

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 282
90TH GENERAL ASSEMBLY

Reported from the Committee on Financial and Governmental Organization, February 10, 1999, with recommendation that the Senate Committee Substitute do pass.

S0831.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 135.530, RSMo Supp. 1998, relating to tax credit programs administered by the department of economic development, and to enact in lieu thereof five new sections relating to the same subject, with an effective date for certain sections.

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

Section A. Section 135.530, RSMo Supp. 1998, is repealed and five new sections enacted in lieu thereof, to be known as sections 135.530, 135.811, 135.814, 135.817 and 135.821, to read as follows:

135.530. For the purposes of this act, "distressed community" means either a Missouri municipality within a metropolitan statistical area which has a median household income of under seventy percent of the median household income for the metropolitan statistical area, according to the last decennial census, or [the] a United States Census Block Group or contiguous group of block groups within a metropolitan statistical area [which has] **each block group having** a population of at least two thousand five hundred, and which has a median household income of under seventy percent of the median household income for the metropolitan area in Missouri, according to the last decennial census. In addition the definition shall include municipalities not in a metropolitan statistical area, with a median household income of **under** seventy percent of the median household income for the nonmetropolitan areas in Missouri according to the last decennial census or a Census Block Group or contiguous group of block groups which has a population of at least two thousand five hundred [which has] **each block group having** a median household income of **under** seventy percent of the median household income for the nonmetropolitan areas of Missouri, according to the last decennial census.

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

135.811. As used in sections 135.811 to 135.821, the following terms mean:

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

(2) "Eligible costs for new construction", expenses incurred for property acquisition, development, site clearance and preparation, surveys, architectural and engineering services, and construction, that is not replacing national register listed or local historic properties; except that, costs paid for by the taxpayer with grants, forgivable loans or tax credits provided pursuant to state or federal governmental programs are ineligible;

(3) "Eligible costs for rehabilitation", expenses incurred for the rehabilitation of an existing residence which is forty years of age or older for development and site preparation, surveys, architectural and engineering services, construction, modification, expansion, remodeling, structural alteration, replacements and renovations; except that, costs paid for by the taxpayer with grants, forgivable loans or tax credits provided pursuant to state or federal governmental programs are ineligible;

(4) "Eligible residence", a single family residence, forty years of age or older, located in this state which is or will be owner-occupied and which is either located within a United States census block group in a metropolitan statistical area which has a median household income of less than ninety percent of the median household income for the metropolitan statistical area, or which is located within a United States census block group in a nonmetropolitan area which has a median household income of less than ninety percent of the median household income for a nonmetropolitan area in the state;

(5) "Project", new construction, rehabilitation or substantial rehabilitation of a residence that qualified for a tax credit under the provisions of sections 135.811 through 135.821;

(6) "Qualifying residence", an eligible residence as defined in subdivision (4) of this section, except that the median household income of the census block group in which the residence is located shall be less than seventy percent of the median household income of the metropolitan statistical area or nonmetropolitan area, respectively;

(7) "Substantial rehabilitation", rehabilitation the costs of which exceed fifty percent of the basis of the residence prior to rehabilitation;

(8) "Tax liability", the tax due pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

(9) "Taxpayer", any person, partnership, corporation, trust or limited liability company.

135.814. 1. Any taxpayer who owns and occupies an eligible residence or a

qualifying residence shall receive a tax credit equal to fifteen percent against his tax liability for the construction of that residence. The eligible or qualifying residence must be constructed on real property formerly improved by a residence forty years of age or older, demolished for purposes of constructing a replacement residence or on vacant property which has for not less than forty continuous years been classified as residential property or utility, commercial, railroad or other real property pursuant to article X, section 4(b) of the Missouri Constitution, as defined in section 137.016, RSMo. The tax credit shall not exceed twenty-five thousand dollars per eligible or qualifying residence in any ten-year period.

2. Any taxpayer who owns and occupies an eligible residence or a qualifying residence shall receive a tax credit equal to twenty-five percent against his tax liability of the eligible costs for rehabilitation of the existing eligible or qualifying residence. The minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax credit shall not exceed twenty-five thousand dollars per eligible or qualifying residence in any ten-year period.

3. Any taxpayer who owns and occupies a qualifying residence shall receive a tax credit equal to thirty-five percent against his tax liability of the eligible costs of rehabilitation of substantial rehabilitation of the qualifying residence. The minimum eligible costs of rehabilitation of substantial rehabilitation of a qualifying residence shall be ten thousand dollars.

4. No single residence shall qualify as both an eligible residence and a qualifying residence.

135.817. 1. The total amount of tax credits which may be issued annually pursuant to the provisions of sections 135.811 through 135.821 is fifteen million dollars, provided, however, that if any portion of the fifteen million dollars is unused at the end of a calendar year, then the unused portion shall be available for use in the subsequent calendar year in addition to the fifteen million dollars authorized for the subsequent year.

2. Any amount of credit which exceeds the tax liability of the taxpayer in which the credit is first claimed may be carried back to any of the taxpayer's two prior tax years and carried forward to any of the taxpayer's five subsequent taxable years. A certificate of tax credit issued to the taxpayer by the department may be assigned, transferred, sold or otherwise conveyed.

3. A taxpayer who is the owner-occupant of a residence shall be deemed to have earned the tax credit issued pursuant to sections 135.811 through 135.821 in the taxable year during which the eligible costs were incurred.

135.821. A taxpayer shall submit an application for the tax credit allowed

pursuant to sections 135.811 through 135.821 to the department. The director of the department shall, upon approval of an application and presentation of acceptable proof of substantial completion of construction, issue to taxpayers certificates of tax credit in the order applications were received. The department may promulgate such rules or regulations, or issue administrative guidelines, as are necessary to administer the provisions of sections 135.811 to 135.821. No such rule or regulation shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. The department may cooperate with the county in which a project is located to help identify the location of the project, the type and eligibility of the project, the estimated cost of the project and the completion date of the project.

Section B. The provisions of sections 135.811 through 135.821 shall become effective on January 1, 2000.

Unofficial

✓

Bill

Copy