shall promulgate all necessary rules
177 and regulations for the administration of this section
178 including, but not limited to, rules relating to the
179 verification of a taxpayer's qualified amount. Any rule or
180 portion of a rule, as that term is defined in section
181 536.010, that is created under the authority delegated in
182 this section shall become effective only if it complies with
183 and is subject to all of the provisions of chapter 536 and,
184 if applicable, section 536.028. This section and chapter
185 536 are nonseverable and if any of the powers vested with
186 the general assembly pursuant to chapter 536 to review, to
187 delay the effective date, or to disapprove and annul a rule
188 are subsequently held unconstitutional, then the grant of
189 rulemaking authority and any rule proposed or adopted after
190 August 28, 2026, shall be invalid and void.

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

192 (1) The provisions of the new program authorized under
193 this section shall automatically sunset December thirty-
194 first six years after the effective date of this section,
195 unless reauthorized by an act of the general assembly;

196 (2) If such program is reauthorized, the program
197 authorized under this section shall automatically sunset
198 December thirty-first twelve years after the effective date
199 of the reauthorization of this section; and

200 **(3) This section shall terminate on September first of**
201 **the calendar year immediately following the calendar year in**
202 **which the program authorized under this section is 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
13 that is subject to the tax imposed under chapter 143,
14 excluding withholding tax imposed under sections 143.191 to
15 143.265, or any charitable organization that is exempt from
16 federal income tax and whose Missouri unrelated business
17 taxable income, if any, would be subject to the state income
18 tax imposed under chapter 143;

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

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

27 2. For all tax years beginning on or after January 1,
28 2023, a taxpayer shall be allowed to claim a tax credit
29 against the taxpayer's state tax liability in an amount

30 equal to fifty percent of the taxpayer's eligible expenses
31 for establishing or improving an urban farm that focuses on
32 food production.

33 3. The amount of the tax credit claimed shall not
34 exceed the amount of the taxpayer's state tax liability in
35 the tax year for which the credit is claimed, and the
36 taxpayer shall not be allowed to claim a tax credit under
37 this section in excess of five thousand dollars for each
38 urban farm. The total amount of tax credits that may be
39 authorized for all taxpayers for eligible expenses incurred
40 on any given urban farm shall not exceed twenty-five
41 thousand dollars. Any issued tax credit that cannot be
42 claimed in the tax year in which the eligible expenses were
43 incurred may be carried over to the next three succeeding
44 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] 2033**, 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
23 the average tax rate for the preceding year of the railroad
24 and street railway companies certified by the commission.
25 Such tax shall be due and payable on or before December
26 thirty-first of the year levied and, if it becomes
27 delinquent, shall be subject to a penalty equal to that
28 specified in section 140.100.

29 4. (1) As used in this subsection, the following
30 terms mean:

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

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

37 (2) For all taxable years beginning on or after
38 January 1, 2009, a freight line company shall, subject to
39 appropriation, be allowed a credit against the tax levied

40 under this section for the applicable tax year. The tax
41 credit amount shall be equal to the amount of eligible
42 expenses incurred during the calendar year immediately
43 preceding the tax year for which the credit under this
44 section is claimed. The amount of the tax credit issued
45 shall not exceed the freight line company's liability for
46 the tax levied under this section for the tax year for which
47 the credit is claimed.

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

51 (4) Subject to appropriation, the state shall
52 reimburse, on an annual basis, any political subdivision of
53 this state for any decrease in revenue due to the provisions
54 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] 2033; and

59 (2) Subsection 4 of this section shall terminate on
60 September 1, [2029] 2034.

348.436. The provisions of sections 348.430 to 348.436
2 shall expire December 31, [2028] 2033.

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

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

65 10. Any rule or portion of a rule, as that term is
66 defined in section 536.010, that is created under the
67 authority delegated in this section shall become effective
68 only if it complies with and is subject to all of the
69 provisions of chapter 536 and, if applicable, section
70 536.028. This section and chapter 536 are nonseverable and
71 if any of the powers vested with the general assembly

72 pursuant to chapter 536 to review, to delay the effective
73 date, or to disapprove and annul a rule are subsequently
74 held unconstitutional, then the grant of rulemaking
75 authority and any rule proposed or adopted after January 2,
76 2023, shall be invalid and void.

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

78 (1) The provisions of the new program authorized under
79 this section shall automatically sunset on December 31,
80 [2028] 2033, unless reauthorized by an act of the general
81 assembly; and

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

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

348.493. 1. As used in this section, "state tax
2 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
67 credits created under this section as provided in section
68 148.064 and receive a net tax credit against taxes actually
69 paid in the amount of the first year's interest on loans
70 made under this section. If such first year tax credits
71 reduce taxes due as provided in section 148.064 to zero, the
72 remaining tax credits may be carried over as otherwise
73 provided in this section and used as provided in section
74 148.064 in subsequent years.

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

76 (1) The provisions of the new program authorized under
77 this section shall automatically sunset on December 31,

78 [2028] 2033, unless reauthorized by an act of the general
79 assembly; and

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

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

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