

FIRST REGULAR SESSION

SENATE BILL NO. 242

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BLAND.

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TERRY L. SPIELER, Secretary.

AN ACT

Establishing tax credits for businesses which purchase certain goods and services, with penalty provisions and an effective date.

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

Section 1. As used in sections 1 to 4 of this act, the following terms mean:

(1) "Commission", the governor's commission on minority business development established in section 33.752, RSMo;

(2) "Minority", includes:

(a) "Black Americans", which include persons having origins in any black racial groups of Africa;

(b) "Hispanic Americans", which include persons of Mexican, Puerto Rican, Spanish culture or origin, regardless of race;

(c) "Native Americans", which include persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

(d) "Asian Pacific Americans", which include persons with origins from China, Guam, Japan, Korea, Vietnam, Laos, Cambodia, Philippines, Samoa, the United States Trust Territories of the Pacific, or Northern Marianas; or

(e) "Asian-Indian Americans", which include persons from India, Bangladesh, Pakistan, Saudi Arabia, Iran, Iraq, Jordan, or Yemen;

(3) "Minority business enterprise", any business concern located in this state of which at least fifty-one percent is owned by one or more minorities or at least fifty-one percent of the outstanding stock is owned by one or more minorities, and which has the management and daily operations of the business controlled by one or more minorities;

(4) "Qualified payments", payments by a taxpayer for contracted goods or services provided by a minority business enterprise qualified by the commission

pursuant to section 3 of this act;

(5) "Taxpayer", an individual, a partnership, or a corporation as described in section 143.441 or 143.471, RSMo.

Section 2. 1. Any taxpayer that purchases goods or services from a minority business enterprise which is qualified by the commission pursuant to section 3 of this act shall be allowed a credit against the tax otherwise due pursuant to sections 143.011 to 143.996, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to ten percent of the qualified payments actually made during the taxable year, but such credit for a taxpayer in any taxable year shall not exceed one hundred thousand dollars.

2. The tax credit allowed by this section shall be claimed by the taxpayer in the tax year in which such payment was made at the time the taxpayer files a tax return. Where the amount of the credit exceeds tax liability, the difference between the credit and the tax liability shall be returned to the taxpayer as a tax refund.

Section 3. 1. A minority business enterprise shall become a qualified minority business enterprise by submitting an application to the commission, on a form provided by the commission for that purpose. The commission shall promulgate rules and regulations for evaluating and approving such applications. The commission shall notify each applicant in writing of its decision to approve or disapprove the application, and if the application is approved, the commission shall set the maximum amount of qualified payments that may be made to such minority business enterprise by taxpayers in the taxable year and send to the applicant a certificate of approval. The certificate of approval expires on December thirty-first of the year in which it is issued. In order to have a certificate of approval renewed, a minority business enterprise shall apply to the commission for renewal of the certificate.

2. The commission shall set the maximum amount of qualified payments in such an amount so that the total tax credits taken pursuant to section 2 of this act in a taxable year shall not exceed ten million dollars. The commission may, if it deems necessary, base the total amount of qualified payments which are made to minority business enterprises that are owned by a particular minority group described in paragraph (a), (b), (c), (d) or (e) of subdivision (2) of section 1 of this act which qualify to give the purchaser of the goods or services a tax credit under section 2 of this act on the approximate ratio of the population of that particular minority group in this state to the population of all the minority groups in this state described in paragraphs (a) to (e) of subdivision (2) of section 1 of this act as a whole.

3. A minority business enterprise which knowingly provides goods and services to a taxpayer under a claim that the payments are qualified payments when the minority business enterprise has already received the maximum amount of qualified

payments shall be guilty of a class A misdemeanor for each separate offense.

Section 4. No rule or portion of a rule promulgated pursuant to the authority of section 3 of this act shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

Section 5. The commission shall approve and certify credits granted pursuant to sections 1 to 5 of this act to the department of revenue.

Section A. Sections 1 to 5 of this act shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999.

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