

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1480**  
**102ND GENERAL ASSEMBLY**

3573H.03C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To repeal section 135.800, RSMo, and to enact in lieu thereof two new sections relating to advanced manufacturing recruitment.

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

Section A. Section 135.800, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.800 and 620.1920, to read as follows:

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be cited as the "Tax Credit Accountability Act of 2004".

2. As used in sections 135.800 to 135.830, the following terms mean:

(1) "Administering agency", the state agency or department charged with administering a particular tax credit program, as set forth by the program's enacting statute; where no department or agency is set forth, the department of revenue;

(2) "Agricultural tax credits", the agricultural product utilization contributor tax credit created pursuant to section 348.430, the new generation cooperative incentive tax credit created pursuant to section 348.432, the family farm breeding livestock loan tax credit created under section 348.505, the qualified beef tax credit created under section 135.679, and the wine and grape production tax credit created pursuant to section 135.700;

(3) "Business recruitment tax credits", the business facility tax credit created pursuant to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development programs created pursuant to sections 100.700 to 100.850, the development tax credits created pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant to section 135.535, the film production tax credit created pursuant to section 135.750, the enhanced enterprise zone created pursuant to sections 135.950 to 135.970, ~~and~~

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 the Missouri quality jobs program created pursuant to sections 620.1875 to 620.1900, **and the**  
20 **Missouri advanced manufacturing recruitment act tax credit created pursuant to**  
21 **section 620.1920;**

22 (4) "Community development tax credits", the neighborhood assistance tax credit  
23 created pursuant to sections 32.100 to 32.125, the family development account tax credit  
24 created pursuant to sections 208.750 to 208.775, the dry fire hydrant tax credit created  
25 pursuant to section 320.093, and the transportation development tax credit created pursuant to  
26 section 135.545;

27 (5) "Domestic and social tax credits", the youth opportunities tax credit created  
28 pursuant to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of  
29 domestic violence created pursuant to section 135.550, the senior citizen or disabled person  
30 property tax credit created pursuant to sections 135.010 to 135.035, the adoption tax credit  
31 created pursuant to sections 135.325 to 135.339, the champion for children tax credit created  
32 pursuant to section 135.341, the maternity home tax credit created pursuant to section  
33 135.600, the surviving spouse tax credit created pursuant to section 135.090, the residential  
34 treatment agency tax credit created pursuant to section 135.1150, the pregnancy resource  
35 center tax credit created pursuant to section 135.630, the food pantry tax credit created  
36 pursuant to section 135.647, the residential dwelling access tax credit created pursuant to  
37 section 135.562, the developmental disability care provider tax credit created under section  
38 135.1180, the shared care tax credit created pursuant to section 192.2015, the health, hunger,  
39 and hygiene tax credit created pursuant to section 135.1125, and the diaper bank tax credit  
40 created pursuant to section 135.621;

41 (6) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections  
42 135.400 to 135.429, the certified capital company tax credit created pursuant to sections  
43 135.500 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to  
44 348.318, the new enterprise creation tax credit created pursuant to sections 620.635 to  
45 620.653, the research tax credit created pursuant to section 620.1039, the small business  
46 incubator tax credit created pursuant to section 620.495, the guarantee fee tax credit created  
47 pursuant to section 135.766, and the new generation cooperative tax credit created pursuant to  
48 sections 32.105 to 32.125;

49 (7) "Environmental tax credits", the charcoal producer tax credit created pursuant to  
50 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311,  
51 and the alternative fuel stations tax credit created pursuant to section 135.710;

52 (8) "Financial and insurance tax credits", the bank franchise tax credit created  
53 pursuant to section 148.030, the bank tax credit for S corporations created pursuant to section  
54 143.471, the exam fee tax credit created pursuant to section 148.400, the health insurance  
55 pool tax credit created pursuant to section 376.975, the life and health insurance guaranty tax

56 credit created pursuant to section 376.745, the property and casualty guaranty tax credit  
57 created pursuant to section 375.774, and the self-employed health insurance tax credit created  
58 pursuant to section 143.119;

59 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant  
60 to sections 135.475 to 135.487, the low-income housing tax credit created pursuant to  
61 sections 135.350 to 135.363, and the affordable housing tax credit created pursuant to  
62 sections 32.105 to 32.125;

63 (10) "Recipient", the individual or entity who both:

64 (a) Is the original applicant for a tax credit; and

65 (b) Who directly receives a tax credit or the right to transfer a tax credit under a tax  
66 credit program, regardless as to whether the tax credit has been used or redeemed; a recipient  
67 shall not include the transferee of a transferable tax credit;

68 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant  
69 to sections 253.545 to 253.559, the brownfield redevelopment program tax credit created  
70 pursuant to sections 447.700 to 447.718, the community development corporations tax credit  
71 created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created pursuant  
72 to subsection 6 of section 100.286, the bond guarantee tax credit created pursuant to section  
73 100.297, the disabled access tax credit created pursuant to section 135.490, the new markets  
74 tax credit created pursuant to section 135.680, and the distressed areas land assemblage tax  
75 credit created pursuant to section 99.1205;

76 (12) "Tax credit program", any of the tax credit programs included in the definitions  
77 of agricultural tax credits, business recruitment tax credits, community development tax  
78 credits, domestic and social tax credits, entrepreneurial tax credits, environmental tax credits,  
79 housing tax credits, redevelopment tax credits, and training and educational tax credits;

80 (13) "Training and educational tax credits", the Missouri works new jobs tax credit  
81 and Missouri works retained jobs credit created pursuant to sections 620.800 to 620.809.

**620.1920. 1. This section shall be known and may be cited as the "Missouri  
2 Advanced Manufacturing Recruitment Act".**

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

**4 (1) "Base employment", the number of qualified full-time Missouri taxpayers  
5 employed by the qualified manufacturing company for the twelve-month period prior to  
6 the date of notice of intent;**

**7 (2) "Department", the Missouri department of economic development;**

**8 (3) "NAICS" or "NAICS industry classification", the classification provided by  
9 the most recent edition of the North American Industry Classification System as  
10 prepared by the Executive Office of the President, Office of Management and Budget;**

11 (4) "New job", the number of qualified full-time Missouri taxpayers employed  
12 by the qualified manufacturing company less the project facility's base employment;

13 (5) "Notice of intent", a form developed by the department and available online,  
14 completed by the qualified company, and submitted to the department stating the  
15 qualified company's intent to request benefits under this program;

16 (6) "Program", the Missouri advanced manufacturing recruitment program;

17 (7) "Project facility", the building or buildings used by a qualified  
18 manufacturing company at which new or retained jobs and any new qualified  
19 manufacturing capital investment are or will be located or by a qualified manufacturing  
20 company at which a qualified manufacturing capital investment is or will be located. A  
21 project facility may include separate buildings such that their purpose and operations  
22 are interrelated. Upon approval by the department, a subsequent project facility may  
23 be designated if the qualified manufacturing company demonstrates a need to relocate  
24 to the subsequent project facility at any time during the project period;

25 (8) "Project period", the time period within which benefits are awarded to a  
26 qualified manufacturing company or within which the qualified manufacturing  
27 company is obligated to perform under an agreement with the department,  
28 whichever is greater;

29 (9) "Qualified manufacturing capital investment", an expenditure on property  
30 in this state, depreciable under Internal Revenue Code, 26 U.S.C. Section 168, that has  
31 been verified by the department;

32 (10) "Qualified manufacturing company", a firm, partnership, joint venture,  
33 association, private or public corporation whether organized for profit or not for profit,  
34 registered to do business in Missouri that is the owner or operator of a project facility  
35 company that is classified by the manufacturing NAICS codes 31-33;

36 (11) "Qualified full-time Missouri taxpayer", any individual employed by the  
37 qualified manufacturing company that is scheduled to work an average of at least  
38 thirty-five hours per week for a twelve-month period and whose total annual wage from  
39 the company is equal to or above the county average wage and whose wages are subject  
40 to the taxes imposed by chapter 143;

41 (12) "Tax credit", tax credits issued by the department to offset the state taxes  
42 imposed by chapters 143 and 148, excluding withholding tax under sections 143.191 to  
43 143.265, or that may be sold as provided for in this program.

44 3. For all tax years beginning on or after January 1, 2025, a qualified  
45 manufacturing company may, for a period of five years, be allowed a tax credit of up to  
46 twenty percent of a qualified manufacturing capital investment if the qualified  
47 manufacturing company:

48           **(1) Makes at least one billion dollars of a qualified manufacturing capital**  
49 **investment; and**

50           **(2) Creates five hundred or more new jobs.**

51           **4. The total amount of tax credits issued annually under this section shall not**  
52 **exceed two hundred million dollars per fiscal year.**

53           **5. The department shall award tax credits to a qualified manufacturing**  
54 **company that satisfies the qualified manufacturing capital investment requirement in**  
55 **four separate installments of equal value, equivalent to one-fourth of the total agreed-**  
56 **upon value of awarded incentive:**

57           **(1) At twenty-five percent of the agreed-upon qualified manufacturing capital**  
58 **investment;**

59           **(2) At fifty percent of the agreed-upon qualified manufacturing capital**  
60 **investment;**

61           **(3) At seventy-five percent of the agreed-upon qualified manufacturing capital**  
62 **investment; and**

63           **(4) At one hundred percent of the agreed-upon qualified manufacturing capital**  
64 **investment.**

65           **6. To be eligible for consideration for the tax credit under this section, a qualified**  
66 **manufacturing company shall submit an application and documentation to the**  
67 **department, as required by the department, outlining a qualified manufacturing**  
68 **capital investment plan totaling no less than one billion dollars.**

69           **7. In order to receive benefits under this section, a qualified manufacturing**  
70 **company shall enter into written agreement with the department containing detailed**  
71 **performance requirements and repayment penalties in the event of nonperformance.**  
72 **Upon approval of a notice of intent to request benefits under this section, the**  
73 **department and the qualified manufacturing company shall enter into a written**  
74 **agreement covering the applicable period. The agreement shall specify, at a minimum:**

75           **(1) The committed number of retained jobs, payroll, and new qualified**  
76 **manufacturing capital investment for each year during the project period;**

77           **(2) Clawback provisions, as may be required by the department; and**

78           **(3) Any other provisions the department may require.**

79           **8. The amount of tax credits awarded to a qualified manufacturing company**  
80 **under this section shall not exceed the minimal amount necessary to obtain the qualified**  
81 **manufacturing company's commitment to initiate the project. In determining the**  
82 **amount of tax credits to award to a qualified company, the department shall consider**  
83 **the following factors:**

84           **(1) The significance of the qualified manufacturing company's need for program**  
85 **benefits;**

86           **(2) The amount of projected economic impact to the state of the project and the**  
87 **period in which the state would realize such net fiscal benefit;**

88           **(3) The overall size and quality of the proposed project, including the number of**  
89 **new jobs, new qualified manufacturing capital investment, proposed wages, growth**  
90 **potential of the qualified manufacturing company, the potential multiplier effect of the**  
91 **project, and similar factors;**

92           **(4) The financial stability and creditworthiness of the qualified manufacturing**  
93 **company;**

94           **(5) The level of economic distress in the area; and**

95           **(6) An evaluation of the competitiveness of alternative locations for the project**  
96 **facility, as applicable.**

97           **9. Once the company and department agree on tax credits, the qualified**  
98 **manufacturing company has three years from the date of department approval to meet**  
99 **twenty-five percent of a qualified manufacturing capital investment. Once the twenty-**  
100 **five percent threshold of the qualified manufacturing capital investment is met, a**  
101 **qualified manufacturing company has five years to receive the full agreed-upon tax**  
102 **credits. If a qualified manufacturing company does not meet the twenty-five percent**  
103 **threshold by year three after the agreement, the agreement shall be deemed void. A**  
104 **qualified manufacturing company may reapply at any time. A qualified manufacturing**  
105 **company shall not be entitled to the full agreed-upon tax credits unless the agreed**  
106 **qualified manufacturing capital investment threshold is met in the time period defined**  
107 **in this section. A qualified manufacturing company that does not meet the full agreed-**  
108 **upon qualified manufacturing capital investment threshold may apply for the program**  
109 **again if the qualified manufacturing company meets the requirements of this section.**

110           **10. A qualified manufacturing company receiving benefits under this program**  
111 **shall provide an annual report of the number of jobs and such other information as may**  
112 **be required by the department to document the basis for program benefits available no**  
113 **later than ninety days prior to the end of the qualified manufacturing company's tax**  
114 **year immediately following the tax year for which the benefits provided under the**  
115 **program are attributed.**

116           **11. Tax credits provided under this program may be claimed against taxes**  
117 **otherwise imposed by chapters 143 and 148 but shall be claimed within one year of the**  
118 **close of the tax year for which they were issued. Tax credits provided under this**  
119 **program may be transferred, sold, or assigned by filing a notarized endorsement thereof**  
120 **with the department that names the transferee, the amount of tax credit transferred,**

121 and the value received for the credit, as well as any other information reasonably  
122 requested by the department. For a qualified manufacturing company with flow-  
123 through tax treatment to its members, partners, or shareholders, the tax credit shall be  
124 allowed to members, partners, or shareholders in proportion to their share of ownership  
125 on the last day of the qualified company's tax period for which the tax credits were  
126 issued.

127       **12.** Prior to the issuance of tax credits, the department shall verify through the  
128 department of revenue, and any other applicable state department, that the tax credit  
129 applicant does not owe any delinquent income, sales, or use tax or interest or penalties  
130 on such taxes, or any delinquent fees or assessments levied by any state department and  
131 through the department of commerce and insurance that the applicant does not owe any  
132 delinquent insurance taxes or other fees. Such delinquency shall not affect the approval,  
133 except that any tax credits issued shall be first applied to the delinquency and any  
134 amount issued shall be reduced by the applicant's tax delinquency. If the department of  
135 revenue, the department of commerce and insurance, or any other state department  
136 concludes that a taxpayer is delinquent after June fifteenth but before July first of any  
137 year and the application of tax credits to such delinquency causes a tax deficiency on  
138 behalf of the taxpayer to arise, the taxpayer shall be granted thirty days to satisfy the  
139 deficiency in which interest, penalties, and additions to the tax shall be tolled. After  
140 applying all available credits toward a tax delinquency, the administering agency shall  
141 notify the appropriate department and that department shall update the amount of  
142 outstanding delinquent tax owed by the applicant. If any credits remain after satisfying  
143 all insurance, income, sales, and use tax delinquencies, the remaining credits shall be  
144 issued to the applicant, subject to the restrictions of other provisions of law.  
145 Notwithstanding section 32.057, and any state tax confidentiality law to the contrary,  
146 the department of revenue and any other applicable state department may disclose any  
147 tax information to the department concerning a qualified manufacturing company that  
148 is applying for this tax credit for purposes of administering this tax credit.

149       **13.** The director of revenue shall issue a refund to the qualified manufacturing  
150 company to the extent that the amount of tax credits allowed under this program  
151 exceeds the amount of the qualified company's tax liability, if any, under both chapter  
152 143 and 148.

153       **14.** Any qualified manufacturing company approved for benefits under this  
154 program shall provide to the department, upon request, any and all information and  
155 records reasonably required to monitor compliance with program requirements.

156       **15.** Before January 1, 2026, and the first day of each calendar quarter thereafter,  
157 the department shall present a quarterly report to the general assembly detailing the

158 **benefits authorized under this program during the immediately preceding calendar**  
159 **quarter to the extent such information may be disclosed under state and federal law.**

160 **The report shall include, but not be limited to:**

161 **(1) A list of all approved and disapproved applicants for each tax credit;**

162 **(2) A list of the aggregate amount of new or retained jobs that are directly**  
163 **attributable to the tax credits authorized;**

164 **(3) A statement of the aggregate amount of new capital investment directly**  
165 **attributable to the tax credits authorized;**

166 **(4) Documentation of the estimated economic impact for each authorized project**  
167 **and, to the extent available, the actual benefit realized upon completion of such project**  
168 **or activity; and**

169 **(5) The department's response time for each request for a proposed benefit**  
170 **award under this program.**

171 **16. This program shall be considered a business recruitment tax credit under**  
172 **subdivision (2) of subsection 2 of section 135.800, and any qualified manufacturing**  
173 **company approved for benefits under this program shall be subject to the provisions of**  
174 **sections 135.800 to 135.830.**

175 **17. The department of economic development may promulgate all necessary**  
176 **rules and regulations for the administration of this section. Any rule or portion of a**  
177 **rule, as that term is defined in section 536.010, that is created under the authority**  
178 **delegated in this section shall become effective only if it complies with and is subject to**  
179 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**  
180 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**  
181 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
182 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
183 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

184 **18. Under section 23.253 of the Missouri sunset act:**

185 **(1) The provisions of the new program authorized under this section shall**  
186 **automatically sunset on December thirty-first, ten years after the effective date of this**  
187 **section, unless reauthorized by an act of the general assembly;**

188 **(2) If such program is reauthorized, the program authorized under this section**  
189 **shall automatically sunset on December thirty-first, ten years after the effective date of**  
190 **the reauthorization of this section;**

191 **(3) This section shall terminate on September first of the calendar year**  
192 **immediately following the calendar year in which the program authorized under this**  
193 **section is sunset; and**



194           **(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit**  
195 **properly issued before this program was sunset in a tax year after the program is sunset.**

✓