

SENATE SUBSTITUTE  
FOR  
SENATE BILL NO. 913  
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.

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*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Sections 135.305, 135.686, 135.772, 135.775, 2 135.778, 135.1610, 137.1018, 348.436, 348.491, and 348.493, 3 RSMo, are repealed and eleven new sections enacted in lieu 4 thereof, to be known as sections 135.305, 135.686, 135.772, 5 135.775, 135.778, 135.1210, 135.1610, 137.1018,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 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. Under section 23.253 of the Missouri sunset act:

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

118 (2) If such program is reauthorized, the program  
119 authorized under this section shall automatically sunset

120 twelve years after the effective date of the reauthorization  
121 of this section; and

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