

SECOND REGULAR SESSION

HOUSE BILL NO. 1850

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE COLEMAN (97).

4474H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 33.282, 99.805, 99.845, 135.100, 135.110, 135.200, 135.204, 135.205, 135.206, 135.207, 135.208, 135.209, 135.210, 135.212, 135.215, 135.220, 135.225, 135.230, 135.235, 135.240, 135.245, 135.247, 135.250, 135.255, 135.256, 135.257, 135.258, 135.259, 135.260, 135.262, 135.270, 135.276, 135.279, 135.281, 135.284, 135.286, 135.530, 135.535, 135.545, 135.546, 135.700, 135.750, 135.800, 135.967, 135.968, 135.1670, 137.073, 137.115, 137.237, 148.064, 320.092, 320.093, 447.708, 620.635, 620.638, 620.641, 620.644, 620.647, 620.650, 620.653, 620.1355, 620.1881, 620.1910, and 620.2600, RSMo, and to enact in lieu thereof twenty-four new sections relating to tax credits.

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

Section A. Sections 33.282, 99.805, 99.845, 135.100, 135.110, 135.200, 135.204, 135.205, 135.206, 135.207, 135.208, 135.209, 135.210, 135.212, 135.215, 135.220, 135.225, 135.230, 135.235, 135.240, 135.245, 135.247, 135.250, 135.255, 135.256, 135.257, 135.258, 135.259, 135.260, 135.262, 135.270, 135.276, 135.279, 135.281, 135.284, 135.286, 135.530, 135.535, 135.545, 135.546, 135.700, 135.750, 135.800, 135.967, 135.968, 135.1670, 137.073, 137.115, 137.237, 148.064, 320.092, 320.093, 447.708, 620.635, 620.638, 620.641, 620.644, 620.647, 620.650, 620.653, 620.1355, 620.1881, 620.1910, and 620.2600, RSMo, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 33.282, 99.805, 99.845, 135.100, 135.110, 135.276, 135.279, 135.284, 135.286, 135.530, 135.535, 135.800, 135.967, 135.968, 135.1670, 137.073, 137.115, 137.237, 148.064, 320.092, 447.708, 620.1355, 620.1881, and 620.1910, to read as follows:

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.

33.282. 1. Subject to appropriation the office of administration shall develop a tax expenditure budget for submission to the general assembly in conjunction with the submission of the state budget as required in section 33.280. The tax expenditure budget shall indicate, on an annual basis, the reduction in revenue collections for each fiscal year as a result of each deduction, exemption, credit or other tax preference as may be authorized by law, and shall indicate, where appropriate, the tax source of each state-funded program. Periodically the tax expenditure budget shall include a cost-benefit analysis of the following:

- (1) The neighborhood assistance program, sections 32.100 to 32.125;
- (2) Tax increment financing, sections 99.800 to 99.865;
- (3) Export and infrastructure funding, sections 100.250 to 100.297;
- (4) Credit for new expanded business facility, sections 135.100 to 135.150;
- (5) ~~Enterprise zones, sections 135.200 to 135.256;~~
- ~~(6)~~ Main street program, sections 251.470 to 251.485;
- ~~(7)~~ (6) Economic development districts, sections 251.500 to 251.510;
- ~~(8)~~ (7) Rural economic development, sections 620.155 to 620.165;
- ~~(9)~~ (8) Export development, sections 620.170 to 620.174;
- ~~(10)~~ (9) Small business incubator program, section 620.495; and
- ~~(11)~~ (10) Other programs as may be practical.

Pursuant to the provisions of section 32.057, the department of revenue shall not release information as part of the tax expenditure budget in a manner that would allow the identification of any individual taxpayer.

2. On or before October first of each year each state department authorized by law to offer deductions, exemptions, credits or other tax preferences shall submit to the budget director the estimated amount of such tax expenditures for the fiscal year beginning July first of the following year and a cost/benefit analysis of such tax expenditures for the preceding fiscal year. Such estimates and analysis shall be in the manner and form prescribed by the budget director and shall be submitted by the budget director to the chairman of the senate appropriations committee and the chairman of the house budget committee by January first of each year.

3. No new tax credits, except the senior citizens property tax credit as referenced in chapter 135, shall be issued or certified for any tax year beginning after July first of the following year unless the estimate of such credits have been reviewed and approved by a majority of the senate appropriations committee and the house budget committee.

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

3 (1) "Blighted area", an area which, by reason of the predominance of defective or
4 inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements,
5 improper subdivision or obsolete platting, or the existence of conditions which endanger life or
6 property by fire and other causes, or any combination of such factors, retards the provision of
7 housing accommodations or constitutes an economic or social liability or a menace to the public
8 health, safety, morals, or welfare in its present condition and use;

9 (2) "Collecting officer", the officer of the municipality responsible for receiving and
10 processing payments in lieu of taxes or economic activity taxes from taxpayers or the department
11 of revenue;

12 (3) "Conservation area", any improved area within the boundaries of a redevelopment
13 area located within the territorial limits of a municipality in which fifty percent or more of the
14 structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted
15 area but is detrimental to the public health, safety, morals, or welfare and may become a blighted
16 area because of any one or more of the following factors: dilapidation; obsolescence;
17 deterioration; illegal use of individual structures; presence of structures below minimum code
18 standards; abandonment; excessive vacancies; overcrowding of structures and community
19 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
20 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
21 community planning. A conservation area shall meet at least three of the factors provided in this
22 subdivision for projects approved on or after December 23, 1997;

23 (4) "Economic activity taxes", the total additional revenue from taxes which are imposed
24 by a municipality and other taxing districts, and which are generated by economic activities
25 within a redevelopment area over the amount of such taxes generated by economic activities
26 within such redevelopment area in the calendar year prior to the adoption of the ordinance
27 designating such a redevelopment area, while tax increment financing remains in effect, but
28 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
29 transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment
30 projects or redevelopment plans approved after December 23, 1997, if a retail establishment
31 relocates within one year from one facility to another facility within the same county and the
32 governing body of the municipality finds that the relocation is a direct beneficiary of tax
33 increment financing, then for purposes of this definition, the economic activity taxes generated
34 by the retail establishment shall equal the total additional revenues from economic activity taxes
35 which are imposed by a municipality or other taxing district over the amount of economic
36 activity taxes generated by the retail establishment in the calendar year prior to its relocation to
37 the redevelopment area;

38 (5) "Economic development area", any area or portion of an area located within the
39 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and
40 (3) of this section, and in which the governing body of the municipality finds that redevelopment
41 will not be solely used for development of commercial businesses which unfairly compete in the
42 local economy and is in the public interest because it will:

43 (a) Discourage commerce, industry or manufacturing from moving their operations to
44 another state; or

45 (b) Result in increased employment in the municipality; or

46 (c) Result in preservation or enhancement of the tax base of the municipality;

47 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800
48 and any related business facility including any real property improvements which are directly and
49 solely related to such business facility, whose sole purpose is to provide goods or services to an
50 excursion gambling boat and whose majority ownership interest is held by a person licensed to
51 conduct gambling games on an excursion gambling boat or licensed to operate an excursion
52 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable
53 only to a redevelopment area designated by ordinance adopted after December 23, 1997;

54 (7) "Greenfield area", any vacant, unimproved, or agricultural property that is located
55 wholly outside the incorporated limits of a city, town, or village, or that is substantially
56 surrounded by contiguous properties with agricultural zoning classifications or uses unless said
57 property was annexed into the incorporated limits of a city, town, or village ten years prior to the
58 adoption of the ordinance approving the redevelopment plan for such greenfield area;

59 (8) "Municipality", a city, village, or incorporated town or any county of this state. For
60 redevelopment areas or projects approved on or after December 23, 1997, municipality applies
61 only to cities, villages, incorporated towns or counties established for at least one year prior to
62 such date;

63 (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences
64 of indebtedness issued by a municipality to carry out a redevelopment project or to refund
65 outstanding obligations;

66 (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village
67 or a county or an order of the governing body of a county whose governing body is not
68 authorized to enact ordinances;

69 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area
70 selected for a redevelopment project, which revenues according to the redevelopment project or
71 plan are to be used for a private use, which taxing districts would have received had a
72 municipality not adopted tax increment allocation financing, and which would result from levies
73 made after the time of the adoption of tax increment allocation financing during the time the

74 current equalized value of real property in the area selected for the redevelopment project
75 exceeds the total initial equalized value of real property in such area until the designation is
76 terminated pursuant to subsection 2 of section 99.850;

77 (12) "Redevelopment area", an area designated by a municipality, in respect to which the
78 municipality has made a finding that there exist conditions which cause the area to be classified
79 as a blighted area, a conservation area, an economic development area, [~~an enterprise zone~~
80 ~~pursuant to sections 135.200 to 135.256,~~] or a combination thereof, which area includes only
81 those parcels of real property directly and substantially benefitted by the proposed redevelopment
82 project;

83 (13) "Redevelopment plan", the comprehensive program of a municipality for
84 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
85 conditions, the existence of which qualified the redevelopment area as a blighted area,
86 conservation area, economic development area, or combination thereof, and to thereby enhance
87 the tax bases of the taxing districts which extend into the redevelopment area. Each
88 redevelopment plan shall conform to the requirements of section 99.810;

89 (14) "Redevelopment project", any development project within a redevelopment area in
90 furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
91 include a legal description of the area selected for the redevelopment project;

92 (15) "Redevelopment project costs" include the sum total of all reasonable or necessary
93 costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan
94 or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

95 (a) Costs of studies, surveys, plans, and specifications;

96 (b) Professional service costs, including, but not limited to, architectural, engineering,
97 legal, marketing, financial, planning or special services. Except the reasonable costs incurred
98 by the commission established in section 99.820 for the administration of sections 99.800 to
99 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
100 included in the costs of a redevelopment plan or project;

101 (c) Property assembly costs, including, but not limited to:

102 a. Acquisition of land and other property, real or personal, or rights or interests therein;

103 b. Demolition of buildings; and

104 c. The clearing and grading of land;

105 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings
106 and fixtures;

107 (e) Initial costs for an economic development area;

108 (f) Costs of construction of public works or improvements;

109 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
110 related to the issuance of obligations, and which may include payment of interest on any
111 obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period
112 of construction of any redevelopment project for which such obligations are issued and for not
113 more than eighteen months thereafter, and including reasonable reserves related thereto;

114 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
115 project necessarily incurred or to be incurred in furtherance of the objectives of the
116 redevelopment plan and project, to the extent the municipality by written agreement accepts and
117 approves such costs;

118 (i) Relocation costs to the extent that a municipality determines that relocation costs shall
119 be paid or are required to be paid by federal or state law;

120 (j) Payments in lieu of taxes;

121 (16) "Special allocation fund", the fund of a municipality or its commission which
122 contains at least two separate segregated accounts for each redevelopment plan, maintained by
123 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
124 of taxes are deposited in one account, and economic activity taxes and other revenues are
125 deposited in the other account;

126 (17) "Taxing districts", any political subdivision of this state having the power to levy
127 taxes;

128 (18) "Taxing districts' capital costs", those costs of taxing districts for capital
129 improvements that are found by the municipal governing bodies to be necessary and to directly
130 result from the redevelopment project; and

131 (19) "Vacant land", any parcel or combination of parcels of real property not used for
132 industrial, commercial, or residential buildings.

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
2 the event a municipality has undertaken acts establishing a redevelopment plan and
3 redevelopment project and has designated a redevelopment area after the passage and approval
4 of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with
5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real
7 property in a redevelopment project exceeds the certified total initial equalized assessed
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and
9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such
10 redevelopment project by taxing districts and tax rates determined in the manner provided in
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until
12 redevelopment costs have been paid shall be divided as follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
14 or parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
16 project shall be allocated to and, when collected, shall be paid by the county collector to the
17 respective affected taxing districts in the manner required by law in the absence of the adoption
18 of tax increment allocation financing;

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected
21 for the redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred
26 in the payment thereof. Beginning August 28, 2014, if the voters in a taxing district vote to
27 approve an increase in such taxing district's levy rate for ad valorem tax on real property, any
28 additional revenues generated within an existing redevelopment project area that are directly
29 attributable to the newly voter-approved incremental increase in such taxing district's levy rate
30 shall not be considered payments in lieu of taxes subject to deposit into a special allocation fund
31 without the consent of such taxing district. Revenues will be considered directly attributable to
32 the newly voter-approved incremental increase to the extent that they are generated from the
33 difference between the taxing district's actual levy rate currently imposed and the maximum
34 voter-approved levy rate at the time that the redevelopment project was adopted. Payments in
35 lieu of taxes which are due and owing shall constitute a lien against the real estate of the
36 redevelopment project from which they are derived and shall be collected in the same manner
37 as the real property tax, including the assessment of penalties and interest where applicable. The
38 municipality may, in the ordinance, pledge the funds in the special allocation fund for the
39 payment of such costs and obligations and provide for the collection of payments in lieu of taxes,
40 the lien of which may be foreclosed in the same manner as a special assessment lien as provided
41 in section 88.861. No part of the current equalized assessed valuation of each lot, block, tract,
42 or parcel of property in the area selected for the redevelopment project attributable to any
43 increase above the total initial equalized assessed value of such properties shall be used in
44 calculating the general state school aid formula provided for in section 163.031 until such time
45 as all redevelopment costs have been paid as provided for in this section and section 99.850.

46 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
47 determining the limitation on indebtedness of local government pursuant to Article VI, Section
48 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area

49 selected for redevelopment attributable to the increase above the total initial equalized assessed
50 valuation shall be included in the value of taxable tangible property as shown on the last
51 completed assessment for state or county purposes.

52 (c) The county assessor shall include the current assessed value of all property within
53 the taxing district in the aggregate valuation of assessed property entered upon the assessor's
54 book and verified pursuant to section 137.245, and such value shall be utilized for the purpose
55 of the debt limitation on local government pursuant to Article VI, Section 26(b) of the Missouri
56 Constitution;

57 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
58 project by taxing districts" shall not include the blind pension fund tax levied under the authority
59 of Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
60 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X
61 of the Missouri Constitution, except in redevelopment project areas in which tax increment
62 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing
63 body of the municipality taken after August 13, 1982, and before January 1, 1998.

64 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
65 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
66 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
67 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
68 districts, which are generated by economic activities within the area of the redevelopment project
69 over the amount of such taxes generated by economic activities within the area of the
70 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
71 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
72 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
73 to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and
74 any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section
75 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local
76 political subdivision collecting officer to the treasurer or other designated financial officer of the
77 municipality, who shall deposit such funds in a separate segregated account within the special
78 allocation fund. Any provision of an agreement, contract or covenant entered into prior to July
79 12, 1990, between a municipality and any other political subdivision which provides for an
80 appropriation of other municipal revenues to the special allocation fund shall be and remain
81 enforceable.

82 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
83 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
84 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from

85 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
86 which are generated by economic activities within the area of the redevelopment project over the
87 amount of such taxes generated by economic activities within the area of the redevelopment
88 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
89 while tax increment financing remains in effect, but excluding personal property taxes, taxes
90 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
91 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation
92 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712
93 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,
94 fees or special assessments other than payments in lieu of taxes and penalties and interest
95 thereon, any sales tax imposed by a county with a charter form of government and with more
96 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose
97 of sports stadium improvement or levied by such county under section 238.410 for the purpose
98 of the county transit authority operating transportation facilities, or for redevelopment plans and
99 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes
100 imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency
101 communication systems, shall be allocated to, and paid by the local political subdivision
102 collecting officer to the treasurer or other designated financial officer of the municipality, who
103 shall deposit such funds in a separate segregated account within the special allocation fund.
104 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such
105 taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any
106 additional revenues generated within an existing redevelopment project area that are directly
107 attributable to the newly voter-approved incremental increase in such taxing district's levy rate
108 shall not be considered economic activity taxes subject to deposit into a special allocation fund
109 without the consent of such taxing district.

110 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
111 redevelopment projects approved by ordinance and which have complied with subsections 4 to
112 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
113 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
114 as defined in subsection 8 of this section, estimated for the businesses within the project area and
115 identified by the municipality in the application required by subsection 10 of this section, over
116 and above the amount of such taxes reported by businesses within the project area as identified
117 by the municipality in their application prior to the approval of the redevelopment project by
118 ordinance, while tax increment financing remains in effect, may be available for appropriation
119 by the general assembly as provided in subsection 10 of this section to the department of
120 economic development supplemental tax increment financing fund, from the general revenue

121 fund, for distribution to the treasurer or other designated financial officer of the municipality
122 with approved plans or projects.

123 5. The treasurer or other designated financial officer of the municipality with approved
124 plans or projects shall deposit such funds in a separate segregated account within the special
125 allocation fund established pursuant to section 99.805.

126 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
127 financing fund shall be made unless an appropriation is made from the general revenue fund for
128 that purpose. No municipality shall commit any state revenues prior to an appropriation being
129 made for that project. For all redevelopment plans or projects adopted or approved after
130 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
131 Missouri supplemental tax increment financing fund into the special allocation fund unless the
132 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
133 and fifty percent of economic activity taxes generated by the project shall be used for eligible
134 redevelopment project costs while tax increment financing remains in effect. This account shall
135 be separate from the account into which payments in lieu of taxes are deposited, and separate
136 from the account into which economic activity taxes are deposited.

137 7. In order for the redevelopment plan or project to be eligible to receive the revenue
138 described in subsection 4 of this section, the municipality shall comply with the requirements of
139 subsection 10 of this section prior to the time the project or plan is adopted or approved by
140 ordinance. The director of the department of economic development and the commissioner of
141 the office of administration may waive the requirement that the municipality's application be
142 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
143 project's approval by ordinance.

144 8. For purposes of this section, "new state revenues" means:

145 (1) The incremental increase in the general revenue portion of state sales tax revenues
146 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated,
147 taxes deposited to the school district trust fund in accordance with section 144.701, sales and use
148 taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by
149 law. In no event shall the incremental increase include any amounts attributable to retail sales
150 unless the municipality or authority has proven to the Missouri development finance board and
151 the department of economic development and such entities have made a finding that the sales
152 tax increment attributable to retail sales is from new sources which did not exist in the state
153 during the baseline year. The incremental increase in the general revenue portion of state sales
154 tax revenues for an existing or relocated facility shall be the amount that current state sales tax
155 revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan
156 as provided in subsection 10 of this section; or

157 (2) The state income tax withheld on behalf of new employees by the employer pursuant
158 to section 143.221 at the business located within the project as identified by the municipality.
159 The state income tax withholding allowed by this section shall be the municipality's estimate of
160 the amount of state income tax withheld by the employer within the redevelopment area for new
161 employees who fill new jobs directly created by the tax increment financing project.

162 9. Subsection 4 of this section shall apply only to the following:

163 (1) ~~[Blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256,]~~
164 Blighted areas located in federal empowerment zones, or to blighted areas located in central
165 business districts or urban core areas of cities which districts or urban core areas at the time of
166 approval of the project by ordinance, provided that the enterprise zones, federal empowerment
167 zones or blighted areas contained one or more buildings at least fifty years old; and

168 (a) Suffered from generally declining population or property taxes over the twenty-year
169 period immediately preceding the area's designation as a project area by ordinance; or

170 (b) Was a historic hotel located in a county of the first classification without a charter
171 form of government with a population according to the most recent federal decennial census in
172 excess of one hundred fifty thousand and containing a portion of a city with a population
173 according to the most recent federal decennial census in excess of three hundred fifty thousand;

174 (2) Blighted areas consisting solely of the site of a former automobile manufacturing
175 plant located in any county with a charter form of government and with more than nine hundred
176 fifty thousand inhabitants. For the purposes of this section, "former automobile manufacturing
177 plant" means a redevelopment area containing a minimum of one hundred acres, and such
178 redevelopment area was previously used primarily for the manufacture of automobiles but ceased
179 such manufacturing after the 2007 calendar year; or

180 (3) Blighted areas consisting solely of the site of a former insurance company national
181 service center containing a minimum of one hundred acres located in any county with a charter
182 form of government and with more than nine hundred fifty thousand inhabitants.

183 10. The initial appropriation of up to fifty percent of the new state revenues authorized
184 pursuant to subsection 4 of this section shall not be made to or distributed by the department of
185 economic development to a municipality until all of the following conditions have been satisfied:

186 (1) The director of the department of economic development or his or her designee and
187 the commissioner of the office of administration or his or her designee have approved a tax
188 increment financing application made by the municipality for the appropriation of the new state
189 revenues. The municipality shall include in the application the following items in addition to the
190 items in section 99.810:

191 (a) The tax increment financing district or redevelopment area, including the businesses
192 identified within the redevelopment area;

- 193 (b) The base year of state sales tax revenues or the base year of state income tax withheld
194 on behalf of existing employees, reported by existing businesses within the project area prior to
195 approval of the redevelopment project;
- 196 (c) The estimate of the incremental increase in the general revenue portion of state sales
197 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
198 employees expected to fill new jobs created within the redevelopment area after redevelopment;
- 199 (d) The official statement of any bond issue pursuant to this subsection after December
200 23, 1997;
- 201 (e) An affidavit that is signed by the developer or developers attesting that the provisions
202 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
203 redevelopment area would not be reasonably anticipated to be developed without the
204 appropriation of the new state revenues;
- 205 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
206 impact on the state of Missouri;
- 207 (g) The statement of election between the use of the incremental increase of the general
208 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
209 behalf of new employees who fill new jobs created in the redevelopment area;
- 210 (h) The name, street and mailing address, and phone number of the mayor or chief
211 executive officer of the municipality;
- 212 (i) The street address of the development site;
- 213 (j) The three-digit North American Industry Classification System number or numbers
214 characterizing the development project;
- 215 (k) The estimated development project costs;
- 216 (l) The anticipated sources of funds to pay such development project costs;
- 217 (m) Evidence of the commitments to finance such development project costs;
- 218 (n) The anticipated type and term of the sources of funds to pay such development
219 project costs;
- 220 (o) The anticipated type and terms of the obligations to be issued;
- 221 (p) The most recent equalized assessed valuation of the property within the development
222 project area;
- 223 (q) An estimate as to the equalized assessed valuation after the development project area
224 is developed in accordance with a development plan;
- 225 (r) The general land uses to apply in the development area;
- 226 (s) The total number of individuals employed in the development area, broken down by
227 full-time, part-time, and temporary positions;
- 228 (t) The total number of full-time equivalent positions in the development area;

- 229 (u) The current gross wages, state income tax withholdings, and federal income tax
230 withholdings for individuals employed in the development area;
- 231 (v) The total number of individuals employed in this state by the corporate parent of any
232 business benefitting from public expenditures in the development area, and all subsidiaries
233 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
234 and temporary positions;
- 235 (w) The number of new jobs to be created by any business benefitting from public
236 expenditures in the development area, broken down by full-time, part-time, and temporary
237 positions;
- 238 (x) The average hourly wage to be paid to all current and new employees at the project
239 site, broken down by full-time, part-time, and temporary positions;
- 240 (y) For project sites located in a metropolitan statistical area, as defined by the federal
241 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
242 in this state for the industries involved at the project, as established by the United States Bureau
243 of Labor Statistics;
- 244 (z) For project sites located outside of metropolitan statistical areas, the average weekly
245 wage paid to nonmanagerial employees in the county for industries involved at the project, as
246 established by the United States Department of Commerce;
- 247 (aa) A list of other community and economic benefits to result from the project;
- 248 (bb) A list of all development subsidies that any business benefitting from public
249 expenditures in the development area has previously received for the project, and the name of
250 any other granting body from which such subsidies are sought;
- 251 (cc) A list of all other public investments made or to be made by this state or units of
252 local government to support infrastructure or other needs generated by the project for which the
253 funding pursuant to this section is being sought;
- 254 (dd) A statement as to whether the development project may reduce employment at any
255 other site, within or without the state, resulting from automation, merger, acquisition, corporate
256 restructuring, relocation, or other business activity;
- 257 (ee) A statement as to whether or not the project involves the relocation of work from
258 another address and if so, the number of jobs to be relocated and the address from which they
259 are to be relocated;
- 260 (ff) A list of competing businesses in the county containing the development area and
261 in each contiguous county;
- 262 (gg) A market study for the development area;
- 263 (hh) A certification by the chief officer of the applicant as to the accuracy of the
264 development plan;

265 (2) The methodologies used in the application for determining the base year and
266 determining the estimate of the incremental increase in the general revenue portion of the state
267 sales tax revenues or the state income tax withheld by employers on behalf of new employees
268 who fill new jobs created in the redevelopment area shall be approved by the director of the
269 department of economic development or his or her designee and the commissioner of the office
270 of administration or his or her designee. Upon approval of the application, the director of the
271 department of economic development or his or her designee and the commissioner of the office
272 of administration or his or her designee shall issue a certificate of approval. The department of
273 economic development may request the appropriation following application approval;

274 (3) The appropriation shall be either a portion of the estimate of the incremental increase
275 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion
276 of the estimate of the state income tax withheld by the employer on behalf of new employees
277 who fill new jobs created in the redevelopment area as indicated in the municipality's application,
278 approved by the director of the department of economic development or his or her designee and
279 the commissioner of the office of administration or his or her designee. At no time shall the
280 annual amount of the new state revenues approved for disbursements from the Missouri
281 supplemental tax increment financing fund for redevelopment projects approved prior to August
282 28, 2018, exceed thirty-two million dollars; provided, however, that such thirty-two million
283 dollar cap shall not apply to redevelopment plans or projects initially listed by name in the
284 applicable appropriations bill after August 28, 2015, which involve:

285 (a) A former automobile manufacturing plant;

286 (b) The retention of a federal employer employing over two thousand geospatial
287 intelligence jobs; or

288 (c) A health information technology employer employing over seven thousand
289 employees in the state of Missouri and which is estimated to create in excess of fifteen thousand
290 new jobs with an average annual wage of more than seventy-five thousand dollars.

291

292 At no time shall the annual amount of the new state revenues for disbursements from the
293 Missouri supplemental tax increment financing fund for redevelopment plans and projects
294 eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in
295 the aggregate. At no time shall the annual amount of the new state revenues for disbursements
296 from the Missouri supplemental tax increment financing fund for redevelopment plans and
297 projects eligible under the provisions of paragraph (b) of this subdivision exceed twelve million
298 dollars in the aggregate. To the extent a redevelopment plan or project independently meets the
299 eligibility criteria set forth in both paragraphs (a) and (b) of this subdivision, then at no such time
300 shall the annual amount of new state revenues for disbursements from the Missouri supplemental

301 tax increment financing fund for such eligible redevelopment plan or project exceed twelve
302 million dollars in the aggregate;

303 (4) At no time shall the annual amount of the new state revenues approved for
304 disbursements from the Missouri supplemental tax increment financing fund for redevelopment
305 plans or projects approved on or after August 28, 2018, and before August 28, 2028, be increased
306 by or exceed ten million dollars. Any individual redevelopment plan or project approved prior
307 to August 28, 2018, which is expanded with buildings of new construction shall not be increased
308 by more than three million dollars annually in excess of the original previously approved
309 maximum annual projected amount. At no time shall the annual amount of the new state
310 revenues approved for disbursements from the Missouri supplemental tax increment financing
311 fund for redevelopment plans or projects approved on or after August 28, 2028, exceed twenty
312 million dollars; provided, however, that such ceilings shall not apply to redevelopment plans or
313 projects exempted from such ceilings under subdivision (3) of this subsection. For all
314 redevelopment plans or projects initially approved on or after August 28, 2018, at no time shall
315 a single redevelopment plan or project within such redevelopment plan receive an appropriation
316 under this section that exceeds three million dollars annually;

317 (5) Redevelopment plans and projects receiving new state revenues shall have a duration
318 of up to fifteen years, unless prior approval for a longer term is given by the director of the
319 department of economic development or his or her designee and the commissioner of the office
320 of administration or his or her designee; except that, in no case shall the duration exceed
321 twenty-three years.

322 11. In addition to the areas authorized in subsection 9 of this section, the funding
323 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
324 levee district, where construction of a levee begins after December 23, 1997, and which is
325 contained within a county of the first classification without a charter form of government with
326 a population between fifty thousand and one hundred thousand inhabitants which contains all
327 or part of a city with a population in excess of four hundred thousand or more inhabitants.

328 12. There is hereby established within the state treasury a special fund to be known as
329 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the
330 department of economic development. The department shall annually distribute from the
331 Missouri supplemental tax increment financing fund the amount of the new state revenues as
332 appropriated as provided in the provisions of subsection 4 of this section if and only if the
333 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,
334 contributions, grants or bequests received from federal, private or other sources. Moneys in the
335 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to
336 state appropriations.

337 13. Redevelopment project costs may include, at the prerogative of the state, the portion
338 of salaries and expenses of the department of economic development and the department of
339 revenue reasonably allocable to each redevelopment project approved for disbursements from
340 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
341 associated with such redevelopment project. Such amounts shall be recovered from new state
342 revenues deposited into the Missouri supplemental tax increment financing fund created under
343 this section.

344 14. For redevelopment plans or projects approved by ordinance that result in net new
345 jobs from the relocation of a national headquarters from another state to the area of the
346 redevelopment project, the economic activity taxes and new state tax revenues shall not be based
347 on a calculation of the incremental increase in taxes as compared to the base year or prior
348 calendar year for such redevelopment project, rather the incremental increase shall be the amount
349 of total taxes generated from the net new jobs brought in by the national headquarters from
350 another state. In no event shall this subsection be construed to allow a redevelopment project
351 to receive an appropriation in excess of up to fifty percent of the new state revenues.

352 15. Notwithstanding any other provision of the law to the contrary, the adoption of any
353 tax increment financing authorized under sections 99.800 to 99.865 shall not supersede, alter,
354 or reduce in any way a property tax levied under section 205.971.

135.100. As used in sections 135.100 to 135.150 the following terms shall mean:

2 (1) "Commencement of commercial operations" shall be deemed to occur during the first
3 tax year for which the new business facility is first available for use by the taxpayer, or first
4 capable of being used by the taxpayer, in the revenue-producing enterprise in which the taxpayer
5 intends to use the new business facility;

6 (2) "Existing business facility", any facility in this state which was employed by the
7 taxpayer claiming the credit in the operation of a revenue-producing enterprise immediately prior
8 to an expansion, acquisition, addition, or replacement;

9 (3) "Facility", any building used as a revenue-producing enterprise located within the
10 state, including the land on which the facility is located and all machinery, equipment and other
11 real and depreciable tangible personal property acquired for use at and located at or within such
12 facility and used in connection with the operation of such facility;

13 (4) "NAICS", the North American Industrial Classification System as such
14 classifications are defined in the 2007 edition of the North American Industrial Classification
15 System;

16 (5) "New business facility", a facility which satisfies the following requirements:

17 (a) Such facility is employed by the taxpayer in the operation of a revenue-producing
18 enterprise. Such facility shall not be considered a new business facility in the hands of the

19 taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person
20 or persons. If the taxpayer employs only a portion of such facility in the operation of a
21 revenue-producing enterprise, and leases another portion of such facility to another person or
22 persons or does not otherwise use such other portions in the operation of a revenue-producing
23 enterprise, the portion employed by the taxpayer in the operation of a revenue-producing
24 enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c),
25 (d) and (e) of this subdivision are satisfied;

26 (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 1983. A
27 facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,
28 1983, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding
29 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
30 taxpayer occurs after December 31, 1983, or, if the facility is constructed, erected or installed by
31 or on behalf of the taxpayer, such construction, erection or installation is commenced after
32 December 31, 1983;

33 (c) If such facility was acquired by the taxpayer from another person or persons and such
34 facility was employed immediately prior to the transfer of title to such facility to the taxpayer,
35 or to the commencement of the term of the lease of such facility to the taxpayer, by any other
36 person or persons in the operation of a revenue-producing enterprise, the operation of the same
37 or a substantially similar revenue-producing enterprise is not continued by the taxpayer at such
38 facility;

39 (d) Such facility is not a replacement business facility, as defined in subdivision (11) of
40 this section; and

41 (e) The new business facility investment exceeds one hundred thousand dollars during
42 the tax period in which the credits are claimed;

43 (6) "New business facility employee", a person employed by the taxpayer in the
44 operation of a new business facility during the tax year for which the credit allowed by section
45 135.110 is claimed, except that truck drivers and rail and barge vehicle operators shall not
46 constitute new business facility employees. A person shall be deemed to be so employed if such
47 person performs duties in connection with the operation of the new business facility on:

48 (a) A regular, full-time basis; or

49 (b) A part-time basis, provided such person is customarily performing such duties an
50 average of at least twenty hours per week; or

51 (c) A seasonal basis, provided such person performs such duties for at least eighty
52 percent of the season customary for the position in which such person is employed;

53 (7) "New business facility income", the Missouri taxable income, as defined in chapter
54 143, derived by the taxpayer from the operation of the new business facility. For the purpose of

55 apportionment as prescribed in this subdivision, the term "Missouri taxable income" means, in
56 the case of insurance companies, direct premiums as defined in chapter 148. If a taxpayer has
57 income derived from the operation of a new business facility as well as from other activities
58 conducted within this state, the Missouri taxable income derived by the taxpayer from the
59 operation of the new business facility shall be determined by multiplying the taxpayer's Missouri
60 taxable income, computed in accordance with chapter 143, or in the case of an insurance
61 company, computed in accordance with chapter 148, by a fraction, the numerator of which is the
62 property factor, as defined in paragraph (a) of this subdivision, plus the payroll factor, as defined
63 in paragraph (b) of this subdivision, and the denominator of which is two:

64 (a) The property factor is a fraction, the numerator of which is the new business facility
65 investment certified for the tax period, and the denominator of which is the average value of all
66 the taxpayer's real and depreciable tangible personal property owned or rented and used in this
67 state during the tax period. The average value of all such property shall be determined as
68 provided in chapter 32;

69 (b) The payroll factor is a fraction, the numerator of which is the total amount paid
70 during the tax period by the taxpayer for compensation to persons qualifying as new business
71 facility employees, as determined by subsection 4 of section 135.110, at the new business
72 facility, and the denominator of which is the total amount paid in this state during the tax period
73 by the taxpayer for compensation. The compensation paid in this state shall be determined as
74 provided in chapter 32. For the purpose of this subdivision, "other activities conducted within
75 this state" shall include activities previously conducted at the expanded, acquired or replaced
76 facility at any time during the tax period immediately prior to the tax period in which
77 commencement of commercial operations occurred;

78 (8) "New business facility investment", the value of property, acquired by the taxpayer
79 as part of the new business facility, which is used by the taxpayer in the operation of the new
80 business facility, during the tax year for which the credit allowed by section 135.110 is claimed,
81 except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft, and
82 other rolling stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall
83 not constitute new business facility investments. For the purposes of sections 135.100 to
84 135.150, property may be acquired by the taxpayer by purchase, lease, or license, including the
85 right to use software and hardware via on-demand network access to a shared pool of
86 configurable computing resources as long as the rights are used at the new business facility. The
87 total value of such property during such tax year shall be:

88 (a) Its original cost if owned by the taxpayer; or

89 (b) Eight times the net annual rental rate or license, if leased or licensed by the taxpayer.

90 The net annual rental or license rate shall be the annual rental or license rate paid by the taxpayer

91 less any annual rental or license rate received by the taxpayer from subrentals or sublicenses.
92 The new business facility investment shall be determined by dividing by twelve the sum of the
93 total value of such property on the last business day of each calendar month of the tax year. If
94 the new business facility is in operation for less than an entire tax year, the new business facility
95 investment shall be determined by dividing the sum of the total value of such property on the last
96 business day of each full calendar month during the portion of such tax year during which the
97 new business facility was in operation by the number of full calendar months during such period;

98 (9) "Office", a regional, national, or international headquarters, a telemarketing
99 operation, a computer operation, an insurance company, a passenger transportation
100 ticket/reservation system, or a credit card billing and processing center. For the purposes of this
101 subdivision, "headquarters" means the administrative management of at least four integrated
102 facilities operated by the taxpayer or related taxpayer. An office, as defined in this subdivision,
103 when established must create and maintain positions for a minimum number of twenty-five new
104 business facility employees as defined in subdivision (6) of this section;

105 (10) "Related taxpayer" shall mean:

106 (a) A corporation, partnership, trust, or association controlled by the taxpayer;

107 (b) An individual, corporation, partnership, trust, or association in control of the
108 taxpayer; or

109 (c) A corporation, partnership, trust, or association controlled by an individual,
110 corporation, partnership, trust, or association in control of the taxpayer. For the purposes of
111 sections 135.100 to 135.150, "control of a corporation" shall mean ownership, directly or
112 indirectly, of stock possessing at least fifty percent of the total combined voting power of all
113 classes of stock entitled to vote; "control of a partnership or association" shall mean ownership
114 of at least fifty percent of the capital or profits interest in such partnership or association; and
115 "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent of the
116 beneficial interest in the principal or income of such trust; ownership shall be determined as
117 provided in Section 318 of the U.S. Internal Revenue Code;

118 (11) "Replacement business facility", a facility otherwise described in subdivision (3)
119 of this section, hereafter referred to in this subdivision as "new facility", which replaces another
120 facility, hereafter referred to in this subdivision as "old facility", located within the state, which
121 the taxpayer or a related taxpayer previously operated but discontinued operating on or before
122 the close of the first tax year in which the credit allowed by this section is claimed. A new
123 facility shall be deemed to replace an old facility if the following conditions are met:

124 (a) The old facility was operated by the taxpayer or a related taxpayer during the
125 taxpayer's or related taxpayer's tax period immediately preceding the tax year in which
126 commencement of commercial operations occurs at the new facility; and

127 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation
128 of a revenue-producing enterprise and the taxpayer continues the operation of the same or
129 substantially similar revenue-producing enterprise at the new facility.

130

131 Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered
132 a replacement business facility if the taxpayer's new business facility investment, as computed
133 in subsection 5 of section 135.110, in the new facility during the tax period in which the credits
134 allowed in [sections] **section 135.110**, ~~135.225, and 135.235~~ and the exemption allowed in
135 ~~section 135.220~~ are claimed exceed one million dollars or, if less, two hundred percent of the
136 investment in the old facility by the taxpayer or related taxpayer, and if the total number of
137 employees at the new facility exceeds the total number of employees at the old facility by at least
138 two except that the total number of employees at the new facility exceeds the total number of
139 employees at the old facility by at least twenty-five if an office as defined in subdivision (9) of
140 this section is established by a revenue-producing enterprise other than a revenue-producing
141 enterprise defined in paragraphs (a) to (g) and (i) to (l) of subdivision (12) of this section;

142 (12) "Revenue-producing enterprise" means:

143 (a) Manufacturing activities classified as NAICS 31-33;

144 (b) Agricultural activities classified as NAICS 11;

145 (c) Rail transportation terminal activities classified as NAICS 482;

146 (d) Motor freight transportation terminal activities classified as NAICS 484 and NAICS
147 4884;

148 (e) Public warehousing and storage activities classified as NAICS 493, miniwarehouse
149 warehousing and warehousing self-storage;

150 (f) Water transportation terminal activities classified as NAICS 4832;

151 (g) Airports, flying fields, and airport terminal services classified as NAICS 481;

152 (h) Wholesale trade activities classified as NAICS 42;

153 (i) Insurance carriers activities classified as NAICS 524;

154 (j) Research and development activities classified as NAICS 5417;

155 (k) Farm implement dealer activities classified as NAICS 42382;

156 (l) Interexchange telecommunications services as defined in subdivision (25) of section
157 386.020 or training activities conducted by an interexchange telecommunications company as
158 defined in subdivision (24) of section 386.020;

159 (m) Recycling activities classified as NAICS 42393;

160 (n) Office activities as defined in subdivision (9) of this section, notwithstanding NAICS
161 classification;

162 (o) Mining activities classified as NAICS 21;

163 (p) Computer programming, data processing, and other computer-related activities
164 classified as NAICS 5415;

165 (q) The administrative management of any of the foregoing activities; or

166 (r) Any combination of any of the foregoing activities;

167 (13) "Same or substantially similar revenue-producing enterprise", a revenue-producing
168 enterprise in which the nature of the products produced or sold, or activities conducted, are
169 similar in character and use or are produced, sold, performed, or conducted in the same or similar
170 manner as in another revenue-producing enterprise;

171 (14) "Taxpayer", an individual proprietorship, corporation described in section 143.441
172 or 143.471, and partnership or an insurance company subject to the tax imposed by chapter 148[;
173 ~~or in the case of an insurance company exempt from the thirty-percent employee requirement of~~
174 ~~section 135.230, to any obligation imposed under section 375.916].~~

135.110. 1. Any taxpayer who shall establish a new business facility shall be allowed
2 a credit, each year for ten years, in an amount determined pursuant to subsection 2 or 3 of this
3 section, whichever is applicable, against the tax imposed by chapter 143, excluding withholding
4 tax imposed by sections 143.191 to 143.265, or an insurance company which shall establish a
5 new business facility by satisfying the requirements in subdivision (9) of section 135.100 shall
6 be allowed a credit against the tax otherwise imposed by chapter 148, ~~[and in the case of an~~
7 ~~insurance company exempt from the thirty percent employee requirement of section 135.230,~~
8 ~~against any obligation imposed pursuant to section 375.916,]~~ except that no taxpayer shall be
9 entitled to multiple ten-year periods for subsequent expansions at the same facility, except as
10 otherwise provided in this section. For the purpose of this section, the term "facility" shall mean,
11 and be limited to, the facility or facilities which are located on the same site in which the new
12 business facility is located, and in which the business conducted at such facility or facilities is
13 directly related to the business conducted at the new business facility. Notwithstanding the
14 provisions of this subsection, a taxpayer may be entitled to an additional ten-year period if a new
15 business facility is expanded in the eighth, ninth or tenth year of the current ten-year period or
16 in subsequent years following the expiration of the ten-year period, if the number of new
17 business facility employees attributed to such expansion is at least twenty-five and the amount
18 of new business facility investment attributed to such expansion is at least one million dollars.
19 Credits may not be carried forward but shall be claimed for the taxable year during which
20 commencement of commercial operations occurs at such new business facility, and for each of
21 the nine succeeding taxable years. A letter of intent~~[, as provided for in section 135.258,]~~ must
22 be filed with the department of economic development no later than fifteen days prior to the
23 commencement of commercial operations at the new business facility. The initial application
24 for claiming tax credits must be made in the taxpayer's tax period immediately following the tax

25 period in which commencement of commercial operations began at the new business facility.
26 This provision shall have effect on all initial applications filed on or after August 28, 1992. No
27 credit shall be allowed pursuant to this section unless the number of new business facility
28 employees engaged or maintained in employment at the new business facility for the taxable year
29 for which the credit is claimed equals or exceeds two; except that the number of new business
30 facility employees engaged or maintained in employment by a revenue-producing enterprise
31 other than a revenue-producing enterprise defined in paragraphs (a) to (g) and (i) to (l) of
32 subdivision (12) of section 135.100 which establishes an office as defined in subdivision (9) of
33 section 135.100 shall equal or exceed twenty-five.

34 2. For tax periods beginning after August 28, 1991, in the case of a taxpayer operating
35 an existing business facility, the credit allowed by subsection 1 of this section shall offset the
36 greater of:

37 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
38 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company,
39 the tax on the direct premiums, as defined in chapter 148, ~~[and in the case of an insurance~~
40 ~~company exempt from the thirty percent employee requirement of section 135.230, against any~~
41 ~~obligation imposed pursuant to section 375.916]~~ with respect to such taxpayer's new business
42 facility income for the taxable year for which such credit is allowed; or

43 (2) Up to fifty percent or, in the case of an economic development project located within
44 a distressed community as defined in section 135.530, seventy-five percent of the business
45 income tax otherwise imposed by chapter 143, excluding withholding tax imposed by sections
46 143.191 to 143.265, or in the case of an insurance company, the tax on the direct premiums, as
47 defined in chapter 148, ~~[and in the case of an insurance company exempt from the thirty percent~~
48 ~~employee requirement of section 135.230, against any obligation imposed pursuant to section~~
49 ~~375.916]~~ if the business operates no other facilities in Missouri. In the case of an existing
50 business facility operating more than one facility in Missouri, the credit allowed in subsection
51 1 of this section shall offset up to the greater of the portion prescribed in subdivision (1) of this
52 subsection or twenty-five percent or, in the case of an economic development project located
53 within a distressed community as defined in section 135.530, thirty-five percent of the business'
54 tax, except that no taxpayer operating more than one facility in Missouri shall be allowed to
55 offset more than twenty-five percent or, in the case of an economic development project located
56 within a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
57 business income tax in any tax period under the method prescribed in this subdivision. Such
58 credit shall be an amount equal to the sum of one hundred dollars or, in the case of an economic
59 development project located within a distressed community as defined in section 135.530, one
60 hundred fifty dollars for each new business facility employee plus one hundred dollars or, in the

61 case of an economic development project located within a distressed community as defined in
62 section 135.530, one hundred fifty dollars for each one hundred thousand dollars, or major
63 fraction thereof (which shall be deemed to be fifty-one percent or more) in new business facility
64 investment. For the purpose of this section, tax credits earned by a taxpayer, who establishes a
65 new business facility because it satisfies the requirements of paragraph (c) of subdivision (5) of
66 section 135.100, shall offset the greater of the portion prescribed in subdivision (1) of this
67 subsection or up to fifty percent or, in the case of an economic development project located
68 within a distressed community as defined in section 135.530, seventy-five percent of the
69 business' tax provided the business operates no other facilities in Missouri. In the case of a
70 business operating more than one facility in Missouri, the credit allowed in subsection 1 of this
71 section shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection
72 or twenty-five percent or, in the case of an economic development project located within a
73 distressed community as defined in section 135.530, thirty-five percent of the business' tax,
74 except that no taxpayer operating more than one facility in Missouri shall be allowed to offset
75 more than twenty-five percent or, in the case of an economic development project located within
76 a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
77 business income tax in any tax period under the method prescribed in this subdivision.

78 3. For tax periods beginning after August 28, 1991, in the case of a taxpayer not
79 operating an existing business facility, the credit allowed by subsection 1 of this section shall
80 offset the greater of:

81 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
82 withholding tax imposed by sections 143.191 to 143.265, or in the case of an insurance company,
83 the tax on the direct premiums, as defined in chapter 148, ~~[and in the case of an insurance~~
84 ~~company exempt from the thirty percent employee requirement of section 135.230, against any~~
85 ~~obligation imposed pursuant to section 375.916]~~ with respect to such taxpayer's new business
86 facility income for the taxable year for which such credit is allowed; or

87 (2) Up to one hundred percent of the business income tax otherwise imposed by chapter
88 143, excluding withholding tax imposed by sections 143.191 to 143.265, or in the case of an
89 insurance company, the tax on the direct premiums, as defined in chapter 148, ~~[and in the case~~
90 ~~of an insurance company exempt from the thirty percent employee requirement of section~~
91 ~~135.230, against any obligation imposed pursuant to section 375.916]~~ if the business has no other
92 facilities operating in Missouri. In the case of a taxpayer not operating an existing business and
93 operating more than one facility in Missouri, the credit allowed by subsection 1 of this section
94 shall offset up to the greater of the portion prescribed in subdivision (1) of this subsection or
95 twenty-five percent or, in the case of an economic development project located within a
96 distressed community as defined in section 135.530, thirty-five percent of the business' tax,

97 except that no taxpayer operating more than one facility in Missouri shall be allowed to offset
98 more than twenty-five percent or, in the case of an economic development project located within
99 a distressed community as defined in section 135.530, thirty-five percent of the taxpayer's
100 business income tax in any tax period under the method prescribed in this subdivision. Such
101 credit shall be an amount equal to the sum of seventy-five dollars or, in the case of an economic
102 development project located within a distressed community as defined in section 135.530, one
103 hundred twenty-five dollars for each new business facility employee plus seventy-five dollars
104 or, in the case of an economic development project located within a distressed community as
105 defined in section 135.530, one hundred twenty-five dollars for each one hundred thousand
106 dollars, or major fraction thereof (which shall be deemed to be fifty-one percent or more) in new
107 business facility investment.

108 4. The number of new business facility employees during any taxable year shall be
109 determined by dividing by twelve the sum of the number of individuals employed on the last
110 business day of each month of such taxable year. If the new business facility is in operation for
111 less than the entire taxable year, the number of new business facility employees shall be
112 determined by dividing the sum of the number of individuals employed on the last business day
113 of each full calendar month during the portion of such taxable year during which the new
114 business facility was in operation by the number of full calendar months during such period. For
115 the purpose of computing the credit allowed by this section in the case of a facility which
116 qualifies as a new business facility because it qualifies as a separate facility pursuant to
117 subsection 6 of this section, and, in the case of a new business facility which satisfies the
118 requirements of paragraph (c) of subdivision (5) of section 135.100, or subdivision (11) of
119 section 135.100, the number of new business facility employees at such facility shall be reduced
120 by the average number of individuals employed, computed as provided in this subsection, at the
121 facility during the taxable year immediately preceding the taxable year in which such expansion,
122 acquisition, or replacement occurred and shall further be reduced by the number of individuals
123 employed by the taxpayer or related taxpayer that was subsequently transferred to the new
124 business facility from another Missouri facility and for which credits authorized in this section
125 are not being earned, whether such credits are earned because of an expansion, acquisition,
126 relocation or the establishment of a new facility.

127 5. For the purpose of computing the credit allowed by this section in the case of a facility
128 which qualifies as a new business facility because it qualifies as a separate facility pursuant to
129 subsection 6 of this section, and, in the case of a new business facility which satisfies the
130 requirements of paragraph (c) of subdivision (5) of section 135.100 or subdivision (11) of section
131 135.100, the amount of the taxpayer's new business facility investment in such facility shall be
132 reduced by the average amount, computed as provided in subdivision (8) of section 135.100 for

133 new business facility investment, of the investment of the taxpayer, or related taxpayer
134 immediately preceding such expansion or replacement or at the time of acquisition.
135 Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced
136 by the amount of investment employed by the taxpayer or related taxpayer which was
137 subsequently transferred to the new business facility from another Missouri facility and for which
138 credits authorized in this section are not being earned, whether such credits are earned because
139 of an expansion, acquisition, relocation or the establishment of a new facility.

140 6. If a facility, which does not constitute a new business facility, is expanded by the
141 taxpayer, the expansion shall be considered a separate facility eligible for the credit allowed by
142 this section if:

143 (1) The taxpayer's new business facility investment in the expansion during the tax
144 period in which the credits allowed in this section are claimed exceeds one hundred thousand
145 dollars, or, if less, one hundred percent of the investment in the original facility prior to
146 expansion and if the number of new business facility employees engaged or maintained in
147 employment at the expansion facility for the taxable year for which credit is claimed equals or
148 exceeds two, except that the number of new business facility employees engaged or maintained
149 in employment at the expansion facility for the taxable year for which the credit is claimed
150 equals or exceeds twenty-five if an office as defined in subdivision (9) of section 135.100 is
151 established by a revenue-producing enterprise other than a revenue-producing enterprise defined
152 in paragraphs (a) to (g) and (i) to (l) of subdivision (12) of section 135.100 and the total number
153 of employees at the facility after the expansion is at least two greater than the total number of
154 employees before the expansion, except that the total number of employees at the facility after
155 the expansion is at least greater than the number of employees before the expansion by
156 twenty-five, if an office as defined in subdivision (9) of section 135.100 is established by a
157 revenue-producing enterprise other than a revenue-producing enterprise defined in paragraphs
158 (a) to (g) and (i) to (l) of subdivision (12) of section 135.100; and

159 (2) The expansion otherwise constitutes a new business facility. The taxpayer's
160 investment in the expansion and in the original facility prior to expansion shall be determined
161 in the manner provided in subdivision (8) of section 135.100.

162 7. No credit shall be allowed pursuant to this section to a public utility, as such term is
163 defined in section 386.020. Notwithstanding any provision of this subsection to the contrary,
164 motor carriers, barge lines or railroads engaged in transporting property for hire, or any
165 interexchange telecommunications company or local exchange telecommunications company
166 that establishes a new business facility shall be eligible to qualify for credits allowed in this
167 section.

168 8. For the purposes of the credit described in this section, in the case of a corporation
169 described in section 143.471 or partnership, in computing Missouri's tax liability, this credit shall
170 be allowed to the following:

171 (1) The shareholders of the corporation described in section 143.471;

172 (2) The partners of the partnership. This credit shall be apportioned to the entities
173 described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership
174 on the last day of the taxpayer's tax period.

175 9. Notwithstanding any provision of law to the contrary, any employee-owned
176 engineering firm classified as SIC 8711, architectural firm as classified SIC 8712, or accounting
177 firm classified SIC 8721 establishing a new business facility because it qualifies as a
178 headquarters as defined in subsection 10 of this section, shall be allowed the credits described
179 in subsection 11 of this section under the same terms and conditions prescribed in sections
180 135.100 to 135.150; provided:

181 (1) Such facility maintains an average of at least five hundred new business facility
182 employees as defined in subdivision (6) of section 135.100 during the taxpayer's tax period in
183 which such credits are being claimed; and

184 (2) Such facility maintains an average of at least twenty million dollars in new business
185 facility investment as defined in subdivision (8) of section 135.100 during the taxpayer's tax
186 period in which such credits are being claimed.

187 10. For the purpose of the credits allowed in subsection 9 of this section:

188 (1) "Employee-owned" means the business employees own directly or indirectly,
189 including through an employee stock ownership plan or trust at least:

190 (a) Seventy-five percent of the total business stock, if the taxpayer is a corporation
191 described in section 143.441; or

192 (b) One hundred percent of the interest in the business if the taxpayer is a corporation
193 described in section 143.471, a partnership, or a limited liability company; and

194 (2) "Headquarters" means:

195 (a) The administrative management of at least three integrated facilities operated by the
196 taxpayer or related taxpayer; and

197 (b) The taxpayer's business has been headquartered in this state for more than fifty years.

198 11. The tax credits allowed in subsection 9 of this section shall be the greater of:

199 (1) Four hundred dollars for each new business facility employee as computed in
200 subsection 4 of this section and four percent of new business facility investment as computed in
201 subsection 5 of this section; or

202 (2) Five hundred dollars for each new business facility employee as computed in
203 subsection 4 of this section, and five hundred dollars of each one hundred thousand dollars of
204 new business facility investment as computed in subsection 5 of this section.

205 12. For the purpose of the credit described in subsection 9 of this section, in the case of
206 a small corporation described in section 143.471, or a partnership, or a limited liability company,
207 the credits allowed in subsection 9 of this section shall be apportioned in proportion to the share
208 of ownership of each shareholder, partner or stockholder on the last day of the taxpayer's tax
209 period for which such credits are being claimed.

210 13. For the purpose of the credit described in subsection 9 of this section, tax credits
211 earned, to the extent such credits exceed the taxpayer's Missouri tax on taxable business income,
212 shall constitute an overpayment of taxes and in such case, be refunded to the taxpayer provided
213 such refunds are used by the taxpayer to purchase specified facility items. For the purpose of the
214 refund as authorized in this subsection, "specified facility items" means equipment, computers,
215 computer software, copiers, tenant finishing, furniture and fixtures installed and in use at the new
216 business facility during the taxpayer's taxable year. The taxpayer shall perfect such refund by
217 attesting in writing to the director, subject to the penalties of perjury, the requirements prescribed
218 in this subsection have been met and submitting any other information the director may require.

219 14. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
220 exchange, convey or otherwise transfer tax credits allowed in subsection 9 of this section under
221 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
222 referred to as the assignor for the purpose of this subsection, may sell, assign, exchange or
223 otherwise transfer earned tax credits:

224 (1) For no less than seventy-five percent of the par value of such credits; and

225 (2) In an amount not to exceed one hundred percent of such earned credits. The taxpayer
226 acquiring the earned credits referred to as the assignee for the purpose of this subsection may use
227 the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed
228 by chapter 143, excluding withholding tax imposed by sections 143.191 to 143.261, or chapter
229 148], ~~or in the case of an insurance company exempt from the thirty percent employee~~
230 ~~requirement of section 135.230, against any obligation imposed pursuant to section 375.916].~~

231 Unused credits in the hands of the assignee may be carried forward for up to five tax periods,
232 provided all such credits shall be claimed within ten tax periods following the tax period in
233 which commencement of commercial operations occurred at the new business facility. The
234 assignor shall enter into a written agreement with the assignee establishing the terms and
235 conditions of the agreement and shall perfect such transfer by notifying the director in writing
236 within thirty calendar days following the effective date of the transfer and shall provide any
237 information as may be required by the director to administer and carry out the provisions of this

238 subsection. Notwithstanding any other provision of law to the contrary, the amount received by
239 the assignor of such tax credit shall be taxable as income of the assignor, and the difference
240 between the amount paid by the assignee and the par value of the credits shall be taxable as
241 income of the assignee.

135.276. As used in sections 135.276 to 135.283, the following terms mean:

2 (1) "Continuation of commercial operations" shall be deemed to occur during the first
3 taxable year following the taxable year during which the business entered into an agreement with
4 the department pursuant to section 135.283 in order to receive the tax exemption, tax credits and
5 refundable credits authorized by sections 135.276 to 135.283;

6 (2) "Department", the department of economic development;

7 (3) "Director", the director of the department of economic development;

8 (4) "Enterprise zone", an enterprise zone [~~created under section 135.210~~] **designated by**
9 **the department of economic development** that includes all or part of a home rule city with
10 more than twenty-six thousand but less than twenty-seven thousand inhabitants located in any
11 county with a charter form of government and with more than one million inhabitants;

12 (5) "Facility", any building used as a revenue-producing enterprise located within an
13 enterprise zone, including the land on which the facility is located and all machinery, equipment,
14 and other real and depreciable tangible personal property acquired for use at and located at or
15 within such facility and used in connection with the operation of such facility;

16 (6) "NAICS", the industrial classification as such classifications are defined in the 1997
17 edition of the North American Industrial Classification System Manual as prepared by the
18 Executive Office of the President, Office of Management and Budget;

19 (7) "Retained business facility", a facility in an enterprise zone operated by the taxpayer
20 which satisfies the following requirements as determined by the department and included in an
21 agreement with the department:

22 (a) The taxpayer agrees to a capital investment project at the facility of at least five
23 hundred million dollars to take place over a period of two consecutive taxable years ending no
24 later than the fifth taxable year after continuation of commercial operations;

25 (b) The taxpayer has maintained at least two thousand employees per year at the facility
26 for each of the five taxable years preceding the year of continuation of commercial operations;

27 (c) The taxpayer agrees to maintain at least the level of employment that it had at the
28 facility in the taxable year immediately preceding the year of continuation of commercial
29 operations for ten consecutive taxable years beginning with the year of the continuation of
30 commercial operations. Temporary layoffs necessary to implement the capital investment project
31 will not be considered a violation of this requirement;

32 (d) The taxpayer agrees that the amount of the average wage paid by the taxpayer at the
33 facility will exceed the average wage paid within the county in which the facility is located for
34 ten consecutive taxable years beginning with the year of the continuation of commercial
35 operations;

36 (e) Significant local incentives with respect to the project or retained facility have been
37 committed, which incentives may consist of:

38 a. Cash or in-kind incentives derived from any nonstate source, including incentives
39 provided by the affected political subdivisions, private industry and/or local chambers of
40 commerce or similar such organizations; or

41 b. Relief from local taxes;

42 (f) Receipt of the tax exemption, tax credits, and refunds are major factors in the
43 taxpayer's decision to retain its operations at the facility in Missouri and go forward with the
44 capital investment project and not receiving the exemption, credits, and refunds will result in the
45 taxpayer moving its operations out of Missouri; and

46 (g) There is at least one other state that the taxpayer verifies is being considered as the
47 site to which the facility's operations will be relocated;

48 (8) "Retained business facility employee", a person employed by the taxpayer in the
49 operation of a retained business facility during the taxable year for which the credit allowed by
50 section 135.279 is claimed, except that truck drivers and rail and barge vehicle operators shall
51 not constitute retained business facility employees. A person shall be deemed to be so employed
52 if such person performs duties in connection with the operation of the retained business facility
53 on a regular, full-time basis. The number of retained business facility employees during any
54 taxable year shall be determined by dividing by twelve the sum of the number of individuals
55 employed on the last business day of each month of such taxable year. If the retained business
56 facility is in operation for less than the entire taxable year, the number of retained business
57 facility employees shall be determined by dividing the sum of the number of individuals
58 employed on the last business day of each full calendar month during the portion of such taxable
59 year during which the retained business facility was in operation by the number of full calendar
60 months during such period;

61 (9) "Retained business facility income", the Missouri taxable income, as defined in
62 chapter 143, derived by the taxpayer from the operation of the retained business facility. If a
63 taxpayer has income derived from the operation of a retained business facility as well as from
64 other activities conducted within this state, the Missouri taxable income derived by the taxpayer
65 from the operation of the retained business facility shall be determined by multiplying the
66 taxpayer's Missouri taxable income, computed in accordance with chapter 143, by a fraction, the
67 numerator of which is the property factor, as defined in paragraph (a) of this subdivision, plus

68 the payroll factor, as defined in paragraph (b) of this subdivision, and the denominator of which
69 is two:

70 (a) The "property factor" is a fraction, the numerator of which is the retained business
71 facility investment certified for the tax period, and the denominator of which is the average value
72 of all the taxpayer's real and depreciable tangible personal property owned or rented and used in
73 this state during the tax period. The average value of all such property shall be determined as
74 provided in chapter 32;

75 (b) The "payroll factor" is a fraction, the numerator of which is the total amount paid
76 during the tax period by the taxpayer for compensation to persons qualifying as retained business
77 facility employees at the retained business facility, and the denominator of which is the total
78 amount paid in this state during the tax period by the taxpayer for compensation. The
79 compensation paid in this state shall be determined as provided in chapter 32;

80 (10) "Retained business facility investment", the value of real and depreciable tangible
81 personal property, acquired by the taxpayer as part of the retained business facility after the date
82 of continuation of commercial operations, which is used by the taxpayer in the operation of the
83 retained business facility, during the taxable year for which the credit allowed by section 135.279
84 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles,
85 aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, rail yards, and
86 spurs shall not constitute retained business facility investments. The total value of such property
87 during such taxable year shall be:

88 (a) Its original cost if owned by the taxpayer; or

89 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental
90 rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the
91 taxpayer from subrentals. The retained business facility investment shall be determined by
92 dividing by twelve the sum of the total value of such property on the last business day of each
93 calendar month of the taxable year. If the retained business facility is in operation for less than
94 an entire taxable year, the retained business facility investment shall be determined by dividing
95 the sum of the total value of such property on the last business day of each full calendar month
96 during the portion of such taxable year during which the retained business facility was in
97 operation by the number of full calendar months during such period;

98 (11) "Revenue-producing enterprise", manufacturing activities classified as NAICS
99 336211.

135.279. 1. Any taxpayer that operates an approved retained business facility in an
2 enterprise zone may be allowed a credit, each year for ten years, in an amount determined
3 pursuant to subsection 2 or 3 of this section, whichever is applicable, against the tax imposed by
4 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265, as follows:

5 (1) The credit allowed for each retained business facility employee shall be four hundred
6 dollars, except that for each retained business facility employee that exceeds the level of
7 employment set forth in paragraph (b) of subdivision (7) of section 135.276, the credit shall be
8 five hundred dollars. Transfers from another facility operated by the taxpayer in the state will
9 not count as retained business facility employees;

10 (2) An additional credit of four hundred dollars shall be granted for each twelve-month
11 period that a retained business facility employee is a resident of an enterprise zone;

12 ~~(3) [An additional credit of four hundred dollars shall be granted for each twelve-month~~
13 ~~period that the person employed as a retained business facility employee is a person who, at the~~
14 ~~time of such employment by the new business facility, met the criteria as set forth in section~~
15 ~~135.240;~~

16 ~~——(4)]~~ To the extent that expenses incurred by a retained business facility in an enterprise
17 zone for the training of persons employed in the operation of the retained business facility is not
18 covered by an existing federal, state, or local program, such retained business facility shall be
19 eligible for a full tax credit equal to eighty percent of that portion of such training expenses
20 which are in excess of four hundred dollars for each trainee who is a resident of an enterprise
21 zone or who was at the time of such employment at the retained business facility unemployable
22 or ~~[difficult to employ as defined in section 135.240]~~ **unemployed for at least three months**
23 **immediately prior to being employed at the new business facility**, provided such credit shall
24 not exceed four hundred dollars for each employee trained;

25 ~~[(5)]~~ (4) The credit allowed for retained business facility investment shall be equal to the
26 sum of ten percent of the first ten thousand dollars of such qualifying investment, plus five
27 percent of the next ninety thousand dollars of such qualifying investment, plus two percent of
28 all remaining qualifying investments within an enterprise zone. The taxpayer's retained business
29 facility investment shall be reduced by the amount of investment made by the taxpayer or related
30 taxpayer which was subsequently transferred to the retained business facility from another
31 Missouri facility and for which credits authorized in this section are not being earned.

32 2. The credits allowed by subsection 1 of this section shall offset the greater of:

33 (1) Some portion of the income tax otherwise imposed by chapter 143, excluding
34 withholding tax imposed by sections 143.191 to 143.265, with respect to such taxpayer's retained
35 business facility income for the taxable year for which such credit is allowed; or

36 (2) If the taxpayer operates no other facility in Missouri, the credits allowed in
37 subsection 1 of this section shall offset up to fifty percent or, in the case of an economic
38 development project located within a distressed community as defined in section 135.530,
39 seventy-five percent of the business income tax otherwise imposed by chapter 143, excluding

40 withholding tax imposed by sections 143.191 to 143.265, if the business operates no other
41 facilities in Missouri;

42 (3) If the taxpayer operates more than one facility in Missouri, the credits allowed in
43 subsection 1 of this section shall offset up to the greater of the portion prescribed in subdivision
44 (1) of this subsection or twenty-five percent or, in the case of an economic development project
45 located within a distressed community as defined in section 135.530, thirty-five percent of the
46 business' tax, except that no taxpayer operating more than one facility in Missouri shall be
47 allowed to offset more than twenty-five percent or, in the case of an economic development
48 project located within a distressed community as defined in section 135.530, thirty-five percent
49 of the taxpayer's business income tax in any tax period under the method prescribed in this
50 subdivision.

51 3. In the case where a person employed by the retained business facility is a resident of
52 the enterprise zone for less than a twelve-month period, or in the case where a person employed
53 as a retained business facility employee is a person who, at the time of such employment by the
54 retained business facility, ~~met the criteria as set forth in section 135.240~~ **was unemployed for**
55 **at least three months immediately prior to being employed at the new business facility or**
56 **was eligible for aid to families with dependent children or general relief programs**, is
57 employed for less than a twelve-month period, the credits allowed by subdivisions (2) and (3)
58 of subsection 1 of this section shall be determined by multiplying the dollar amount of the credit
59 by a fraction, the numerator of which is the number of calendar days during the taxpayer's tax
60 year for which such credits are claimed, in which the person met the requirements prescribed in
61 subdivision (2) or (3) of this subsection, and the denominator of which is three hundred
62 sixty-five.

63 4. Notwithstanding any provision of law to the contrary, any taxpayer who claims the
64 exemption and credits allowed in sections 135.276 to 135.283 shall not be eligible to receive ~~the~~
65 ~~exemption allowed in section 135.220, the credits allowed in sections 135.225 and 135.235, and~~
66 ~~the refund authorized by section 135.245 or~~ the tax credits allowed in section 135.110. The
67 taxpayer must elect among the options. To perfect the election, the taxpayer shall attach written
68 notification of such election to the taxpayer's initial application for claiming tax credits. The
69 election shall be irreversible once perfected.

70 5. A taxpayer shall not receive the income exemption described in section 135.276 and
71 the tax credits described in subsection 1 of this section for any year in which the terms and
72 conditions of sections 135.276 to 135.283 are not met. Such incentives shall not exceed ~~the~~
73 ~~a fifteen-year limitation [pursuant to subsection 1 of section 135.230 or the seven-year limitation~~
74 ~~pursuant to subsection 5 of section 135.230].~~

75 6. The initial application for claiming tax credits must be made in the taxpayer's tax
76 period immediately following the tax period in which commencement of commercial operations
77 began at the new business facility.

78 7. Credits may not be carried forward but shall be claimed for the taxable year during
79 which continuation of commercial operations occurs at such retained business facility, and for
80 each of the nine succeeding taxable years.

 135.284. 1. The repeal and reenactment of sections 100.710 and 100.840, and the
2 enactment of sections 135.276, 135.277, 135.279, [~~135.281,~~] and 135.283 shall expire on
3 January 1, 2006, if no essential industry retention projects have been approved by the department
4 of economic development by December 31, 2005. If an essential industry retention project has
5 been approved by the department of economic development by December 31, 2005, the repeal
6 and reenactment of sections 100.710 and 100.840, and the enactment of sections 135.276,
7 135.277, 135.279, [~~135.281,~~] and 135.283 shall expire on January 1, 2020.

8 2. Notwithstanding any other provision of law to the contrary, the time for approval of
9 essential industry retention projects as identified in subsection 1 of this section is extended until
10 December 31, 2007, and if an essential industry retention project has been approved by the
11 department of economic development by December 31, 2007, the provisions of subsection 1 of
12 this section shall expire on January 1, 2020.

 135.286. 1. Notwithstanding any provision of law to the contrary, no revenue-producing
2 enterprise shall receive the state tax exemption, state tax credits, or state tax refund as provided
3 in sections [~~135.200~~] **135.276** to 135.283 for facilities commencing operations on or after
4 January 1, 2005. This provision is not intended to affect in any way the local real property tax
5 abatement authorized by section 135.215.

6 2. Notwithstanding subsection 4 of section 135.215 to the contrary, if an exemption
7 pursuant to section 135.215 is granted on property prior to the expiration of the twenty-five year
8 anniversary of the designation of the enterprise zone, the property may continue to receive that
9 exemption for up to twenty-five years following the date the exemption on that property was
10 granted, provided that the total number of years of exemption on that property shall not exceed
11 twenty-five.

 135.530. For the purposes of sections 100.010, 100.710, 100.850, 135.110, [~~135.200,~~
2 ~~135.258,~~] 135.313, 135.403, 135.405, 135.503, 135.530, [~~135.545,~~] 215.030, 348.300, 348.302,
3 and 620.1400 to 620.1460, "distressed community" means either a Missouri municipality within
4 a metropolitan statistical area which has a median household income of under seventy percent
5 of the median household income for the metropolitan statistical area, according to the United
6 States Census Bureau's American Community Survey, based on the most recent of five-year
7 period estimate data in which the final year of the estimate ends in either zero or five, or a United

8 States census block group or contiguous group of block groups within a metropolitan statistical
9 area which has a population of at least two thousand five hundred, and each block group having
10 a median household income of under seventy percent of the median household income for the
11 metropolitan area in Missouri, according to the United States Census Bureau's American
12 Community Survey, based on the most recent of five-year period estimate data in which the final
13 year of the estimate ends in either zero or five. In addition the definition shall include
14 municipalities not in a metropolitan statistical area, with a median household income of under
15 seventy percent of the median household income for the nonmetropolitan areas in Missouri
16 according to the United States Census Bureau's American Community Survey, based on the most
17 recent of five-year period estimate data in which the final year of the estimate ends in either zero
18 or five or a census block group or contiguous group of block groups which has a population of
19 at least two thousand five hundred with each block group having a median household income
20 of under seventy percent of the median household income for the nonmetropolitan areas of
21 Missouri, according to the United States Census Bureau's American Community Survey, based
22 on the most recent of five-year period estimate data in which the final year of the estimate ends
23 in either zero or five. In metropolitan statistical areas, the definition shall include areas that were
24 designated as either a federal empowerment zone; or a federal enhanced enterprise community;
25 or a state enterprise zone that was originally designated before January 1, 1986, but shall not
26 include expansions of such state enterprise zones done after March 16, 1988.

135.535. 1. A corporation, limited liability corporation, partnership or sole
2 proprietorship, which moves its operations from outside Missouri or outside a distressed
3 community into a distressed community, or which commences operations in a distressed
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of
5 its employees at the facility in the distressed community, and which has fewer than one hundred
6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
7 devices, scientific research, animal research, computer software design or development,
8 computer programming, including internet, web hosting, and other information technology,
9 wireless or wired or other telecommunications or a professional firm shall receive a forty percent
10 credit against income taxes owed pursuant to chapter 143, 147 or 148, other than taxes withheld
11 pursuant to sections 143.191 to 143.265, for each of the three years after such move, if approved
12 by the department of economic development, which shall issue a certificate of eligibility if the
13 department determines that the taxpayer is eligible for such credit. The maximum amount of
14 credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five
15 thousand dollars for each of the three years for which the credit is claimed. The department of
16 economic development, by means of rule or regulation promulgated pursuant to the provisions
17 of chapter 536, shall assign appropriate North American Industry Classification System numbers

18 to the companies which are eligible for the tax credits provided for in this section. Such
19 three-year credits shall be awarded only one time to any company which moves its operations
20 from outside of Missouri or outside of a distressed community into a distressed community or
21 to a company which commences operations within a distressed community. A taxpayer shall file
22 an application for certification of the tax credits for the first year in which credits are claimed and
23 for each of the two succeeding taxable years for which credits are claimed.

24 2. Employees of such facilities physically working and earning wages for that work
25 within a distressed community whose employers have been approved for tax credits pursuant to
26 subsection 1 of this section by the department of economic development for whom payroll taxes
27 are paid shall also be eligible to receive a tax credit against individual income tax, imposed
28 pursuant to chapter 143, equal to one and one-half percent of their gross salary paid at such
29 facility earned for each of the three years that the facility receives the tax credit provided by this
30 section, so long as they were qualified employees of such entity. The employer shall calculate
31 the amount of such credit and shall report the amount to the employee and the department of
32 revenue.

33 3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, other than
34 the taxes withheld pursuant to sections 143.191 to 143.265, in lieu of the credit against income
35 taxes as provided in subsection 1 of this section, may be taken by such an entity in a distressed
36 community in an amount of forty percent of the amount of funds expended for computer
37 equipment and its maintenance, medical laboratories and equipment, research laboratory
38 equipment, manufacturing equipment, fiber optic equipment, high speed telecommunications,
39 wiring or software development expense up to a maximum of seventy-five thousand dollars in
40 tax credits for such equipment or expense per year per entity and for each of three years after
41 commencement in or moving operations into a distressed community.

42 4. A corporation, partnership or sole partnership, which has no more than one hundred
43 employees for whom payroll taxes are paid, which is already located in a distressed community
44 and which expends funds for such equipment pursuant to subsection 3 of this section in an
45 amount exceeding its average of the prior two years for such equipment, shall be eligible to
46 receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148 in an
47 amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds
48 expended for such additional equipment per such entity. Tax credits allowed pursuant to this
49 subsection or subsection 1 of this section may be carried back to any of the three prior tax years
50 and carried forward to any of the next five tax years.

51 5. An existing corporation, partnership or sole proprietorship that is located within a
52 distressed community and that relocates employees from another facility outside of the distressed
53 community to its facility within the distressed community, and an existing business located

54 within a distressed community that hires new employees for that facility may both be eligible for
55 the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,
56 such a business, during one of its tax years, shall employ within a distressed community at least
57 twice as many employees as were employed at the beginning of that tax year. A business hiring
58 employees shall have no more than one hundred employees before the addition of the new
59 employees. This subsection shall only apply to a business which is a manufacturing, biomedical,
60 medical devices, scientific research, animal research, computer software design or development,
61 computer programming or telecommunications business, or a professional firm.

62 6. Tax credits shall be approved for applicants meeting the requirements of this section
63 in the order that such applications are received. Certificates of tax credits issued in accordance
64 with this section may be transferred, sold or assigned by notarized endorsement which names the
65 transferee.

66 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall
67 be for an amount of no more than ten million dollars for each year beginning in 1999. The total
68 maximum credit for all entities already located in distressed communities and claiming credits
69 pursuant to subsection 4 of this section shall be seven hundred and fifty thousand dollars. The
70 department of economic development in approving taxpayers for the credit as provided for in
71 subsection 6 of this section shall use information provided by the department of revenue
72 regarding taxes paid in the previous year, or projected taxes for those entities newly established
73 in the state, as the method of determining when this maximum will be reached and shall maintain
74 a record of the order of approval. Any tax credit not used in the period for which the credit was
75 approved may be carried over until the full credit has been allowed.

76 8. A Missouri employer relocating into a distressed community and having employees
77 covered by a collective bargaining agreement at the facility from which it is relocating shall not
78 be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be
79 eligible for the credit in subsection 2 of this section if the relocation violates or terminates a
80 collective bargaining agreement covering employees at the facility, unless the affected collective
81 bargaining unit concurs with the move.

82 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
83 credits allowed in this section and the tax credits otherwise allowed in section 135.110~~], or the~~
84 ~~tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and~~
85 ~~135.245, respectively,]~~ for the same business for the same tax period.

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

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

- 4 (1) "Administering agency", the state agency or department charged with administering
5 a particular tax credit program, as set forth by the program's enacting statute; where no
6 department or agency is set forth, the department of revenue;
- 7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, the new generation cooperative incentive tax credit created
9 pursuant to section 348.432, the family farm breeding livestock loan tax credit created under
10 section 348.505, **and** the qualified beef tax credit created under section 135.679~~], and the wine
11 and grape production tax credit created pursuant to section 135.700];~~
- 12 (3) "All tax credit programs", or "any tax credit program", the tax credit programs
13 included in the definitions of agricultural tax credits, business recruitment tax credits, community
14 development tax credits, domestic and social tax credits, entrepreneurial tax credits,
15 environmental tax credits, financial and insurance tax credits, housing tax credits, redevelopment
16 tax credits, and training and educational tax credits;
- 17 (4) "Business recruitment tax credits", the business facility tax credit created pursuant
18 to sections 135.110 to 135.150 ~~[and section 135.258, the enterprise zone tax benefits created
19 pursuant to sections 135.200 to 135.270]~~, the business use incentives for large-scale development
20 programs created pursuant to sections 100.700 to 100.850, the development tax credits created
21 pursuant to sections 32.100 to 32.125, the rebuilding communities tax credit created pursuant
22 to section 135.535, ~~[the film production tax credit created pursuant to section 135.750,]~~ the
23 enhanced enterprise zone created pursuant to sections 135.950 to 135.970, and the Missouri
24 quality jobs program created pursuant to sections 620.1875 to 620.1900;
- 25 (5) "Community development tax credits", the neighborhood assistance tax credit created
26 pursuant to sections 32.100 to 32.125~~], and the family development account tax credit created
27 pursuant to sections 208.750 to 208.775], the dry fire hydrant tax credit created pursuant to
28 section 320.093, and the transportation development tax credit created pursuant to section
29 135.545];~~
- 30 (6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant
31 to section 135.460 and sections 620.1100 to 620.1103, the shelter for victims of domestic
32 violence created pursuant to section 135.550, the senior citizen or disabled person property tax
33 credit created pursuant to sections 135.010 to 135.035, the special needs adoption tax credit
34 created pursuant to sections 135.325 to 135.339, the champion for children tax credit created
35 pursuant to section 135.341, the maternity home tax credit created pursuant to section 135.600,
36 the surviving spouse tax credit created pursuant to section 135.090, the residential treatment
37 agency tax credit created pursuant to section 135.1150, the pregnancy resource center tax credit
38 created pursuant to section 135.630, the food pantry tax credit created pursuant to section
39 135.647, the health care access fund tax credit created pursuant to section 135.575, the

40 residential dwelling access tax credit created pursuant to section 135.562, the developmental
41 disability care provider tax credit created under section 135.1180, the shared care tax credit
42 created pursuant to section 192.2015, and the diaper bank tax credit created pursuant to section
43 135.621;

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

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

54 (9) "Financial and insurance tax credits", the bank franchise tax credit created pursuant
55 to section 148.030, the bank tax credit for S corporations created pursuant to section 143.471,
56 the exam fee tax credit created pursuant to section 148.400, the health insurance pool tax credit
57 created pursuant to section 376.975, the life and health insurance guaranty tax credit created
58 pursuant to section 376.745, the property and casualty guaranty tax credit created pursuant to
59 section 375.774, and the self-employed health insurance tax credit created pursuant to section
60 143.119;

61 (10) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
62 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections
63 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to
64 32.125;

65 (11) "Recipient", the individual or entity who is the original applicant for and who
66 receives proceeds from a tax credit program directly from the administering agency, the person
67 or entity responsible for the reporting requirements established in section 135.805;

68 (12) "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 to
72 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 tax
74 credit created pursuant to section 135.680, and the distressed areas land assemblage tax credit
75 created pursuant to section 99.1205;

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

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by
 2 the department, be allowed a credit, each tax year for up to ten tax years, in an amount
 3 determined as set forth in this section, against the tax imposed by chapter 143, excluding
 4 withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple
 5 ten-year periods for subsequent expansions at the same facility.

6 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes
 7 a new business facility in an enhanced enterprise zone and is awarded state tax credits under this
 8 section may not also receive tax credits under sections 135.100 to 135.150, sections [~~135.200~~]
 9 **135.276** to 135.286, or section 135.535, and may not simultaneously receive tax credits under
 10 sections 620.1875 to 620.1890 at the same facility.

11 3. No credit shall be issued pursuant to this section unless:

12 (1) The number of new business facility employees engaged or maintained in
 13 employment at the new business facility for the taxable year for which the credit is claimed
 14 equals or exceeds two; and

15 (2) The new business facility investment for the taxable year for which the credit is
 16 claimed equals or exceeds one hundred thousand dollars.

17 4. The annual amount of credits allowed for an approved enhanced business enterprise
 18 shall be the lesser of:

19 (1) The annual amount authorized by the department for the enhanced business
 20 enterprise, which shall be limited to the projected state economic benefit, as determined by the
 21 department; or

22 (2) The sum calculated based upon the following:

23 (a) A credit of four hundred dollars for each new business facility employee employed
 24 within an enhanced enterprise zone;

25 (b) An additional credit of four hundred dollars for each new business facility employee
 26 who is a resident of an enhanced enterprise zone;

27 (c) An additional credit of four hundred dollars for each new business facility employee
 28 who is paid by the enhanced business enterprise a wage that exceeds the average wage paid
 29 within the county in which the facility is located, as determined by the department; and

30 (d) A credit equal to two percent of new business facility investment within an enhanced
 31 enterprise zone.

32 5. Prior to January 1, 2007, in no event shall the department authorize more than four
 33 million dollars annually to be issued for all enhanced business enterprises. After December 31,

34 2006, in no event shall the department authorize more than twenty-four million dollars annually
35 to be issued for all enhanced business enterprises.

36 6. If a facility, which does not constitute a new business facility, is expanded by the
37 taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

38 (1) The taxpayer's new business facility investment in the expansion during the tax
39 period in which the credits allowed in this section are claimed exceeds one hundred thousand
40 dollars and if the number of new business facility employees engaged or maintained in
41 employment at the expansion facility for the taxable year for which credit is claimed equals or
42 exceeds two, and the total number of employees at the facility after the expansion is at least two
43 greater than the total number of employees before the expansion; and

44 (2) The taxpayer's investment in the expansion and in the original facility prior to
45 expansion shall be determined in the manner provided in subdivision (19) of section 135.950.

46 7. The number of new business facility employees during any taxable year shall be
47 determined by dividing by twelve the sum of the number of individuals employed on the last
48 business day of each month of such taxable year. If the new business facility is in operation for
49 less than the entire taxable year, the number of new business facility employees shall be
50 determined by dividing the sum of the number of individuals employed on the last business day
51 of each full calendar month during the portion of such taxable year during which the new
52 business facility was in operation by the number of full calendar months during such period. For
53 the purpose of computing the credit allowed by this section in the case of a facility which
54 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
55 business facility which satisfies the requirements of paragraph (c) of subdivision (17) of section
56 135.950, or subdivision (25) of section 135.950, the number of new business facility employees
57 at such facility shall be reduced by the average number of individuals employed, computed as
58 provided in this subsection, at the facility during the taxable year immediately preceding the
59 taxable year in which such expansion, acquisition, or replacement occurred and shall further be
60 reduced by the number of individuals employed by the taxpayer or related taxpayer that was
61 subsequently transferred to the new business facility from another Missouri facility and for which
62 credits authorized in this section are not being earned, whether such credits are earned because
63 of an expansion, acquisition, relocation, or the establishment of a new facility.

64 8. In the case where a new business facility employee who is a resident of an enhanced
65 enterprise zone for less than a twelve-month period is employed for less than a twelve-month
66 period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section
67 shall be determined by multiplying four hundred dollars by a fraction, the numerator of which
68 is the number of calendar days during the taxpayer's tax year for which such credits are claimed,

69 in which the employee was a resident of an enhanced enterprise zone, and the denominator of
70 which is three hundred sixty-five.

71 9. For the purpose of computing the credit allowed by this section in the case of a facility
72 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
73 of a new business facility which satisfies the requirements of paragraph (c) of subdivision (17)
74 of section 135.950 or subdivision (25) of section 135.950, the amount of the taxpayer's new
75 business facility investment in such facility shall be reduced by the average amount, computed
76 as provided in subdivision (19) of section 135.950 for new business facility investment, of the
77 investment of the taxpayer, or related taxpayer immediately preceding such expansion or
78 replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new
79 business facility investment shall also be reduced by the amount of investment employed by the
80 taxpayer or related taxpayer which was subsequently transferred to the new business facility from
81 another Missouri facility and for which credits authorized in this section are not being earned,
82 whether such credits are earned because of an expansion, acquisition, relocation, or the
83 establishment of a new facility.

84 10. For a taxpayer with flow-through tax treatment to its members, partners, or
85 shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to
86 their share of ownership on the last day of the taxpayer's tax period.

87 11. Credits may not be carried forward but shall be claimed for the taxable year during
88 which commencement of commercial operations occurs at such new business facility, and for
89 each of the nine succeeding taxable years for which the credit is issued.

90 12. Certificates of tax credit authorized by this section may be transferred, sold, or
91 assigned by filing a notarized endorsement thereof with the department that names the transferee,
92 the amount of tax credit transferred, and the value received for the credit, as well as any other
93 information reasonably requested by the department. The sale price cannot be less than
94 seventy-five percent of the par value of such credits.

95 13. The director of revenue shall issue a refund to the taxpayer to the extent that the
96 amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

97 14. Prior to the issuance of tax credits, the department shall verify through the
98 department of revenue, or any other state department, that the tax credit applicant does not owe
99 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
100 fees or assessments levied by any state department and through the department of commerce and
101 insurance that the applicant does not owe any delinquent insurance taxes. Such delinquency
102 shall not affect the authorization of the application for such tax credits, except that the amount
103 of credits issued shall be reduced by the applicant's tax delinquency. If the department of
104 revenue or the department of commerce and insurance, or any other state department, concludes

105 that a taxpayer is delinquent after June fifteenth but before July first of any year and the
106 application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer
107 to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,
108 penalties, and additions to tax shall be tolled. After applying all available credits toward a tax
109 delinquency, the administering agency shall notify the appropriate department, and that
110 department shall update the amount of outstanding delinquent tax owed by the applicant. If any
111 credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the
112 remaining credits shall be issued to the applicant, subject to the restrictions of other provisions
113 of law.

135.968. 1. A taxpayer who establishes a megaproject, approved by the department,
2 within an enhanced enterprise zone shall, in exchange for the consideration provided by new tax
3 revenues and other economic stimuli that will be generated from the new jobs created by the
4 megaproject, be allowed an income tax credit equal to the percentage of actual new annual
5 payroll of the taxpayer attributable to employees directly related to the manufacturing and
6 assembly process and administration, as provided under subsection 4 of this section. A taxpayer
7 seeking approval of a megaproject shall submit an application to the department. The
8 department shall not approve any megaproject after December 31, 2008. The department shall
9 not approve any credits for megaprojects to be issued prior to January 1, 2013, and in no event
10 shall the department authorize more than forty million dollars to be issued annually for all
11 megaprojects. The total amount of credits issued under this section shall not exceed two hundred
12 forty million dollars.

13 2. In considering applications for approval of megaprojects, the department may approve
14 an application if:

15 (1) The taxpayer's project is financially sound and the taxpayer has adequately
16 demonstrated an ability to successfully undertake and complete the megaproject. This
17 determination shall be supported by a professional third-party market feasibility analysis
18 conducted on behalf of the state by a firm with direct experience with the industry of the
19 proposed megaproject, and by a professional third-party financial analysis of the taxpayer's
20 ability to complete the project;

21 (2) The taxpayer's plan of repayment to the state of the amount of tax credits provided
22 is reasonable and sound;

23 (3) The taxpayer's megaproject will create new jobs that were not jobs previously
24 performed by employees of the taxpayer or a related taxpayer in Missouri;

25 (4) Local taxing entities are providing a significant level of incentives for the
26 megaproject relative to the projected new local tax revenues created by the megaproject;

27 (5) There is at least one other state or foreign country that the taxpayer verifies is being
28 considered for the project, and receiving megaproject tax credits is a major factor in the
29 taxpayer's decision to go forward with the project and not receiving the credit will result in the
30 taxpayer not creating new jobs in Missouri;

31 (6) The megaproject will be located in an enhanced enterprise zone which constitutes
32 an economic or social liability and a detriment to the public health, safety, morals, or welfare in
33 its present condition and use;

34 (7) The completion of the megaproject will serve an essential public municipal purpose
35 by creating a substantial number of new jobs for citizens, increasing their purchasing power,
36 improving their living conditions, and relieving the demand for unemployment and welfare
37 assistance thereby promoting the economic development of the enhanced enterprise zone, the
38 municipality, and the state; and

39 (8) The creation of new jobs will assist the state in providing the services needed to
40 protect the health, safety, and social and economic well-being of the citizens of the state.

41 3. Prior to final approval of an application, a binding contract shall be executed between
42 the taxpayer and the department of economic development which shall include, but not be
43 limited to:

44 (1) A repayment plan providing for cash payment to the state general revenue fund which
45 shall result in a positive internal rate of return to the state and fully comply with the provisions
46 of the World Trade Organization Agreement on Subsidies and Countervailing Measures. The
47 rate of return shall be commercially reasonable and, over the life of the project, exceed one
48 hundred and fifty percent of the state's borrowing costs based on the AAA-rated twenty-year
49 tax-exempt bond rate average over a twenty-year borrowing period. The rate shall be verified
50 by a professional third-party financial analysis;

51 (2) The taxpayer's obligation to construct a facility of at least one million square feet
52 within five years from the date of approval;

53 (3) A requirement that the issuance of tax credits authorized under this section shall
54 cease and the taxpayer shall immediately submit payment, to the state general revenue fund, in
55 an amount equal to all credits previously issued less any amounts previously repaid, increased
56 by an additional amount that shall provide the state a reasonable rate of return, in the event the
57 taxpayer:

58 (a) Fails to construct a facility of at least one million square feet within five years of the
59 date of approval;

60 (b) Fails to make a scheduled payment as required by the repayment plan; or

61 (c) Fails to compensate new jobs at rate equal to or in excess of the county average wage
62 or fails to offer health insurance to all such new jobs and pay at least eighty percent of such
63 premiums; and

64 (4) A requirement that the department shall suspend issuance of tax credits authorized
65 under this section if, at any point, the total amount of tax credits issued less the total amount of
66 repayments received equals one hundred and fifty-five million dollars.

67 4. Upon approval of an application by the department, tax credits shall be issued
68 annually for a period not to exceed eight years from the commencement of commercial
69 operations of the megaproject. The eight-year period for the issuance of megaproject tax credits
70 may extend beyond the expiration of the enhanced enterprise zone. The maximum percentage
71 of the annual payroll of the taxpayer for new jobs located at the megaproject which may be
72 approved or issued by the department for tax credits shall not exceed:

73 (1) Eighty percent for the first three years that tax credits will be issued for the
74 megaproject;

75 (2) Sixty percent for the next two subsequent years;

76 (3) Fifty percent for the next two subsequent years; and

77 (4) Thirty percent for the remaining year.

78

79 In no event shall the department issue more than forty million dollars annually in megaproject
80 tax credits to any taxpayer. In any given year, the amount of tax credits issued shall be the lesser
81 of forty million dollars, the applicable annual payroll percentage, or the amount of tax credits
82 remaining unissued under the two hundred forty million dollar limitation on megaproject tax
83 credit issuance provided under subsection 1 of this section.

84 5. Tax credits issued under this section may be claimed against the tax imposed by
85 chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265. For taxpayers
86 with flow-through tax treatment of its members, partners, or shareholders, the credit shall be
87 allowed to members, partners, or shareholders in proportion to their share of ownership on the
88 last day of the taxpayer's tax period. The director of revenue shall issue a refund to a taxpayer
89 to the extent the amount of credits allowed in this section exceeds the amount of the taxpayer's
90 income tax liability in the year redemption is authorized. An owner of tax credits issued under
91 this section shall not be required to have any Missouri income tax liability in order to redeem
92 such tax credits and receive a refund. The director of revenue shall prepare a form to permit the
93 owner of such tax credits to obtain a refund.

94 6. Certificates of tax credits authorized under this section may be transferred, sold, or
95 assigned by filing a notarized endorsement thereof with the department that names the transferee,
96 the amount of tax credit transferred, and the value received for the credit, as well as any other

97 information reasonably requested by the department. Upon such transfer, sale, or assignment,
98 the transferee shall be the owner of such tax credits entitled to claim the tax credits or any
99 refunds with respect thereto issued to the taxpayer. Tax credits may not be carried forward past
100 the year of issuance. Tax credits authorized by this section may not be pledged or used to secure
101 any bonds or other indebtedness issued by the state or any political subdivision of the state.
102 Once such tax credits have been issued, nothing shall prohibit the owner of the tax credits from
103 pledging the tax credits to any lender or other third party.

104 7. Any taxpayer issued tax credits under this section shall provide an annual report to the
105 department and the house and senate appropriations committees of the number of new jobs
106 located at the megaproject, the new annual payroll of such new jobs, and such other information
107 as may be required by the department to document the basis for benefits under this section. The
108 department may withhold the approval of the annual issuance of any tax credits until it is
109 satisfied that proper documentation has been provided, and shall reduce the tax credits to reflect
110 any reduction in new payroll. If the department determines the average wage is below the county
111 average wage, or the taxpayer has not maintained employee health insurance as required, the
112 taxpayer shall not receive tax credits for that year.

113 8. Notwithstanding any provision of law to the contrary, any taxpayer who is awarded
114 tax credits under this section shall not also receive tax credits under sections 135.100 to 135.150,
115 sections [~~135.200~~] **135.276** to 135.286, section 135.535, or sections 620.1875 to 620.1890.

116 9. Any action brought in any court contesting the approval of a megaproject and the
117 issuance of the tax credits, or any other action undertaken pursuant to this section related to such
118 megaproject, shall be filed within ninety days following approval of the megaproject by the
119 department.

120 10. Records and documents relating to a proposed megaproject shall be deemed closed
121 records until such time as the application has been approved. Provisions of this subsection to
122 the contrary notwithstanding, records containing business plan information which may endanger
123 the competitiveness of the business shall remain closed.

124 11. Notwithstanding any provision of this section to the contrary, no taxpayer who
125 receives megaproject tax credits authorized under this section or any related taxpayer shall
126 employ, prior to January 1, 2022, directly:

127 (1) Any elected public official of this state holding office as of January 1, 2008;

128 (2) Any director, deputy director, division director, or employee directly involved in
129 negotiations between the department of economic development and a taxpayer relative to the
130 megaproject who was employed as of January 1, 2008, by the department.

135.1670. 1. As used in this section, the following terms mean:

2 (1) "Kansas border county", Johnson, Miami, or Wyandotte County in Kansas;

3 (2) "Missouri border county", any county with a charter form of government and with
4 more than six hundred thousand but fewer than seven hundred thousand inhabitants, any county
5 of the first classification with more than eighty-three thousand but fewer than ninety-two
6 thousand inhabitants and with a city of the fourth classification with more than four thousand
7 five hundred but fewer than five thousand inhabitants as the county seat, any county of the first
8 classification with more than two hundred thousand but fewer than two hundred sixty thousand
9 inhabitants, or any county of the first classification with more than ninety-two thousand but
10 fewer than one hundred one thousand inhabitants in Missouri.

11 2. If any job that qualifies for a tax credit under sections 100.700 to 100.850 or under
12 sections 135.100 to [~~135.258~~] **135.155**, for funding under section 620.1023, or for a tax credit
13 or retention of state withholding taxes under sections 620.2000 to 620.2020, relocates to a
14 Missouri border county from a Kansas border county, no tax credits shall be issued, funding
15 provided, or retention of withholding taxes authorized for such job under such sections.

16 3. If the director of the Missouri department of economic development determines that
17 the state of Kansas has enacted legislation or the governor of Kansas issued an executive order
18 or similar action which prohibits the Kansas Department of Commerce or any other Kansas
19 executive department from providing economic incentives for jobs that are relocated from a
20 Missouri border county to a Kansas border county, then the director shall execute and deliver to
21 the governor, the speaker of the house of representatives, and the president pro tempore of the
22 senate a written certification of such determination. Upon the execution and delivery of such
23 written certification and the parties receiving such certification providing a unanimous written
24 affirmation, the provisions of subsection 2 of this section shall be effective unless otherwise
25 provided in this section. The provisions of subsection 2 of this section shall not apply to
26 incentives reserved on behalf of and awarded to Missouri employers prior to the provisions of
27 subsection 2 of this section taking effect.

28 4. If the director of the Missouri department of economic development determines that
29 the Kansas Department of Commerce or any other Kansas executive department is providing
30 economic incentives for jobs that relocate from a Missouri border county to a Kansas border
31 county, then the director shall execute and deliver to the governor, the speaker of the house of
32 representatives, and the president pro tempore of the senate a written certification of such
33 determination. Upon the execution and delivery of such written certification and the parties
34 receiving such certification providing a unanimous written affirmation, the provisions of
35 subsection 2 of this section shall not be effective until such time as the director determines that
36 the Kansas Department of Commerce or any other Kansas executive department is not providing
37 economic incentives for jobs that relocate from a Missouri border county to a Kansas border
38 county, and the director has executed and delivered to the governor, the speaker of the house of

39 representatives, and the president pro tempore of the senate a written certification of such
 40 determination and the parties receiving such certification provide an unanimous written
 41 affirmation.

42 5. The director of the Missouri department of economic development shall notify the
 43 revisor of statutes of all changes in whether subsection 2 of this section is effective.

44 6. The provisions of this section shall expire August 28, 2021, unless at such time the
 45 provisions of subsection 2 of this section are in effect. If the provisions of this section do not
 46 expire on August 28, 2021, the provisions of this section shall expire on August 28, 2025.

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's books, of a
 3 substantial portion of the parcels of real property within a county resulting wholly or partly from
 4 reappraisal of value or other actions of the assessor or county equalization body or ordered by
 5 the state tax commission or any court;

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each
 7 purpose of taxation of property a taxing authority is authorized to levy without a vote and any
 8 tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
 10 provisions of this section or when a court has determined the tax rate; except that, other
 11 provisions of law to the contrary notwithstanding, a school district may levy the operating levy
 12 for school purposes required for the current year pursuant to subsection 2 of section 163.021, less
 13 all adjustments required pursuant to Article X, Section 22 of the Missouri Constitution, if such
 14 tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is
 15 the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters
 16 of the political subdivision as provided in this section;

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from
 18 ad valorem levies on all classes of property, including state-assessed property, in the immediately
 19 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not
 20 collected in the fiscal year and plus an additional allowance for the revenue which would have
 21 been collected from property which was annexed by such political subdivision but which was
 22 not previously used in determining tax revenue pursuant to this section. The term "tax revenue"
 23 shall not include any receipts from ad valorem levies on any property of a railroad corporation
 24 or a public utility, as these terms are defined in section 386.020, which were assessed by the
 25 assessor of a county or city in the previous year but are assessed by the state tax commission in
 26 the current year. All school districts and those counties levying sales taxes pursuant to chapter
 27 67 shall include in the calculation of tax revenue an amount equivalent to that by which they
 28 reduced property tax levies as a result of sales tax pursuant to section 67.505 and section 164.013

29 or as excess home dock city or county fees as provided in subsection 4 of section 313.820 in the
30 immediately preceding fiscal year but not including any amount calculated to adjust for prior
31 years. For purposes of political subdivisions which were authorized to levy a tax in the prior
32 year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in
33 relation to the revision of tax levies mandated by law, shall mean the revenues equal to the
34 amount that would have been available if the voluntary rate reduction had not been made.

35 2. Whenever changes in assessed valuation are entered in the assessor's books for any
36 personal property, in the aggregate, or for any subclass of real property as such subclasses are
37 established in Section 4(b) of Article X of the Missouri Constitution and defined in section
38 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each
39 political subdivision wholly or partially within the county or St. Louis City of the change in
40 valuation of each subclass of real property, individually, and personal property, in the aggregate,
41 exclusive of new construction and improvements. All political subdivisions shall immediately
42 revise the applicable rates of levy for each purpose for each subclass of real property,
43 individually, and personal property, in the aggregate, for which taxes are levied to the extent
44 necessary to produce from all taxable property, exclusive of new construction and improvements,
45 substantially the same amount of tax revenue as was produced in the previous year for each
46 subclass of real property, individually, and personal property, in the aggregate, except that the
47 rate shall not exceed the greater of the most recent voter-approved rate or the most recent
48 voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Any
49 political subdivision that has received approval from voters for a tax increase after August 27,
50 2008, may levy a rate to collect substantially the same amount of tax revenue as the amount of
51 revenue that would have been derived by applying the voter-approved increased tax rate ceiling
52 to the total assessed valuation of the political subdivision as most recently certified by the city
53 or county clerk on or before the date of the election in which such increase is approved, increased
54 by the percentage increase in the consumer price index, as provided by law, except that the rate
55 shall not exceed the greater of the most recent voter-approved rate or the most recent
56 voter-approved rate as adjusted under subdivision (2) of subsection 5 of this section. Such tax
57 revenue shall not include any receipts from ad valorem levies on any real property which was
58 assessed by the assessor of a county or city in such previous year but is assessed by the assessor
59 of a county or city in the current year in a different subclass of real property. Where the taxing
60 authority is a school district for the purposes of revising the applicable rates of levy for each
61 subclass of real property, the tax revenues from state-assessed railroad and utility property shall
62 be apportioned and attributed to each subclass of real property based on the percentage of the
63 total assessed valuation of the county that each subclass of real property represents in the current
64 taxable year. As provided in Section 22 of Article X of the constitution, a political subdivision

65 may also revise each levy to allow for inflationary assessment growth occurring within the
66 political subdivision. The inflationary growth factor for any such subclass of real property or
67 personal property shall be limited to the actual assessment growth in such subclass or class,
68 exclusive of new construction and improvements, and exclusive of the assessed value on any real
69 property which was assessed by the assessor of a county or city in the current year in a different
70 subclass of real property, but not to exceed the consumer price index or five percent, whichever
71 is lower. Should the tax revenue of a political subdivision from the various tax rates determined
72 in this subsection be different than the tax revenue that would have been determined from a
73 single tax rate as calculated pursuant to the method of calculation in this subsection prior to
74 January 1, 2003, then the political subdivision shall revise the tax rates of those subclasses of real
75 property, individually, and/or personal property, in the aggregate, in which there is a tax rate
76 reduction, pursuant to the provisions of this subsection. Such revision shall yield an amount
77 equal to such difference and shall be apportioned among such subclasses of real property,
78 individually, and/or personal property, in the aggregate, based on the relative assessed valuation
79 of the class or subclasses of property experiencing a tax rate reduction. Such revision in the tax
80 rates of each class or subclass shall be made by computing the percentage of current year
81 adjusted assessed valuation of each class or subclass with a tax rate reduction to the total current
82 year adjusted assessed valuation of the class or subclasses with a tax rate reduction, multiplying
83 the resulting percentages by the revenue difference between the single rate calculation and the
84 calculations pursuant to this subsection and dividing by the respective adjusted current year
85 assessed valuation of each class or subclass to determine the adjustment to the rate to be levied
86 upon each class or subclass of property. The adjustment computed herein shall be multiplied by
87 one hundred, rounded to four decimals in the manner provided in this subsection, and added to
88 the initial rate computed for each class or subclass of property. For school districts that levy
89 separate tax rates on each subclass of real property and personal property in the aggregate, if
90 voters approved a ballot before January 1, 2011, that presented separate stated tax rates to be
91 applied to the different subclasses of real property and personal property in the aggregate, or
92 increases the separate rates that may be levied on the different subclasses of real property and
93 personal property in the aggregate by different amounts, the tax rate that shall be used for the
94 single tax rate calculation shall be a blended rate, calculated in the manner provided under
95 subdivision (1) of subsection 6 of this section. Notwithstanding any provision of this subsection
96 to the contrary, no revision to the rate of levy for personal property shall cause such levy to
97 increase over the levy for personal property from the prior year.

98 3. (1) Where the taxing authority is a school district, it shall be required to revise the
99 rates of levy to the extent necessary to produce from all taxable property, including state-assessed
100 railroad and utility property, which shall be separately estimated in addition to other data

101 required in complying with section 164.011, substantially the amount of tax revenue permitted
102 in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to
103 offset such district's reduction in the apportionment of state school moneys due to its reduced tax
104 rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this
105 section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss
106 of state aid, discovers that the estimates used result in receipt of excess revenues, which would
107 have required a lower rate if the actual information had been known, the school district shall
108 reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the
109 recalculated rate shall become the tax rate ceiling for purposes of this section.

110 (2) For any political subdivision which experiences a reduction in the amount of assessed
111 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant
112 to sections 138.430 to 138.433, or due to clerical errors or corrections in the calculation or
113 recordation of any assessed valuation:

114 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies
115 taxes to compensate for the reduction in assessed value occurring after the political subdivision
116 calculated the tax rate ceiling for the particular subclass of real property or for personal property,
117 in the aggregate, in a prior year. Such revision by the political subdivision shall be made at the
118 time of the next calculation of the tax rate for the particular subclass of real property or for
119 personal property, in the aggregate, after the reduction in assessed valuation has been determined
120 and shall be calculated in a manner that results in the revised tax rate ceiling being the same as
121 it would have been had the corrected or finalized assessment been available at the time of the
122 prior calculation;

123 (b) In addition, for up to three years following the determination of the reduction in
124 assessed valuation as a result of circumstances defined in this subdivision, such political
125 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling
126 provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive had
127 the corrected or finalized assessment been available at the time of the prior calculation.

128 4. (1) In order to implement the provisions of this section and Section 22 of Article X
129 of the Constitution of Missouri, the term improvements shall apply to both real and personal
130 property. In order to determine the value of new construction and improvements, each county
131 assessor shall maintain a record of real property valuations in such a manner as to identify each
132 year the increase in valuation for each political subdivision in the county as a result of new
133 construction and improvements. The value of new construction and improvements shall include
134 the additional assessed value of all improvements or additions to real property which were begun
135 after and were not part of the prior year's assessment, except that the additional assessed value
136 of all improvements or additions to real property which had been totally or partially exempt from

137 ad valorem taxes pursuant to sections 99.800 to 99.865[, sections 135.200 to 135.255, and] or
138 section 353.110 shall be included in the value of new construction and improvements when the
139 property becomes totally or partially subject to assessment and payment of all ad valorem taxes.
140 The aggregate increase in valuation of personal property for the current year over that of the
141 previous year is the equivalent of the new construction and improvements factor for personal
142 property. Notwithstanding any opt-out implemented pursuant to subsection 15 of section
143 137.115, the assessor shall certify the amount of new construction and improvements and the
144 amount of assessed value on any real property which was assessed by the assessor of a county
145 or city in such previous year but is assessed by the assessor of a county or city in the current year
146 in a different subclass of real property separately for each of the three subclasses of real property
147 for each political subdivision to the county clerk in order that political subdivisions shall have
148 this information for the purpose of calculating tax rates pursuant to this section and Section 22,
149 Article X, Constitution of Missouri. In addition, the state tax commission shall certify each year
150 to each county clerk the increase in the general price level as measured by the Consumer Price
151 Index for All Urban Consumers for the United States, or its successor publications, as defined
152 and officially reported by the United States Department of Labor, or its successor agency. The
153 state tax commission shall certify the increase in such index on the latest twelve-month basis
154 available on February first of each year over the immediately preceding prior twelve-month
155 period in order that political subdivisions shall have this information available in setting their
156 tax rates according to law and Section 22 of Article X of the Constitution of Missouri. For
157 purposes of implementing the provisions of this section and Section 22 of Article X of the
158 Missouri Constitution, the term "property" means all taxable property, including state-assessed
159 property.

160 (2) Each political subdivision required to revise rates of levy pursuant to this section or
161 Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is
162 authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate
163 revision provided in this section and Section 22 of Article X of the Constitution of Missouri,
164 separately and without regard to annual tax rate reductions provided in section 67.505 and
165 section 164.013. Each political subdivision shall set each tax rate it is authorized to levy using
166 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general
167 assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution of Missouri,
168 that the provisions of such section be applicable to tax rate revisions mandated pursuant to
169 Section 22 of Article X of the Constitution of Missouri as to reestablishing tax rates as revised
170 in subsequent years, enforcement provisions, and other provisions not in conflict with Section
171 22 of Article X of the Constitution of Missouri. Annual tax rate reductions provided in section

172 67.505 and section 164.013 shall be applied to the tax rate as established pursuant to this section
173 and Section 22 of Article X of the Constitution of Missouri, unless otherwise provided by law.

174 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section
175 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate
176 shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval
177 by more than a simple majority pursuant to any provision of law or the constitution, the tax rate
178 increase must receive approval by at least the majority required.

179 (2) When voters approve an increase in the tax rate, the amount of the increase shall be
180 added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does
181 not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate
182 for approval rather than describing the amount of increase in the question, the stated tax rate
183 approved shall be adjusted as provided in this section and, so adjusted, shall be the current tax
184 rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that when applied
185 to the current total assessed valuation of the political subdivision, excluding new construction
186 and improvements since the date of the election approving such increase, the revenue derived
187 from the adjusted tax rate ceiling is equal to the sum of: the amount of revenue which would
188 have been derived by applying the voter-approved increased tax rate ceiling to total assessed
189 valuation of the political subdivision, as most recently certified by the city or county clerk on or
190 before the date of the election in which such increase is approved, increased by the percentage
191 increase in the consumer price index, as provided by law. Such adjusted tax rate ceiling may be
192 applied to the total assessed valuation of the political subdivision at the setting of the next tax
193 rate. If a ballot question presents a phased-in tax rate increase, upon voter approval, each tax rate
194 increase shall be adjusted in the manner prescribed in this section to yield the sum of: the
195 amount of revenue that would be derived by applying such voter-approved increased rate to the
196 total assessed valuation, as most recently certified by the city or county clerk on or before the
197 date of the election in which such increase was approved, increased by the percentage increase
198 in the consumer price index, as provided by law, from the date of the election to the time of such
199 increase and, so adjusted, shall be the current tax rate ceiling.

200 (3) The governing body of any political subdivision may levy a tax rate lower than its
201 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level not
202 exceeding the tax rate ceiling without voter approval in the manner provided under subdivision
203 (4) of this subsection. Nothing in this section shall be construed as prohibiting a political
204 subdivision from voluntarily levying a tax rate lower than that which is required under the
205 provisions of this section or from seeking voter approval of a reduction to such political
206 subdivision's tax rate ceiling.

207 (4) In a year of general reassessment, a governing body whose tax rate is lower than its
208 tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section
209 as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if such
210 governing body intends to increase its tax rate, the governing body shall conduct a public
211 hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement
212 justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision
213 shall not apply to any political subdivision which levies a tax rate lower than its tax rate ceiling
214 solely due to a reduction required by law resulting from sales tax collections. The provisions of
215 this subdivision shall not apply to any political subdivision which has received voter approval
216 for an increase to its tax rate ceiling subsequent to setting its most recent tax rate.

217 6. (1) For the purposes of calculating state aid for public schools pursuant to section
218 163.031, each taxing authority which is a school district shall determine its proposed tax rate as
219 a blended rate of the classes or subclasses of property. Such blended rate shall be calculated by
220 first determining the total tax revenue of the property within the jurisdiction of the taxing
221 authority, which amount shall be equal to the sum of the products of multiplying the assessed
222 valuation of each class and subclass of property by the corresponding tax rate for such class or
223 subclass, then dividing the total tax revenue by the total assessed valuation of the same
224 jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the
225 taxing authority is a school district, such blended rate shall also be used by such school district
226 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151
227 and for apportioning the tax rate by purpose.

228 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk
229 of the county commission in the county or counties where the tax rate applies of its tax rate
230 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a
231 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one
232 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth
233 of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to
234 the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a
235 cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next
236 higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data,
237 in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate
238 complies with Missouri law. All forms for the calculation of rates pursuant to this section shall
239 be promulgated as a rule and shall not be incorporated by reference. The state auditor shall
240 promulgate rules for any and all forms for the calculation of rates pursuant to this section which
241 do not currently exist in rule form or that have been incorporated by reference. In addition, each
242 taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as

243 shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service
244 complies with Missouri law. A tax rate proposed for annual debt service requirements will be
245 prima facie valid if, after making the payment for which the tax was levied, bonds remain
246 outstanding and the debt fund reserves do not exceed the following year's payments. The county
247 clerk shall keep on file and available for public inspection all such information for a period of
248 three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing
249 authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor.
250 The state auditor shall, within fifteen days of the date of receipt, examine such information and
251 return to the county clerk his or her findings as to compliance of the tax rate ceiling with this
252 section and as to compliance of any proposed tax rate for debt service with Missouri law. If the
253 state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri
254 law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor
255 may request a taxing authority to submit documentation supporting such taxing authority's
256 proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings
257 to the taxing authority and shall file a copy of the findings with the information received from
258 the taxing authority. The taxing authority shall have fifteen days from the date of receipt from
259 the county clerk of the state auditor's findings and any request for supporting documentation to
260 accept or reject in writing the rate change certified by the state auditor and to submit all requested
261 information to the state auditor. A copy of the taxing authority's acceptance or rejection and any
262 information submitted to the state auditor shall also be mailed to the county clerk. If a taxing
263 authority rejects a rate change certified by the state auditor and the state auditor does not receive
264 supporting information which justifies the taxing authority's original or any subsequent proposed
265 tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the
266 attorney general's office and the attorney general is authorized to obtain injunctive relief to
267 prevent the taxing authority from levying a violative tax rate.

268 (3) In the event that the taxing authority incorrectly completes the forms created and
269 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing
270 authority may submit amended forms with an explanation for the needed changes. If such
271 amended forms are filed under regulations prescribed by the state auditor, the state auditor shall
272 take into consideration such amended forms for the purposes of this subsection.

273 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
274 subdivision has complied with the foregoing provisions of this section.

275 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied
276 with the provisions of this section, the taxpayer may make a formal complaint with the
277 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within
278 ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this

279 section and institute an action as representative of a class of all taxpayers within a taxing
280 authority if the class is so numerous that joinder of all members is impracticable, if there are
281 questions of law or fact common to the class, if the claims or defenses of the representative
282 parties are typical of the claims or defenses of the class, and if the representative parties will
283 fairly and adequately protect the interests of the class. In any class action maintained pursuant
284 to this section, the court may direct to the members of the class a notice to be published at least
285 once each week for four consecutive weeks in a newspaper of general circulation published in
286 the county where the civil action is commenced and in other counties within the jurisdiction of
287 a taxing authority. The notice shall advise each member that the court will exclude him or her
288 from the class if he or she so requests by a specified date, that the judgment, whether favorable
289 or not, will include all members who do not request exclusion, and that any member who does
290 not request exclusion may, if he or she desires, enter an appearance. In any class action brought
291 pursuant to this section, the court, in addition to the relief requested, shall assess against the
292 taxing authority found to be in violation of this section the reasonable costs of bringing the
293 action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any
294 attorney or association of attorneys who receive public funds from any source for their services.
295 Any action brought pursuant to this section shall be set for hearing as soon as practicable after
296 the cause is at issue.

297 9. If in any action, including a class action, the court issues an order requiring a taxing
298 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the
299 collection of a tax because of its failure to revise the rate of levy as provided in this section, any
300 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her
301 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031 or
302 otherwise contested. The part of the taxes paid erroneously is the difference in the amount
303 produced by the original levy and the amount produced by the revised levy. The township or
304 county collector of taxes or the collector of taxes in any city shall refund the amount of the tax
305 erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this
306 section shall make available to the collector all funds necessary to make refunds pursuant to this
307 subsection. No taxpayer shall receive any interest on any money erroneously paid by him or her
308 pursuant to this subsection. Effective in the 1994 tax year, nothing in this section shall be
309 construed to require a taxing authority to refund any tax erroneously paid prior to or during the
310 third tax year preceding the current tax year.

311 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is
312 created under the authority delegated in this section shall become effective only if it complies
313 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
314 This section and chapter 536 are nonseverable and if any of the powers vested with the general

315 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
316 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and
317 any rule proposed or adopted after August 28, 2004, shall be invalid and void.

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's
2 deputies in all counties of this state including the City of St. Louis shall annually make a list of
3 all real and tangible personal property taxable in the assessor's city, county, town or district.
4 Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor
5 shall annually assess all personal property at thirty-three and one-third percent of its true value
6 in money as of January first of each calendar year. The assessor shall annually assess all real
7 property, including any new construction and improvements to real property, and possessory
8 interests in real property at the percent of its true value in money set in subsection 5 of this
9 section. The true value in money of any possessory interest in real property in subclass (3),
10 where such real property is on or lies within the ultimate airport boundary as shown by a federal
11 airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139
12 certification and owned by a political subdivision, shall be the otherwise applicable true value
13 in money of any such possessory interest in real property, less the total dollar amount of costs
14 paid by a party, other than the political subdivision, towards any new construction or
15 improvements on such real property completed after January 1, 2008, and which are included in
16 the above-mentioned possessory interest, regardless of the year in which such costs were incurred
17 or whether such costs were considered in any prior year. The assessor shall annually assess all
18 real property in the following manner: new assessed values shall be determined as of January
19 first of each odd-numbered year and shall be entered in the assessor's books; those same assessed
20 values shall apply in the following even-numbered year, except for new construction and
21 property improvements which shall be valued as though they had been completed as of January
22 first of the preceding odd-numbered year. The assessor may call at the office, place of doing
23 business, or residence of each person required by this chapter to list property, and require the
24 person to make a correct statement of all taxable tangible personal property owned by the person
25 or under his or her care, charge or management, taxable in the county. On or before January first
26 of each even-numbered year, the assessor shall prepare and submit a two-year assessment
27 maintenance plan to the county governing body and the state tax commission for their respective
28 approval or modification. The county governing body shall approve and forward such plan or
29 its alternative to the plan to the state tax commission by February first. If the county governing
30 body fails to forward the plan or its alternative to the plan to the state tax commission by
31 February first, the assessor's plan shall be considered approved by the county governing body.
32 If the state tax commission fails to approve a plan and if the state tax commission and the
33 assessor and the governing body of the county involved are unable to resolve the differences, in

34 order to receive state cost-share funds outlined in section 137.750, the county or the assessor
35 shall petition the administrative hearing commission, by May first, to decide all matters in
36 dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter
37 may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by
38 the parties. The final decision of the administrative hearing commission shall be subject to
39 judicial review in the circuit court of the county involved. In the event a valuation of subclass
40 (1) real property within any county with a charter form of government, or within a city not within
41 a county, is made by a computer, computer-assisted method or a computer program, the burden
42 of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be
43 on the assessor at any hearing or appeal. In any such county, unless the assessor proves
44 otherwise, there shall be a presumption that the assessment was made by a computer,
45 computer-assisted method or a computer program. Such evidence shall include, but shall not be
46 limited to, the following:

47 (1) The findings of the assessor based on an appraisal of the property by generally
48 accepted appraisal techniques; and

49 (2) The purchase prices from sales of at least three comparable properties and the address
50 or location thereof. As used in this subdivision, the word "comparable" means that:

51 (a) Such sale was closed at a date relevant to the property valuation; and

52 (b) Such properties are not more than one mile from the site of the disputed property,
53 except where no similar properties exist within one mile of the disputed property, the nearest
54 comparable property shall be used. Such property shall be within five hundred square feet in size
55 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,
56 and other relevant characteristics.

57 2. Assessors in each county of this state and the City of St. Louis may send personal
58 property assessment forms through the mail.

59 3. The following items of personal property shall each constitute separate subclasses of
60 tangible personal property and shall be assessed and valued for the purposes of taxation at the
61 following percentages of their true value in money:

62 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one
63 percent;

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

66 (4) Motor vehicles which are eligible for registration as and are registered as historic
67 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years old
68 and which are used solely for noncommercial purposes and are operated less than fifty hours per
69 year or aircraft that are home built from a kit, five percent;

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in
 72 retooling for the purpose of introducing new product lines or used for making improvements to
 73 existing products by any company which is located in a state enterprise zone and which is
 74 identified by any **of the following** standard industrial [~~classification number cited in subdivision~~
 75 ~~(5) of section 135.200]~~ **classifications:**

- 76 (a) **Manufacturing activities classified as NAICS 31-33;**
- 77 (b) **Agricultural activities classified as NAICS 11;**
- 78 (c) **Rail transportation terminal activities classified as NAICS 482;**
- 79 (d) **Motor freight transportation terminal activities classified as NAICS 484 or**
 80 **NAICS 4884;**
- 81 (e) **Public warehousing and storage activities classified as NAICS 493,**
 82 **miniwarehouse warehousing, and warehousing self-storage;**
- 83 (f) **Water transportation terminal activities classified as NAICS 4832;**
- 84 (g) **Airports, flying fields, and airport terminal services classified as NAICS 481;**
- 85 (h) **Wholesale trade activities classified as NAICS 42;**
- 86 (i) **Insurance carriers activities classified as NAICS 524;**
- 87 (j) **Research and development activities classified as NAICS 5417;**
- 88 (k) **Farm implement dealer activities classified as NAICS 42382;**
- 89 (l) **Employment agency activities classified as NAICS 5613;**
- 90 (m) **Computer programming, data processing, and other computer-related**
 91 **activities classified as NAICS 518;**
- 92 (n) **Health service activities classified as NAICS 621, 622, or 623;**
- 93 (o) **Recycling activities classified as NAICS 42393;**
- 94 (p) **Banking activities classified as NAICS 522; or**
- 95 (q) **Mining activities classified as NAICS 21,**

96
 97 twenty-five percent.

98 4. The person listing the property shall enter a true and correct statement of the property,
 99 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed
 100 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered
 101 to the assessor.

102 5. (1) All subclasses of real property, as such subclasses are established in Section 4(b)
 103 of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the
 104 following percentages of true value:

- 105 (a) For real property in subclass (1), nineteen percent;

106 (b) For real property in subclass (2), twelve percent; and

107 (c) For real property in subclass (3), thirty-two percent.

108 (2) A taxpayer may apply to the county assessor, or, if not located within a county, then
109 the assessor of such city, for the reclassification of such taxpayer's real property if the use or
110 purpose of such real property is changed after such property is assessed under the provisions of
111 this chapter. If the assessor determines that such property shall be reclassified, he or she shall
112 determine the assessment under this subsection based on the percentage of the tax year that such
113 property was classified in each subclassification.

114 6. Manufactured homes, as defined in section 700.010, which are actually used as
115 dwelling units shall be assessed at the same percentage of true value as residential real property
116 for the purpose of taxation. The percentage of assessment of true value for such manufactured
117 homes shall be the same as for residential real property. If the county collector cannot identify
118 or find the manufactured home when attempting to attach the manufactured home for payment
119 of taxes owed by the manufactured home owner, the county collector may request the county
120 commission to have the manufactured home removed from the tax books, and such request shall
121 be granted within thirty days after the request is made; however, the removal from the tax books
122 does not remove the tax lien on the manufactured home if it is later identified or found. For
123 purposes of this section, a manufactured home located in a manufactured home rental park, rental
124 community or on real estate not owned by the manufactured home owner shall be considered
125 personal property. For purposes of this section, a manufactured home located on real estate
126 owned by the manufactured home owner may be considered real property.

127 7. Each manufactured home assessed shall be considered a parcel for the purpose of
128 reimbursement pursuant to section 137.750, unless the manufactured home is real estate as
129 defined in subsection 7 of section 442.015 and assessed as a realty improvement to the existing
130 real estate parcel.

131 8. Any amount of tax due and owing based on the assessment of a manufactured home
132 shall be included on the personal property tax statement of the manufactured home owner unless
133 the manufactured home is real estate as defined in subsection 7 of section 442.015, in which case
134 the amount of tax due and owing on the assessment of the manufactured home as a realty
135 improvement to the existing real estate parcel shall be included on the real property tax statement
136 of the real estate owner.

137 9. The assessor of each county and each city not within a county shall use the trade-in
138 value published in the October issue of the National Automobile Dealers' Association Official
139 Used Car Guide, or its successor publication, as the recommended guide of information for
140 determining the true value of motor vehicles described in such publication. The assessor shall
141 not use a value that is greater than the average trade-in value in determining the true value of the

142 motor vehicle without performing a physical inspection of the motor vehicle. For vehicles two
143 years old or newer from a vehicle's model year, the assessor may use a value other than average
144 without performing a physical inspection of the motor vehicle. In the absence of a listing for a
145 particular motor vehicle in such publication, the assessor shall use such information or
146 publications which in the assessor's judgment will fairly estimate the true value in money of the
147 motor vehicle.

148 10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)
149 real property by more than fifteen percent since the last assessment, excluding increases due to
150 new construction or improvements, the assessor shall conduct a physical inspection of such
151 property.

152 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
153 assessor shall notify the property owner of that fact in writing and shall provide the owner clear
154 written notice of the owner's rights relating to the physical inspection. If a physical inspection
155 is required, the property owner may request that an interior inspection be performed during the
156 physical inspection. The owner shall have no less than thirty days to notify the assessor of a
157 request for an interior physical inspection.

158 12. A physical inspection, as required by subsection 10 of this section, shall include, but
159 not be limited to, an on-site personal observation and review of all exterior portions of the land
160 and any buildings and improvements to which the inspector has or may reasonably and lawfully
161 gain external access, and shall include an observation and review of the interior of any buildings
162 or improvements on the property upon the timely request of the owner pursuant to subsection 11
163 of this section. Mere observation of the property via a drive-by inspection or the like shall not
164 be considered sufficient to constitute a physical inspection as required by this section.

165 13. The provisions of subsections 11 and 12 of this section shall only apply in any county
166 with a charter form of government with more than one million inhabitants.

167 14. A county or city collector may accept credit cards as proper form of payment of
168 outstanding property tax or license due. No county or city collector may charge surcharge for
169 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
170 processor, or issuer for its service. A county or city collector may accept payment by electronic
171 transfers of funds in payment of any tax or license and charge the person making such payment
172 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic
173 payment.

174 15. Any county or city not within a county in this state may, by an affirmative vote of
175 the governing body of such county, opt out of the provisions of this section and sections 137.073,
176 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,
177 second regular session and section 137.073 as modified by house committee substitute for senate

178 substitute for senate committee substitute for senate bill no. 960, ninety-second general
179 assembly, second regular session, for the next year of the general reassessment, prior to January
180 first of any year. No county or city not within a county shall exercise this opt-out provision after
181 implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as
182 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and
183 section 137.073 as modified by house committee substitute for senate substitute for senate
184 committee substitute for senate bill no. 960, ninety-second general assembly, second regular
185 session, in a year of general reassessment. For the purposes of applying the provisions of this
186 subsection, a political subdivision contained within two or more counties where at least one of
187 such counties has opted out and at least one of such counties has not opted out shall calculate a
188 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general
189 assembly, second regular session. A governing body of a city not within a county or a county
190 that has opted out under the provisions of this subsection may choose to implement the
191 provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill
192 no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as
193 modified by house committee substitute for senate substitute for senate committee substitute for
194 senate bill no. 960, ninety-second general assembly, second regular session, for the next year of
195 general reassessment, by an affirmative vote of the governing body prior to December thirty-first
196 of any year.

197 16. The governing body of any city of the third classification with more than twenty-six
198 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located
199 in any county that has exercised its authority to opt out under subsection 15 of this section may
200 levy separate and differing tax rates for real and personal property only if such city bills and
201 collects its own property taxes or satisfies the entire cost of the billing and collection of such
202 separate and differing tax rates. Such separate and differing rates shall not exceed such city's tax
203 rate ceiling.

204 17. Any portion of real property that is available as reserve for strip, surface, or coal
205 mining for minerals for purposes of excavation for future use or sale to others that has not been
206 bonded and permitted under chapter 444 shall be assessed based upon how the real property is
207 currently being used. Any information provided to a county assessor, state tax commission, state
208 agency, or political subdivision responsible for the administration of tax policies shall, in the
209 performance of its duties, make available all books, records, and information requested, except
210 such books, records, and information as are by law declared confidential in nature, including
211 individually identifiable information regarding a specific taxpayer or taxpayer's mine property.
212 For purposes of this subsection, "mine property" shall mean all real property that is in use or
213 readily available as a reserve for strip, surface, or coal mining for minerals for purposes of

214 excavation for current or future use or sale to others that has been bonded and permitted under
215 chapter 444.

137.237. The county assessor of each county and the assessor of any city not within a
2 county shall, beginning January 1, 1989, and every odd-numbered year thereafter, identify, list,
3 and state the true value in money of the property in such county or city not within a county which
4 is totally or partially exempt from ad valorem taxes for such taxable year pursuant to sections
5 99.800 to 99.865[; sections ~~135.200 to 135.255;~~] and section 353.110. Such properties shall be
6 identified and listed, with the true value in money of the property included as well as the number
7 of years of abatement remaining and the percentage of true value exempted for the abated
8 properties, in a report filed with the state tax commission and the assessor of the county or city
9 not within a county on or before November 1, 1989, and November first of every odd-numbered
10 year thereafter. Such report, in summary form, shall be included in each reassessment notice
11 stating said tax abatements in each county or city not within a county and, in addition, include
12 a statement that a list of specific abated property is available for inspection upon request at the
13 county courthouse or city hall of any city not within a county.

148.064. 1. Notwithstanding any law to the contrary, this section shall determine the
2 ordering and limit reductions for certain taxes and tax credits which may be used as credits
3 against various taxes paid or payable by banking institutions. Except as adjusted in subsections
4 2, 3 and 6 of this section, such credits shall be applied in the following order until used against:
5 (1) The tax on banks determined under subdivision (2) of subsection 2 of section
6 148.030;
7 (2) The tax on banks determined under subdivision (1) of subsection 2 of section
8 148.030;
9 (3) The state income tax in section 143.071.
10 2. The tax credits permitted against taxes payable pursuant to subdivision (2) of
11 subsection 2 of section 148.030 shall be utilized first and include taxes referenced in
12 subdivisions (2) and (3) of subsection 1 of this section, which shall be determined without
13 reduction for any tax credits identified in subsection 5 of this section which are used to reduce
14 such taxes. Where a banking institution subject to this section joins in the filing of a
15 consolidated state income tax return under chapter 143, the credit allowed under this section for
16 state income taxes payable under chapter 143 shall be determined based upon the consolidated
17 state income tax liability of the group and allocated to a banking institution, without reduction
18 for any tax credits identified in subsection 5 of this section which are used to reduce such
19 consolidated taxes as provided in chapter 143.

20 3. The taxes referenced in subdivisions (2) and (3) of subsection 1 of this section may
21 be reduced by the tax credits in subsection 5 of this section without regard to any adjustments
22 in subsection 2 of this section.

23 4. To the extent that certain tax credits which the taxpayer is entitled to claim are
24 transferable, such transferability may include transfers among such taxpayers who are members
25 of a single consolidated income tax return, and this subsection shall not impact other tax credit
26 transferability.

27 5. For the purpose of this section, the tax credits referred to in subsections 2 and 3 shall
28 include tax credits available for economic development, low-income housing and neighborhood
29 assistance which the taxpayer is entitled to claim for the year, including by way of example and
30 not of limitation, tax credits pursuant to the following sections: section 32.115, section 100.286,
31 and sections 135.110, [~~135.225,~~] 135.352, and 135.403.

32 6. For tax returns filed on or after January 1, 2001, including returns based on income
33 in the year 2000, and after, a banking institution shall be entitled to an annual tax credit equal
34 to one-sixtieth of one percent of its outstanding shares and surplus employed in this state if the
35 outstanding shares and surplus exceed one million dollars, determined in the same manner as in
36 section 147.010. This tax credit shall be taken as a dollar-for-dollar credit against the bank tax
37 provided for in subdivision (2) of subsection 2 of section 148.030; if such bank tax was already
38 reduced to zero by other credits, then against the corporate income tax provided for in chapter
39 143. For all tax years beginning on or after January 1, 2020, no tax credit shall be authorized
40 under this subsection.

41 7. In the event the corporation franchise tax in chapter 147 is repealed by the general
42 assembly, there shall also be a reduction in the taxation of banks as follows: in lieu of the loss
43 of the corporation franchise tax credit reduction in subdivision (1) of subsection 2 of section
44 148.030, the bank shall receive a tax credit equal to one and one-half percent of net income as
45 determined in this chapter. This subsection shall take effect at the same time the corporation
46 franchise tax in chapter 147 is repealed.

47 8. An S corporation bank or bank holding company that otherwise qualifies to distribute
48 tax credits to its shareholders shall pass through any tax credits referred to in subsection 5 of this
49 section to its shareholders as otherwise provided for in subsection 10 of section 143.471 with no
50 reductions or limitations resulting from the transfer through such S corporation, and on the same
51 terms originally made available to the original taxpayer, subject to any original dollar or
52 percentage limitations on such credits, and when such S corporation is the original taxpayer,
53 treating such S corporation as having not elected Subchapter S status.

54 9. Notwithstanding any law to the contrary, in the event the corporation franchise tax in
55 chapter 147 is repealed by the general assembly, after such repeal all Missouri taxes of any nature

56 and type imposed directly or used as a tax credit against the bank's taxes shall be passed through
57 to the S corporation bank or bank holding company shareholder in the form otherwise permitted
58 by law, except for the following:

59 (1) Credits for taxes on real estate and tangible personal property owned by the bank and
60 held for lease or rental to others;

61 (2) Contributions paid pursuant to the unemployment compensation tax law of Missouri;
62 or

63 (3) State and local sales and use taxes collected by the bank on its sales of tangible
64 personal property and the services enumerated in chapter 144.

320.092. 1. Tax credits issued pursuant to ~~[sections]~~ **section** 135.400~~[-135.750 and~~
2 ~~320.093]~~ shall be subject to oversight provisions. Effective January 1, 2000, notwithstanding
3 the provisions of section 32.057, the board, department or authority issuing tax credits shall
4 annually report to the office of administration, president pro tem of the senate, and the speaker
5 of the house of representatives regarding the tax credits issued pursuant to ~~[sections]~~ **section**
6 135.400~~[-135.750 and 320.093 which were issued]~~ in the previous fiscal year. The report shall
7 contain, but not be limited to, the aggregate number and dollar amount of tax credits issued by
8 the board, department or authority, the number and dollar amount of tax credits claimed by
9 taxpayers, and the number and dollar amount of tax credits unclaimed by taxpayers as well as
10 the number of years allowed for claims to be made. This report shall be delivered no later than
11 November of each year.

12 2. The reporting requirements established pursuant to subsection 1 of this section shall
13 also apply to the department of economic development and the Missouri development finance
14 board established pursuant to section 100.265. The department and the Missouri development
15 finance board shall report on the tax credit programs which they respectively administer that are
16 authorized under the provisions of chapters 32, 100, 135, 178, 253, 348, 447 and 620.

447.708. 1. For eligible projects, the director of the department of economic
2 development, with notice to the directors of the departments of natural resources and revenue,
3 and subject to the other provisions of sections 447.700 to 447.718, may not create a new
4 enterprise zone but may decide that a prospective operator of a facility being remedied and
5 renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions
6 pursuant to sections 135.100 to 135.150 ~~[and sections 135.200 to 135.257]~~. The tax credits
7 allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143,
8 excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed
9 by chapter 147, or the tax otherwise imposed by chapter 148. For purposes of this subsection:

10 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible
11 project must create at least ten new jobs or retain businesses which supply at least twenty-five

12 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad
13 valorem tax abatement of at least fifty percent for a period not less than ten years and not more
14 than twenty-five years;

15 (2) For receipt of the ~~[income tax exemption pursuant to section 135.220 and]~~ tax credit
16 for new or expanded business facilities pursuant to sections 135.100 to 135.150, ~~[and 135.225,]~~
17 the eligible project must create at least ten new jobs or retain businesses which supply at least
18 twenty-five existing jobs, or combination thereof~~]. For purposes of sections 447.700 to 447.718,~~
19 ~~the tax credits described in section 135.225 are modified as follows: the tax credit shall be four~~
20 ~~hundred dollars per employee per year, an additional four hundred dollars per year for each~~
21 ~~employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new~~
22 ~~and existing businesses, respectively, an additional four hundred dollars per year for each person~~
23 ~~who is a person difficult to employ as defined by section 135.240, and investment tax credits at~~
24 ~~the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225];~~

25 (3) ~~[For eligibility to receive the income tax refund pursuant to section 135.245, the~~
26 ~~eligible project must create at least ten new jobs or retain businesses which supply at least~~
27 ~~twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of~~
28 ~~section 135.245 for application and use of the refund and the eligibility requirements of this~~
29 ~~section;~~

30 ~~——(4)]~~ (4) The eligible project operates in compliance with applicable environmental laws and
31 regulations, including permitting and registration requirements, of this state as well as the federal
32 and local requirements;

33 ~~[(5)]~~ (4) The eligible project operator shall file such reports as may be required by the
34 director of economic development or the director's designee;

35 ~~[(6)]~~ (5) The taxpayer may claim the state tax credits authorized by this subsection and
36 the state income exemption for a period not in excess of ten consecutive tax years. For the
37 purpose of this section, "taxpayer" means an individual proprietorship, partnership or corporation
38 described in section 143.441 or 143.471 who operates an eligible project. The director shall
39 determine the number of years the taxpayer may claim the state tax credits and the state income
40 exemption based on the projected net state economic benefits attributed to the eligible project;

41 ~~[(7)]~~ (6) For the purpose of meeting the new job requirement prescribed in subdivisions
42 (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and
43 maintained during the taxpayer's tax period for which the credits are earned, in the case of an
44 eligible project that does not replace a similar facility in Missouri. "New job" means a person
45 who was not previously employed by the taxpayer or related taxpayer within the twelve-month
46 period immediately preceding the time the person was employed by that taxpayer to work at, or
47 in connection with, the eligible project on a full-time basis. "Full-time basis" means the

48 employee works an average of at least thirty-five hours per week during the taxpayer's tax period
49 for which the tax credits are earned. For the purposes of this section, "related taxpayer" has the
50 same meaning as defined in subdivision (10) of section 135.100;

51 ~~[(8)]~~ (7) For the purpose of meeting the existing job retention requirement, if the eligible
52 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the
53 taxpayer's tax period in which the tax credits are earned, it shall be required that at least
54 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time
55 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a
56 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to
57 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period
58 in which the tax credits are earned, within the tax period immediately preceding the time the
59 person was employed by the taxpayer to work at, or in connection with, the eligible project on
60 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five
61 hours per week during the taxpayer's tax period for which the tax credits are earned;

62 ~~[(9)]~~ (8) In the case where an eligible project replaces a similar facility that closed
63 elsewhere in Missouri prior to the end of the taxpayer's tax period in which the tax credits are
64 earned, the owner and operator of the eligible project shall provide the director with a written
65 statement explaining the reason for discontinuing operations at the closed facility. The statement
66 shall include a comparison of the activities performed at the closed facility prior to the date the
67 facility ceased operating, to the activities performed at the eligible project, and a detailed account
68 describing the need and rationale for relocating to the eligible project. If the director finds the
69 relocation to the eligible project significantly impaired the economic stability of the area in
70 which the closed facility was located, and that such move was detrimental to the overall
71 economic development efforts of the state, the director may deny the taxpayer's request to claim
72 tax benefits;

73 ~~[(10)]~~ (9) Notwithstanding any provision of law to the contrary, for the purpose of this
74 section, the number of new jobs created and maintained, the number of existing jobs retained,
75 and the value of new qualified investment used at the eligible project during any tax year shall
76 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals
77 employed at the eligible project, or in the case of new qualified investment, the value of new
78 qualified investment used at the eligible project, on the last business day of each full calendar
79 month of the tax year. If the eligible project is in operation for less than the entire tax year, the
80 number of new jobs created and maintained, the number of existing jobs retained, and the value
81 of new qualified investment created at the eligible project during any tax year shall be
82 determined by dividing the sum of the number of individuals employed at the eligible project,
83 or in the case of new qualified investment, the value of new qualified investment used at the

84 eligible project, on the last business day of each full calendar month during the portion of the tax
85 year during which the eligible project was in operation, by the number of full calendar months
86 during such period;

87 ~~[(11)]~~ **(10)** For the purpose of this section, "new qualified investment" means new
88 business facility investment as defined and as determined in subdivision (8) of section 135.100
89 which is used at and in connection with the eligible project. New qualified investment shall not
90 include small tools, supplies and inventory. "Small tools" means tools that are portable and can
91 be hand held.

92 2. The determination of the director of economic development pursuant to subsection
93 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval
94 of the granting of real property tax abatement by the municipal or county government where the
95 eligible project is located.

96 3. (1) The director of the department of economic development, with the approval of
97 the director of the department of natural resources, may, in addition to the tax credits allowed
98 in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one
99 hundred percent of the costs of materials, supplies, equipment, labor, professional engineering,
100 consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement,
101 and direct utility charges for performing the voluntary remediation activities for the preexisting
102 hazardous substance contamination and releases, including, but not limited to, the costs of
103 performing operation and maintenance of the remediation equipment at the property beyond the
104 year in which the systems and equipment are built and installed at the eligible project and the
105 costs of performing the voluntary remediation activities over a period not in excess of four tax
106 years following the taxpayer's tax year in which the system and equipment were first put into use
107 at the eligible project, provided the remediation activities are the subject of a plan submitted to,
108 and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The
109 tax credit may also include up to one hundred percent of the costs of demolition that are not
110 directly part of the remediation activities, provided that the demolition is on the property where
111 the voluntary remediation activities are occurring, the demolition is necessary to accomplish the
112 planned use of the facility where the remediation activities are occurring, and the demolition is
113 part of a redevelopment plan approved by the municipal or county government and the
114 department of economic development. The demolition may occur on an adjacent property if the
115 project is located in a municipality which has a population less than twenty thousand and the
116 above conditions are otherwise met. The adjacent property shall independently qualify as
117 abandoned or underutilized. The amount of the credit available for demolition not associated
118 with remediation cannot exceed the total amount of credits approved for remediation including
119 demolition required for remediation.

120 (2) The amount of remediation tax credits issued shall be limited to the least amount
121 necessary to cause the project to occur, as determined by the director of the department of
122 economic development.

123 (3) The director may, with the approval of the director of natural resources, extend the
124 tax credits allowed for performing voluntary remediation maintenance activities, in increments
125 of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed
126 in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding
127 tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the
128 tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax
129 year in which the tax credits are received or may be taken over a period not to exceed twenty
130 years.

131 (4) The project facility shall be projected to create at least ten new jobs or at least
132 twenty-five retained jobs, or a combination thereof, as determined by the department of
133 economic development, to be eligible for tax credits pursuant to this section.

134 (5) No more than seventy-five percent of earned remediation tax credits may be issued
135 when the remediation costs were paid, and the remaining percentage may be issued when the
136 department of natural resources issues a letter of completion letter or covenant not to sue
137 following completion of the voluntary remediation activities. It shall not include any costs
138 associated with ongoing operational environmental compliance of the facility or remediation
139 costs arising out of spills, leaks, or other releases arising out of the ongoing business operations
140 of the facility. In the event the department of natural resources issues a letter of completion for
141 a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion
142 of a site improvement, a prorated amount of the remaining percentage may be released based on
143 the percentage of the total site receiving a letter of completion.

144 4. In the exercise of the sound discretion of the director of the department of economic
145 development or the director's designee, the tax credits and exemptions described in this section
146 may be terminated, suspended or revoked if the eligible project fails to continue to meet the
147 conditions set forth in this section. In making such a determination, the director shall consider
148 the severity of the condition violation, actions taken to correct the violation, the frequency of any
149 condition violations and whether the actions exhibit a pattern of conduct by the eligible facility
150 owner and operator. The director shall also consider changes in general economic conditions and
151 the recommendation of the director of the department of natural resources, or his or her designee,
152 concerning the severity, scope, nature, frequency and extent of any violations of the
153 environmental compliance conditions. The taxpayer or person claiming the tax credits or
154 exemptions may appeal the decision regarding termination, suspension, or revocation of any tax
155 credit or exemption [in accordance with the procedures outlined in subsections 4 and 5 of section

156 ~~135.250~~]. The director of the department of economic development shall notify the directors of
157 the departments of natural resources and revenue of the termination, suspension or revocation
158 of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

159 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
160 credits, exemptions, or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection
161 1 of this section and the tax credits otherwise allowed in section 135.110~~], or the tax credits,~~
162 ~~exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245,~~
163 ~~respectively,]~~ for the same facility for the same tax period.

164 6. The total amount of the tax credits allowed in subsection 1 of this section may not
165 exceed the greater of:

166 (1) That portion of the taxpayer's income attributed to the eligible project; or

167 (2) One hundred percent of the total business' income tax if the eligible facility does not
168 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
169 period in which the tax credits are earned, and further provided the taxpayer does not operate any
170 other facilities besides the eligible project in Missouri; fifty percent of the total business' income
171 tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the
172 end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer
173 does not operate any other facilities besides the eligible project in Missouri; or twenty-five
174 percent of the total business income if the taxpayer operates, in addition to the eligible facility,
175 any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible
176 project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business
177 income in any tax period. That portion of the taxpayer's income attributed to the eligible project
178 as referenced in subdivision (1) of this subsection, for which the credits allowed in ~~[sections]~~
179 **section** 135.110 and ~~[135.225 and]~~ subsection 3 of this section may apply, shall be determined
180 in the same manner as prescribed in subdivision (5) of section 135.100. That portion of the
181 taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may
182 offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (5)
183 of section 135.100.

184 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of
185 subsection 1 of this section shall be required to file all applicable tax credit applications, forms
186 and schedules prescribed by the director during the taxpayer's tax period immediately after the
187 tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to
188 claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax
189 credits shall not be carried forward but shall be initially claimed for the tax period during which
190 the eligible project was first capable of being used, and during any applicable subsequent tax
191 periods.

192 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section
193 shall be required to file all applicable tax credit applications, forms and schedules prescribed by
194 the director during the taxpayer's tax period immediately after the tax period in which the eligible
195 project was first put into use, or during the taxpayer's tax period immediately after the tax period
196 in which the voluntary remediation activities were performed.

197 9. The recipient of remediation tax credits, for the purpose of this subsection referred to
198 as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed
199 in subsection 3 of this section to any other person, for the purpose of this subsection referred to
200 as assignee. To perfect the transfer, the assignor shall provide written notice to the director of
201 the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective,
202 the assignee's name, address and the assignee's tax period and the amount of tax credits to be
203 transferred. The number of tax periods during which the assignee may subsequently claim the
204 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor
205 previously claimed the credits before the transfer occurred.

206 10. In the case where an operator and assignor of an eligible project has been certified
207 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and
208 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who
209 continues the same or substantially similar operations at the eligible project, the director shall
210 allow the assignee to claim the credits for a period of time to be determined by the director;
211 except that, the total number of tax periods the tax credits may be earned by the assignor and the
212 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice
213 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the
214 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount
215 of tax credits to be transferred.

216 11. For the purpose of the state tax benefits described in this section, in the case of a
217 corporation described in section 143.471 or partnership, in computing Missouri's tax liability,
218 such state benefits shall be allowed to the following:

- 219 (1) The shareholders of the corporation described in section 143.471;
220 (2) The partners of the partnership.

221

222 The credit provided in this subsection shall be apportioned to the entities described in
223 subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last
224 day of the taxpayer's tax period.

225 12. Notwithstanding any provision of law to the contrary, in any county [~~of the first~~
226 ~~classification~~] that has a charter form of government and that has a population of over nine
227 hundred thousand inhabitants, all demolition costs incurred during the redevelopment of any

228 former automobile manufacturing plant shall be allowable costs eligible for tax credits under
229 sections 447.700 to 447.718 so long as the redevelopment of such former automobile
230 manufacturing plant shall be projected to create at least two hundred fifty new jobs or at least
231 three hundred retained jobs, or a combination thereof, as determined by the department of
232 economic development. The amount of allowable costs eligible for tax credits shall be limited
233 to the least amount necessary to cause the project to occur, as determined by the director of the
234 department of economic development, provided that no tax credit shall be issued under this
235 subsection until July 1, 2017. For purposes of this subsection, "former automobile
236 manufacturing plant" means a redevelopment area that qualifies as an eligible project under
237 section 447.700, that consists of at least one hundred acres, and that was used primarily for the
238 manufacture of automobiles but, after 2007, ceased such manufacturing.

620.1355. The director shall certify an investment funds service corporation or S
2 corporation to make the annual election and shall determine whether applicants for certification
3 qualify pursuant to the definitions found in subdivision (4) of subsection 2 of section 143.451.
4 In making his or her determination for certification, the director shall further take into
5 consideration factors including, but not limited to: current and past industry employment growth
6 and employment retention in the state; salary levels of new or existing industry employment in
7 the state; the income tax laws applied to investment funds service corporations in other states;
8 industry growth nationally and within the state; the prevailing conditions in the economy and
9 financial markets; the competitive environment within the industry; the applicant's past
10 certification and use of this section and sections 620.1350 and 620.1360; and an applicant's size,
11 structure and method of operation. After determining an applicant is qualified to make the
12 election, the director shall issue a certificate of qualification, a copy of which the applicant shall
13 annually file with the applicant's income tax return. Once certified by the director, an investment
14 funds service corporation shall remain certified for the annual election pursuant to this section
15 and sections 620.1350 and 620.1360 until it no longer qualifies pursuant to the definitions of
16 subdivision (4) of subsection 2 of section 143.451. The director may, at any time, require
17 reasonable information to be submitted by an investment funds service corporation to establish
18 its qualification for certification. If the director determines an application does not qualify for
19 the annual election, the director shall notify the applicant of the reason for this determination in
20 writing and the applicant shall have the ~~[same]~~ rights of reconsideration and appeal ~~[afforded to~~
21 ~~taxpayers denied tax credits pursuant to section 135.250]~~. The director, upon request, may issue
22 an opinion stating whether a nonresident investment funds service corporation or S corporation
23 would meet the qualifications for certification pursuant to this section if such corporation were
24 to relocate its principal business headquarters to this state, and such opinion shall be binding
25 upon this state and its agencies if such corporation relocates its headquarters to this state in

26 reliance on such opinion and if at the time such corporation relocates its principal business
27 headquarters to this state, it meets the requirements of subdivision (4) of subsection 2 of section
28 143.451, the director shall certify the corporation to make the initial annual election as set forth
29 in this section. Any provision of law to the contrary notwithstanding, information submitted to
30 the director pursuant to this section shall be exempt from the provisions of chapter 610.

620.1881. 1. The department of economic development shall respond within thirty days
2 to a company who provides a notice of intent with either an approval or a rejection of the notice
3 of intent. The department shall give preference to qualified companies and projects targeted at
4 an area of the state which has recently been classified as a disaster area by the federal
5 government. Failure to respond on behalf of the department of economic development shall
6 result in the notice of intent being deemed an approval for the purposes of this section. A
7 qualified company who is provided an approval for a project shall be allowed a benefit as
8 provided in this program in the amount and duration provided in this section. A qualified
9 company may receive additional periods for subsequent new jobs at the same facility after the
10 full initial period if the minimum thresholds are met as set forth in sections 620.1875 to
11 620.1890. There is no limit on the number of periods a qualified company may participate in the
12 program, as long as the minimum thresholds are achieved and the qualified company provides
13 the department with the required reporting and is in proper compliance for this program or other
14 state programs. A qualified company may elect to file a notice of intent to start a new project
15 period concurrent with an existing project period if the minimum thresholds are achieved and
16 the qualified company provides the department with the required reporting and is in proper
17 compliance for this program and other state programs; however, the qualified company may not
18 receive any further benefit under the original approval for jobs created after the date of the new
19 notice of intent, and any jobs created before the new notice of intent may not be included as new
20 jobs for the purpose of benefit calculation in relation to the new approval. When a qualified
21 company has filed and received approval of a notice of intent and subsequently files another
22 notice of intent, the department shall apply the definition of project facility under subdivision
23 (19) of section 620.1878 to the new notice of intent as well as all previously approved notices
24 of intent and shall determine the application of the definitions of new job, new payroll, project
25 facility base employment, and project facility base payroll accordingly.

26 2. Notwithstanding any provision of law to the contrary, any qualified company that is
27 awarded benefits under this program may not simultaneously receive tax credits or exemptions
28 under sections 135.100 to 135.150, sections [~~135.200~~] **135.276** to 135.286, section 135.535, or
29 sections 135.900 to 135.906 at the same project facility. The benefits available to the company
30 under any other state programs for which the company is eligible and which utilize withholding
31 tax from the new jobs of the company must first be credited to the other state program before the

32 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.
33 These other state programs include, but are not limited to, the Missouri works jobs training
34 program under sections 620.800 to 620.809, the real property tax increment allocation
35 redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic
36 stimulus act under sections 99.915 to 99.980. If any qualified company also participates in the
37 Missouri works jobs training program in sections 620.800 to 620.809, the company shall retain
38 no withholding tax, but the department shall issue a refundable tax credit for the full amount of
39 benefit allowed under this ~~[subdivision]~~ **subsection**. The calendar year annual maximum amount
40 of tax credits which may be issued to a qualifying company that also participates in the new job
41 training program shall be increased by an amount equivalent to the withholding tax retained by
42 that company under the new jobs training program. However, if the combined benefits of the
43 quality jobs program and the new jobs training program exceed the projected state benefit of the
44 project, as determined by the department of economic development through a cost-benefit
45 analysis, the increase in the maximum tax credits shall be limited to the amount that would not
46 cause the combined benefits to exceed the projected state benefit. Any taxpayer who is awarded
47 benefits under this program who knowingly hires individuals who are not allowed to work
48 legally in the United States shall immediately forfeit such benefits and shall repay the state an
49 amount equal to any state tax credits already redeemed and any withholding taxes already
50 retained.

51 3. The types of projects and the amount of benefits to be provided are:

52 (1) Small and expanding business projects: in exchange for the consideration provided
53 by the new tax revenues and other economic stimuli that will be generated by the new jobs
54 created by the program, a qualified company may retain an amount equal to the withholding tax
55 as calculated under subdivision(33) of section 620.1878 from the new jobs that would otherwise
56 be withheld and remitted by the qualified company under the provisions of sections 143.191 to
57 143.265 for a period of three years from the date the required number of new jobs were created
58 if the average wage of the new payroll equals or exceeds the county average wage or for a period
59 of five years from the date the required number of new jobs were created if the average wage of
60 the new payroll equals or exceeds one hundred twenty percent of the county average wage;

61 (2) Technology business projects: in exchange for the consideration provided by the new
62 tax revenues and other economic stimuli that will be generated by the new jobs created by the
63 program, a qualified company may retain an amount equal to a maximum of five percent of new
64 payroll for a period of five years from the date the required number of jobs were created from
65 the withholding tax of the new jobs that would otherwise be withheld and remitted by the
66 qualified company under the provisions of sections 143.191 to 143.265 if the average wage of
67 the new payroll equals or exceeds the county average wage. An additional one-half percent of

68 new payroll may be added to the five percent maximum if the average wage of the new payroll
69 in any year exceeds one hundred twenty percent of the county average wage in the county in
70 which the project facility is located, plus an additional one-half percent of new payroll may be
71 added if the average wage of the new payroll in any year exceeds one hundred forty percent of
72 the average wage in the county in which the project facility is located. The department shall
73 issue a refundable tax credit for any difference between the amount of benefit allowed under this
74 subdivision and the amount of withholding tax retained by the company, in the event the
75 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
76 company under this subdivision;

77 (3) High impact projects: in exchange for the consideration provided by the new tax
78 revenues and other economic stimuli that will be generated by the new jobs created by the
79 program, a qualified company may retain an amount from the withholding tax of the new jobs
80 that would otherwise be withheld and remitted by the qualified company under the provisions
81 of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years
82 from the date the required number of jobs were created if the average wage of the new payroll
83 equals or exceeds the county average wage of the county in which the project facility is located.
84 For high-impact projects in a facility located within two adjacent counties, the new payroll shall
85 equal or exceed the higher county average wage of the adjacent counties. The percentage of
86 payroll allowed under this subdivision shall be three and one-half percent of new payroll if the
87 average wage of the new payroll in any year exceeds one hundred twenty percent of the county
88 average wage in the county in which the project facility is located. The percentage of payroll
89 allowed under this subdivision shall be four percent of new payroll if the average wage of the
90 new payroll in any year exceeds one hundred forty percent of the county average wage in the
91 county in which the project facility is located. An additional one percent of new payroll may be
92 added to these percentages if local incentives equal between ten percent and twenty-four percent
93 of the new direct local revenue; an additional two percent of new payroll is added to these
94 percentages if the local incentives equal between twenty-five percent and forty-nine percent of
95 the new direct local revenue; or an additional three percent of payroll is added to these
96 percentages if the local incentives equal fifty percent or more of the new direct local revenue.
97 The department shall issue a refundable tax credit for any difference between the amount of
98 benefit allowed under this subdivision and the amount of withholding tax retained by the
99 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit
100 due to the qualified company under this subdivision;

101 (4) Job retention projects: a qualified company may receive a tax credit for the retention
102 of jobs in this state, provided the qualified company and the project meets all of the following
103 conditions:

104 (a) For each of the twenty-four months preceding the year in which application for the
105 program is made the qualified company must have maintained at least one thousand full-time
106 employees at the employer's site in the state at which the jobs are based, and the average wage
107 of such employees must meet or exceed the county average wage;

108 (b) The qualified company retained at the project facility the level of full-time employees
109 that existed in the taxable year immediately preceding the year in which application for the
110 program is made;

111 (c) The qualified company is considered to have a significant statewide effect on the
112 economy, and has been determined to represent a substantial risk of relocation from the state by
113 the quality jobs advisory task force established in section 620.1887; provided, however, until
114 such time as the initial at-large members of the quality jobs advisory task force are appointed,
115 this determination shall be made by the director of the department of economic development;

116 (d) The qualified company in the project facility will cause to be invested a minimum
117 of seventy million dollars in new investment prior to the end of two years or will cause to be
118 invested a minimum of thirty million dollars in new investment prior to the end of two years and
119 maintain an annual payroll of at least seventy million dollars during each of the years for which
120 a credit is claimed; and

121 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
122 new direct local revenues created by the project over a ten-year period.

123

124 The quality jobs advisory task force may recommend to the department of economic
125 development that appropriate penalties be applied to the company for violating the agreement.
126 The amount of the job retention credit granted may be equal to up to fifty percent of the amount
127 of withholding tax generated by the full-time jobs at the project facility for a period of five years.
128 The calendar year annual maximum amount of tax credit that may be issued to any qualified
129 company for a job retention project or combination of job retention projects shall be seven
130 hundred fifty thousand dollars per year, but the maximum amount may be increased up to one
131 million dollars if such action is proposed by the department and approved by the quality jobs
132 advisory task force established in section 620.1887; provided, however, until such time as the
133 initial at-large members of the quality jobs advisory task force are appointed, this determination
134 shall be made by the director of the department of economic development. In considering such
135 a request, the task force shall rely on economic modeling and other information supplied by the
136 department when requesting the increased limit on behalf of the job retention project. In no
137 event shall the total amount of all tax credits issued for the entire job retention program under
138 this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits
139 shall be issued for job retention projects approved by the department after August 30, 2013;

140 (5) Small business job retention and flood survivor relief: a qualified company may
141 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood
142 survivor relief in this state for each job retained over a three-year period, provided that:

143 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
144 relief or abatement in locating its facility in a flood plain;

145 (b) The qualified company and related companies have fewer than one hundred
146 employees at the time application for the program is made;

147 (c) The average wage of the qualified company's and related companies' employees must
148 meet or exceed the county average wage;

149 (d) All of the qualified company's and related companies' facilities are located in this
150 state;

151 (e) The facilities at the primary business site in this state have been directly damaged by
152 floodwater rising above the level of a five hundred year flood at least two years, but fewer than
153 eight years, prior to the time application is made;

154 (f) The qualified company made significant efforts to protect the facilities prior to any
155 impending danger from rising floodwaters;

156 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the
157 qualified company and related companies retained, at the company's facilities in this state, at
158 least the level of full-time, year-round employees that existed in the taxable year immediately
159 preceding the year in which application for the program is made; and

160 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
161 cumulatively invests at least two million dollars in capital improvements in facilities and
162 equipment located at such facilities that are not located within a five hundred year flood plain
163 as designated by the Federal Emergency Management Agency, and amended from time to time.
164 The amount of the small business job retention and flood survivor relief credit granted may be
165 equal to up to one hundred percent of the amount of withholding tax generated by the full-time
166 jobs at the project facility for a period of three years. The calendar year annual maximum
167 amount of tax credit that may be issued to any qualified company for a small business job
168 retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the
169 maximum amount may be increased up to five hundred thousand dollars if such action is
170 proposed by the department and approved by the quality jobs advisory task force established in
171 section 620.1887. In considering such a request, the task force shall rely on economic modeling
172 and other information supplied by the department when requesting an increase in the limit on
173 behalf of the small business job retention and flood survivor relief project. In no event shall the
174 total amount of all tax credits issued for the entire small business job retention and flood survivor
175 relief program under this subdivision exceed five hundred thousand dollars annually.

176 Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued
177 for small business job retention and flood survivor relief projects approved by the department
178 after August 30, 2010.

179 4. The qualified company shall provide an annual report of the number of jobs and such
180 other information as may be required by the department to document the basis for the benefits
181 of this program. The department may withhold the approval of any benefits until it is satisfied
182 that proper documentation has been provided, and shall reduce the benefits to reflect any
183 reduction in full-time employees or new payroll. Upon approval by the department, the qualified
184 company may begin the retention of the withholding taxes when it reaches the minimum number
185 of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be
186 issued upon satisfaction by the department that the qualified company has exceeded the county
187 average wage and the minimum number of new jobs. In such annual report, if the average wage
188 is below the county average wage, the qualified company has not maintained the employee
189 insurance as required, or if the number of new jobs is below the minimum, the qualified
190 company shall not receive tax credits or retain the withholding tax for the balance of the benefit
191 period. In the case of a qualified company that initially filed a notice of intent and received an
192 approval from the department for high-impact benefits and the minimum number of new jobs
193 in an annual report is below the minimum for high-impact projects, the company shall not
194 receive tax credits for the balance of the benefit period but may continue to retain the
195 withholding taxes if it otherwise meets the requirements of a small and expanding business under
196 this program.

197 5. The maximum calendar year annual tax credits issued for the entire program shall not
198 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the
199 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten
200 million dollars to eight million dollars, with the balance of two million dollars transferred to this
201 program. There shall be no limit on the amount of withholding taxes that may be retained by
202 approved companies under this program.

203 6. The department shall allocate the annual tax credits based on the date of the approval,
204 reserving such tax credits based on the department's best estimate of new jobs and new payroll
205 of the project, and the other factors in the determination of benefits of this program. However,
206 the annual issuance of tax credits is subject to the annual verification of the actual new payroll.
207 The allocation of tax credits for the period assigned to a project shall expire if, within two years
208 from the date of commencement of operations, or approval if applicable, the minimum
209 thresholds have not been achieved. The qualified company may retain authorized amounts from
210 the withholding tax under this section once the minimum new jobs thresholds are met for the
211 duration of the project period. No benefits shall be provided under this program until the

212 qualified company meets the minimum new jobs thresholds. In the event the qualified company
213 does not meet the minimum new job threshold, the qualified company may submit a new notice
214 of intent or the department may provide a new approval for a new project of the qualified
215 company at the project facility or other facilities.

216 7. For a qualified company with flow-through tax treatment to its members, partners, or
217 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
218 to their share of ownership on the last day of the qualified company's tax period.

219 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
220 and may not be carried forward but shall be claimed within one year of the close of the taxable
221 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this
222 section.

223 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
224 a notarized endorsement thereof with the department that names the transferee, the amount of
225 tax credit transferred, and the value received for the credit, as well as any other information
226 reasonably requested by the department.

227 10. Prior to the issuance of tax credits, the department shall verify through the
228 department of revenue, or any other state department, that the tax credit applicant does not owe
229 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
230 fees or assessments levied by any state department and through the department of commerce and
231 insurance that the applicant does not owe any delinquent insurance taxes. Such delinquency
232 shall not affect the authorization of the application for such tax credits, except that at issuance
233 credits shall be first applied to the delinquency and any amount issued shall be reduced by the
234 applicant's tax delinquency. If the department of revenue or the department of commerce and
235 insurance, or any other state department, concludes that a taxpayer is delinquent after June
236 fifteenth but before July first of any year and the application of tax credits to such delinquency
237 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty
238 days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled.
239 After applying all available credits toward a tax delinquency, the administering agency shall
240 notify the appropriate department and that department shall update the amount of outstanding
241 delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income,
242 sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject
243 to the restrictions of other provisions of law.

244 11. Except as provided under subdivision (4) of subsection 3 of this section, the director
245 of revenue shall issue a refund to the qualified company to the extent that the amount of credits
246 allowed in this section exceeds the amount of the qualified company's income tax.

247 12. An employee of a qualified company will receive full credit for the amount of tax
248 withheld as provided in section 143.211.

249 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
250 person or circumstance is held invalid, the invalidity shall not affect other provisions or
251 application of these sections which can be given effect without the invalid provisions or
252 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
253 severable.

 620.1910. 1. This section shall be known and may be cited as the "Manufacturing Jobs
2 Act".

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

4 (1) "Approval", a document submitted by the department to the qualified manufacturing
5 company or qualified supplier that states the benefits that may be provided under this section;

6 (2) "Capital investment", expenditures made by a qualified manufacturing company to
7 retool or reconfigure a manufacturing facility directly related to the manufacturing of a new
8 product or the expansion or modification of the manufacture of an existing product;

9 (3) "County average wage", the same meaning as such term is defined in section
10 620.1878;

11 (4) "Department", the department of economic development;

12 (5) "Facility", a building or buildings located in Missouri at which the qualified
13 manufacturing company manufactures a product;

14 (6) "Full-time job", a job for which a person is compensated for an average of at least
15 thirty-five hours per week for a twelve-month period, and one for which the qualified
16 manufacturing company or qualified supplier offers health insurance and pays at least fifty
17 percent of such insurance premiums;

18 (7) "NAICS industry classification", the most recent edition of the North American
19 Industry Classification System as prepared by the Executive Office of the President, Office of
20 Management and Budget;

21 (8) "New job", the same meaning as such term is defined in section 620.1878;

22 (9) "New product", a new model or line of a manufactured good that has not been
23 manufactured in Missouri by the qualified manufacturing company at any time prior to the date
24 of the notice of intent, or an existing brand, model, or line of a manufactured good that is
25 redesigned with more than seventy-five percent new exterior body parts and incorporates new
26 powertrain options;

27 (10) "Notice of intent", a form developed by the department, completed by the qualified
28 manufacturing company or qualified supplier and submitted to the department which states the
29 qualified manufacturing company's or qualified supplier's intent to create new jobs or retain

30 current jobs and make additional capital investment, as applicable, and request benefits under
31 this section. The notice of intent shall specify the minimum number of such new or retained jobs
32 and the minimum amount of such capital investment;

33 (11) "Qualified manufacturing company", a business with a NAICS code of 33611 that:

34 (a) Manufactures goods at a facility in Missouri;

35 (b) In the case of the manufacture of a new product, commits to make a capital
36 investment of at least seventy-five thousand dollars per retained job within no more than two
37 years of the date the qualified manufacturing company begins to retain withholding tax under this
38 section, or in the case of the modification or expansion of the manufacture of an existing product,
39 commits to make a capital investment of at least fifty thousand dollars per retained job within
40 no more than two years of the date the qualified manufacturing company begins to retain
41 withholding tax under this section;

42 (c) Manufactures a new product or has commenced making capital improvements to the
43 facility necessary for the manufacturing of such new product, or modifies or expands the
44 manufacture of an existing product or has commenced making capital improvements to the
45 facility necessary for the modification or expansion of the manufacture of such existing product;
46 and

47 (d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for
48 the withholding period;

49 (12) "Qualified supplier", a manufacturing company that:

50 (a) Attests to the department that it derives more than ten percent of the total annual sales
51 of the company from sales to a qualified manufacturing company;

52 (b) Adds five or more new jobs;

53 (c) Has an average wage, as defined in section 135.950, for such new jobs that are equal
54 to or exceed the lower of the county average wage for Missouri as determined by the department
55 using NAICS industry classifications, but not lower than sixty percent of the statewide average
56 wage; and

57 (d) Provides health insurance for all full-time jobs and pays at least fifty percent of the
58 premiums of such insurance;

59 (13) "Retained job", the number of full-time jobs of persons employed by the qualified
60 manufacturing company located at the facility that existed as of the last working day of the
61 month immediately preceding the month in which notice of intent is submitted;

62 (14) "Statewide average wage", an amount equal to the quotient of the sum of the total
63 gross wages paid for the corresponding four calendar quarters divided by the average annual
64 employment for such four calendar quarters, which shall be computed using the Quarterly

65 Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as
66 published by the Bureau of Labor Statistics of the United States Department of Labor;

67 (15) "Withholding period", the seven- or ten-year period in which a qualified
68 manufacturing company may receive benefits under this section;

69 (16) "Withholding tax", the same meaning as such term is defined in section 620.1878.

70 3. The department shall respond within thirty days to a qualified manufacturing company
71 or a qualified supplier who provides a notice of intent with either an approval or a rejection of
72 the notice of intent. Failure to respond on behalf of the department shall result in the notice of
73 intent being deemed an approval for the purposes of this section.

74 4. A qualified manufacturing company that manufactures a new product may, upon the
75 department's approval of a notice of intent and the execution of an agreement that meets the
76 requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain one
77 hundred percent of the withholding tax from full-time jobs at the facility for a period of ten years.
78 A qualified manufacturing company that modifies or expands the manufacture of an existing
79 product may, upon the department's approval of a notice of intent and the execution of an
80 agreement that meets the requirements of subsection 9 of this section, but no earlier than January
81 1, 2012, retain fifty percent of the withholding tax from full-time jobs at the facility for a period
82 of seven years. Except as otherwise allowed under subsection 7 of this section, the
83 commencement of the withholding period may be delayed by no more than twenty-four months
84 after execution of the agreement at the option of the qualified manufacturing company. Such
85 qualified manufacturing company shall be eligible for participation in the Missouri quality jobs
86 program in sections 620.1875 to 620.1890 for any new jobs for which it does not retain
87 withholding tax under this section, provided all qualifications for such program are met.

88 5. A qualified supplier may, upon approval of a notice of intent by the department, retain
89 all withholding tax from new jobs for a period of three years from the date of approval of the
90 notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to
91 or greater than one hundred twenty percent of county average wage. Notwithstanding any other
92 provision of law to the contrary, a qualified supplier that is awarded benefits under this section
93 shall not receive any tax credit or exemption or be entitled to retain withholding under sections
94 100.700 to 100.850, sections 135.100 to 135.150, sections [135.200] **135.276** to 135.286, section
95 135.535, sections 135.900 to 135.906, sections 135.950 to 135.970, or section 620.1881 for the
96 same jobs.

97 6. Notwithstanding any other provision of law to the contrary, the maximum amount of
98 withholding tax that may be retained by any one qualified manufacturing company under this
99 section shall not exceed ten million dollars per calendar year. The aggregate amount of

100 withholding tax that may be retained by all qualified manufacturing companies under this section
101 shall not exceed fifteen million dollars per calendar year.

102 7. Notwithstanding any other provision of law to the contrary, any qualified
103 manufacturing company that is awarded benefits under this section shall not simultaneously
104 receive tax credits or exemptions under sections 100.700 to 100.850, sections 135.100 to
105 135.150, sections ~~[135.200]~~ **135.276** to 135.286, section 135.535, or sections 135.900 to 135.906
106 for the jobs created or retained or capital improvement which qualified for benefits under this
107 section. The benefits available to the qualified manufacturing company under any other state
108 programs for which the qualified manufacturing company is eligible and which utilize
109 withholding tax from the jobs at the facility shall first be credited to the other state program
110 before the applicable withholding period for benefits provided under this section shall begin.
111 These other state programs include, but are not limited to, the Missouri works jobs training
112 program under sections 620.800 to 620.809, the real property tax increment allocation
113 redevelopment act under sections 99.800 to 99.865, or the Missouri downtown and rural
114 economic stimulus act under sections 99.915 to 99.980. If any qualified manufacturing company
115 also participates in the Missouri works jobs training program in sections 620.800 to 620.809,
116 such qualified manufacturing company shall not retain any withholding tax that has already been
117 allocated for use in the ~~[new jobs training]~~ **Missouri one start** program. Any qualified
118 manufacturing company or qualified supplier that is awarded benefits under this program and
119 knowingly hires individuals who are not allowed to work legally in the United States shall
120 immediately forfeit such benefits and shall repay the state an amount equal to any withholding
121 taxes already retained. Subsection 5 of section 285.530 shall not apply to qualified
122 manufacturing companies or qualified suppliers which are awarded benefits under this program.

123 8. The department may promulgate rules to implement the provisions of this section.
124 Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the
125 authority delegated in this section shall become effective only if it complies with and is subject
126 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
127 chapter 536 are nonseverable and if any of the powers vested with the general assembly under
128 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
129 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
130 or adopted after the effective date of this section shall be invalid and void.

131 9. Within six months of completion of a notice of intent required under this section, the
132 qualified manufacturing company shall enter into an agreement with the department that
133 memorializes the content of the notice of intent, the requirements of this section, and the
134 consequences for failing to meet such requirements, which shall include the following:

135 (1) If the amount of capital investment made by the qualified manufacturing company
 136 is not made within the two-year period provided for such investment, the qualified manufacturing
 137 company shall immediately cease retaining any withholding tax with respect to jobs at the facility
 138 and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.
 139 In addition, the qualified manufacturing company shall repay any amounts of withholding tax
 140 retained plus interest of five percent per annum. However, in the event that such capital
 141 investment shortfall is due to economic conditions beyond the control of the qualified
 142 manufacturing company, the director may, at the qualified manufacturing company's request,
 143 suspend rather than terminate its privilege to retain withholding tax under this section for up to
 144 three years. Any such suspension shall extend the withholding period by the same amount of
 145 time. No more than one such suspension shall be granted to a qualified manufacturing company;

146 (2) If the qualified manufacturing company discontinues the manufacturing of the new
 147 product and does not replace it with a subsequent or additional new product manufactured at the
 148 facility at any time during the withholding period, the qualified manufacturing company shall
 149 immediately cease retaining any withholding tax with respect to jobs at that facility and it shall
 150 forfeit all rights to retain withholding tax for the remainder of the withholding period.

151 10. Prior to March first each year, the department shall provide a report to the general
 152 assembly including the names of participating qualified manufacturing companies or qualified
 153 suppliers, location of such companies or suppliers, the annual amount of benefits provided, the
 154 estimated net state fiscal impact including direct and indirect new state taxes derived, and the
 155 number of new jobs created or jobs retained.

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

157 (1) The provisions of the new program authorized under this section shall automatically
 158 sunset October 12, 2016, unless reauthorized by an act of the general assembly; and

159 (2) If such program is reauthorized, the program authorized under this section shall
 160 automatically sunset twelve years after the effective date of the reauthorization of this section;
 161 and

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

~~[135.200. The following terms, whenever used in sections 135.200 to
 135.256, mean:~~

- ~~2 (1) "Department", the department of economic development;~~
- ~~3 (2) "Director", the director of the department of economic development;~~
- ~~4 (3) "Facility", any building used as a revenue-producing enterprise~~
~~5 located within an enterprise zone, including the land on which the facility is~~
~~6 located and all machinery, equipment and other real and depreciable tangible~~
~~7~~

- 8 personal property acquired for use at and located at or within such facility and
- 9 used in connection with the operation of such facility;
- 10 ~~———— (4) "Governing authority", the body holding primary legislative authority~~
- 11 ~~over a county or incorporated municipality;~~
- 12 ~~———— (5) "NAICS", the North American Industrial Classification System as~~
- 13 ~~such classifications are defined in the 2007 edition of the North American~~
- 14 ~~Industrial Classification System;~~
- 15 ~~———— (6) "New business facility" shall have the meaning defined in section~~
- 16 ~~135.100, except that the term "lease" as used therein shall not include the leasing~~
- 17 ~~of property defined in paragraph (d) of subdivision (7) of this section;~~
- 18 ~~———— (7) "Revenue-producing enterprise", means:~~
- 19 ~~———— (a) Manufacturing activities classified as NAICS 31-33;~~
- 20 ~~———— (b) Agricultural activities classified as NAICS 11;~~
- 21 ~~———— (c) Rail transportation terminal activities classified as NAICS 482;~~
- 22 ~~———— (d) Renting or leasing of residential property to low- and~~
- 23 ~~moderate-income persons as defined in federal law, 42 U.S.C. 5302(a)(20);~~
- 24 ~~———— (e) Motor freight transportation terminal activities classified as NAICS~~
- 25 ~~484 and NAICS 4884;~~
- 26 ~~———— (f) Public warehousing and storage activities classified as NAICS 493;~~
- 27 ~~miniwarehouse warehousing and warehousing self-storage;~~
- 28 ~~———— (g) Water transportation terminal activities classified as NAICS 4832;~~
- 29 ~~———— (h) Airports, flying fields, and airport terminal services classified as~~
- 30 ~~NAICS 481;~~
- 31 ~~———— (i) Wholesale trade activities classified as NAICS 42;~~
- 32 ~~———— (j) Insurance carriers activities classified as NAICS 524;~~
- 33 ~~———— (k) Research and development activities classified as NAICS 5417;~~
- 34 ~~———— (l) Farm implement dealer activities classified as NAICS 42382;~~
- 35 ~~———— (m) Employment agency activities classified as NAICS 5613;~~
- 36 ~~———— (n) Computer programming, data processing and other computer-related~~
- 37 ~~activities classified as NAICS 518;~~
- 38 ~~———— (o) Health service activities classified as NAICS 621, 622, and 623;~~
- 39 ~~———— (p) Interexchange telecommunications as defined in subdivision (25) of~~
- 40 ~~section 386.020 or training activities conducted by an interexchange~~
- 41 ~~telecommunications company as defined in subdivision (24) of section 386.020;~~
- 42 ~~———— (q) Recycling activities classified as NAICS 42393;~~
- 43 ~~———— (r) Banking activities classified as NAICS 522;~~

- 44 ~~_____ (s) Office activities as defined in subdivision (9) of section 135.100;~~
45 ~~notwithstanding NAICS classification;~~
- 46 ~~_____ (t) Mining activities classified as NAICS 21;~~
- 47 ~~_____ (u) The administrative management of any of the foregoing activities; or~~
- 48 ~~_____ (v) Any combination of any of the foregoing activities;~~
- 49 ~~_____ (8) "Satellite zone", a noncontiguous addition to an existing~~
50 ~~state-designated enterprise zone.]~~

51

- 2 ~~[135.281. 1. Any taxpayer operating an approved retained business~~
3 ~~facility that is located within a state enterprise zone established pursuant to~~
4 ~~sections 135.200 to 135.256 may make an application to the department of~~
5 ~~economic development for an income tax refund.~~
- 6 ~~_____ 2. Such refunds shall be approved only if the amount of tax credits~~
7 ~~certified for the taxpayer in the taxable year exceeded the company's total~~
8 ~~Missouri tax on taxable income in that year by an amount equal to at least one~~
9 ~~million dollars. In such cases, a portion of tax credits earned shall constitute an~~
10 ~~overpayment of taxes and may be refunded to the taxpayer in the manner~~
11 ~~authorized by this section.~~
- 12 ~~_____ 3. The department shall evaluate and may approve such applications~~
13 ~~based upon the importance of the approved retained business facility to the~~
14 ~~economy of Missouri, the company's investment of at least five hundred million~~
15 ~~dollars in facilities or equipment, and the number of jobs to be created or~~
16 ~~retained. Such applications may be approved annually for no longer than five~~
17 ~~successive years. The maximum amount of refund that may be awarded to the~~
18 ~~manufacturer or assembler shall not exceed two million dollars per year.~~
19 ~~Notwithstanding other provisions of law to the contrary, if the taxpayer's tax~~
20 ~~credits issued under sections 135.276 to 135.283 for a taxable year exceed the~~
21 ~~taxpayer's taxable income by more than two million dollars, the credits may be~~
22 ~~carried forward for five years or until used, whichever is earlier, and may be~~
23 ~~included in refund amounts otherwise authorized by this section.]~~

23

2 ~~[135.204. The repeal and reenactment of sections 99.918, 99.1082,~~
3 ~~135.205, 135.207, 135.230, 135.530, 135.903, 135.953, 215.263, and 620.1023~~
4 ~~of section A of this act shall become effective on April 1, 2011, or when the~~
5 ~~United States Census Bureau's American Community Survey, based on the most~~
6 ~~recent of five-year period estimate data in which the final year of the estimate~~

6 period ends in zero becomes available, which first occurs. The commissioner of
 7 the office of administration shall notify the revisor of statutes when the updated
 8 United States Census Bureau data has been released.]
 9

2 [135.205. For purposes of sections 135.200 to 135.256, an area must
 meet all the following criteria in order to qualify as an enterprise zone:

3 ~~————— (1) The area is one of pervasive poverty, unemployment, and general~~
 4 ~~distress;~~

5 ~~————— (2) At least sixty-five percent of the residents living in the area have~~
 6 ~~incomes below eighty percent of the median income of all residents within the~~
 7 ~~state of Missouri according to the United States Census Bureau's American~~
 8 ~~Community Survey, based on the most recent of five-year period estimate data~~
 9 ~~in which the final year of the estimate ends in either zero or five or other~~
 10 ~~appropriate source as approved by the director;~~

11 ~~————— (3) The resident population of the area must be at least four thousand but~~
 12 ~~not more than seventy-two thousand at the time of designation as an enterprise~~
 13 ~~zone if the area lies within a metropolitan statistical area, as established by the~~
 14 ~~United States Census Bureau; or, if the area does not lie within a metropolitan~~
 15 ~~statistical area, the resident population of the area at the time of designation must~~
 16 ~~be at least one thousand but not more than twenty thousand inhabitants. If the~~
 17 ~~population of the jurisdiction of the governing authority does not meet the~~
 18 ~~minimum population requirements set forth in this subdivision, the population~~
 19 ~~of the area must be at least fifty percent of the population of the jurisdiction;~~
 20 ~~provided, however, no enterprise zone shall be created which consists of the total~~
 21 ~~area within the political boundaries of a county; and~~

22 ~~————— (4) The level of unemployment of persons, according to the most recent~~
 23 ~~data available from the division of employment security or from the United States~~
 24 ~~Bureau of Census and approved by the director, within the area exceeds one and~~
 25 ~~one-half times the average rate of unemployment for the state of Missouri over~~
 26 ~~the previous twelve months, or the percentage of area residents employed on a~~
 27 ~~full-time basis is less than fifty percent of the statewide percentage of residents~~
 28 ~~employed on a full-time basis.]~~
 29

2 [135.206. In addition to the number of enterprise zones authorized by the
 provisions of section 135.210, the department of economic development shall
 3 designate one such zone in every county of the third class which has a population

4 of less than twenty-five thousand inhabitants, and an assessed valuation of
5 between two hundred and seventy million dollars and three hundred million
6 dollars as published in the 1985 proceedings of the Missouri state tax
7 commission. Such designation shall only be made if the area in the county which
8 is to be included in the enterprise zone meets all the requirements of section
9 135.205.]

10

[135.207. 1. (1) Any city with a population of at least three hundred fifty
2 thousand inhabitants which is located in more than one county and any city not
3 within a county, which includes an existing state designated enterprise zone
4 within the corporate limits of the city, may each, upon approval of the local
5 governing authority of the city and the director of the department of economic
6 development, designate up to three satellite zones within its corporate limits. A
7 prerequisite for the designation of a satellite zone shall be the approval by the
8 director of a plan submitted by the local governing authority of the city describing
9 how the satellite zone corresponds to the city's overall enterprise zone strategy.

10 ————— (2) Any Missouri community classified as a village whose borders lie
11 adjacent to a city with a population in excess of three hundred fifty thousand
12 inhabitants as described in subdivision (1) of this subsection, and which has
13 within the corporate limits of the village a factory, mining operation, office, mill,
14 plant or warehouse which has at least three thousand employees and has an
15 investment in plant, machinery and equipment of at least two hundred million
16 dollars may, upon securing approval of the director and the local governing
17 authorities of the village and the adjacent city which contains an existing
18 state-designated enterprise zone, designate one satellite zone to be located within
19 the corporate limits of the village, such zone to be in addition to the six
20 authorized in subdivision (1) of this subsection.

21 ————— (3) Any geographical area partially contained within any city not within
22 a county and partially contained within any county of the first classification with
23 a charter form of government with a population of nine hundred thousand or
24 more inhabitants, which area is comprised of a total population of at least four
25 thousand inhabitants but not more than seventy-two thousand inhabitants, and
26 which area consists of at least one fourth class city, and has within its boundaries
27 a military reserve facility and a utility pumping station having a capacity of ten
28 million cubic feet, may, upon securing approval of the director and the
29 appropriate local governing authorities as provided for in section 135.210, be

30 designated as a satellite zone, such zone to be in addition to the six authorized in
31 subdivision (1) of this subsection.

32 ~~————— (4) In addition to all other satellite zones authorized in this section, any~~
33 ~~home rule city with more than seventy-three thousand but less than seventy-five~~
34 ~~thousand inhabitants, which includes an existing state-designated enterprise zone~~
35 ~~within the corporate limits of the city, may, upon approval of the local governing~~
36 ~~authority of the city and director of the department of economic development,~~
37 ~~designate a satellite zone within its corporate limits. A prerequisite for the~~
38 ~~designation of a satellite zone pursuant to this subdivision shall be the approval~~
39 ~~by the director of the department of economic development of a plan submitted~~
40 ~~by the local governing authority of such city describing how the satellite zone~~
41 ~~corresponds to the city's overall enterprise zone strategy.~~

42 ~~————— (5) In addition to all other satellite zones authorized in this section, any~~
43 ~~home rule city with more than one hundred thirteen thousand two hundred but~~
44 ~~less than one hundred thirteen thousand three hundred inhabitants, which~~
45 ~~includes an existing state-designated enterprise zone within the corporate limits~~
46 ~~of the city, may, upon approval of the local governing authority of the city and~~
47 ~~director of the department of economic development, designate a satellite zone~~
48 ~~within its corporate limits along the southwest corner of any intersection of two~~
49 ~~United States interstate highways. A prerequisite for the designation of a satellite~~
50 ~~zone pursuant to this subdivision shall be the approval by the director of the~~
51 ~~department of economic development of a plan submitted by the local governing~~
52 ~~authority of such city describing how the satellite zone corresponds to the city's~~
53 ~~overall enterprise zone strategy.~~

54 ~~————— (6) In addition to all other satellite zones authorized in this section, any~~
55 ~~home rule city with more than one hundred fifty-one thousand five hundred but~~
56 ~~less than one hundred fifty-one thousand six hundred inhabitants which includes~~
57 ~~an existing state-designated enterprise zone within the corporate limits of the city~~
58 ~~may, upon approval of the governing authority of the city and the director of the~~
59 ~~department of economic development, designate one satellite zone within its~~
60 ~~corporate limits. No satellite zone shall be designated pursuant to this~~
61 ~~subdivision until the governing authority of the city submits a plan describing~~
62 ~~how the satellite zone corresponds to the city's overall enterprise zone strategy~~
63 ~~and the director approves the plan.~~

64 ~~————— (7) In addition to all other satellite zones authorized in this section, any~~
65 ~~city of the fourth classification with more than three thousand eight hundred but~~

66 ~~less than four thousand inhabitants and located in more than one county and~~
 67 ~~which city lies adjacent to any home rule city with more than one hundred~~
 68 ~~thirteen thousand two hundred but less than one hundred thirteen thousand three~~
 69 ~~hundred inhabitants and which contains an enterprise zone may, upon approval~~
 70 ~~of the director and the governing authorities of the city of the fourth classification~~
 71 ~~and the home rule city, designate one satellite zone within its corporate limits.~~
 72 ~~The satellite enterprise zone authorized by this subdivision shall be designated~~
 73 ~~only if it meets the criteria established by subsection 2 of this section. Retail~~
 74 ~~businesses, as identified by the 1997 North American Industry Classification~~
 75 ~~System (NAICS) sector numbers 44-45, located within the satellite enterprise~~
 76 ~~zone shall be eligible for all benefits provided under the provisions of sections~~
 77 ~~135.200 to 135.258.~~

78 ~~2. For satellite zones designated pursuant to the provisions of~~
 79 ~~subdivisions (1) and (3) of subsection 1 of this section, the satellite zones, in~~
 80 ~~conjunction with the existing state-designated enterprise zone shall meet the~~
 81 ~~following criteria:~~

82 ~~(1) The area is one of pervasive poverty, unemployment, and general~~
 83 ~~distress, or one in which a large number of jobs have been lost, a large number~~
 84 ~~of employers have closed, or in which a large percentage of available production~~
 85 ~~capacity is idle. For the purpose of this subdivision, "large number of jobs"~~
 86 ~~means one percent or more of the area's population according to the most recent~~
 87 ~~decennial census, and "large number of employers" means over five;~~

88 ~~(2) At least fifty percent of the residents living in the area have incomes~~
 89 ~~below eighty percent of the median income of all residents within the state of~~
 90 ~~Missouri according to the United States Census Bureau's American Community~~
 91 ~~Survey, based on the most recent of five-year period estimate data in which the~~
 92 ~~final year of the estimate ends in either zero or five or other appropriate source~~
 93 ~~as approved by the director;~~

94 ~~(3) The resident population of the existing state-designated enterprise~~
 95 ~~zone and its satellite zones must be at least four thousand but not more than~~
 96 ~~seventy-two thousand at the time of designation;~~

97 ~~(4) The level of unemployment of persons, according to the most recent~~
 98 ~~data available from the division of employment security or from the United States~~
 99 ~~Bureau of Census and approved by the director, within the area exceeds one and~~
 100 ~~one-half times the average rate of unemployment for the state of Missouri over~~
 101 ~~the previous twelve months, or the percentage of area residents employed on a~~

102 full-time basis is less than sixty percent of the statewide percentage of residents
 103 employed on a full-time basis.

104 ~~3. A qualified business located within a satellite zone shall be subject to~~
 105 ~~the same eligibility criteria and can be eligible to receive the same benefits as a~~
 106 ~~qualified facility in sections 135.200 to 135.258.]~~

107

~~[135.208. 1. In addition to the number of enterprise zones authorized~~
 2 ~~under the provisions of sections 135.206 and 135.210, the department of~~
 3 ~~economic development shall designate one such zone in any county of the third~~
 4 ~~class which is south of the Missouri River and which adjoins one county of the~~
 5 ~~second class and also the state of Oklahoma. Such designation shall only be~~
 6 ~~made if the area of the county which is to be included in the enterprise zone~~
 7 ~~meets all the requirements of section 135.205.~~

8 ~~2. In addition to the number of enterprise zones authorized under the~~
 9 ~~provisions of sections 135.206 and 135.210, the department of economic~~
 10 ~~development shall designate one such zone in any county of the third class which~~
 11 ~~borders the Missouri River and which adjoins a county of the second class with~~
 12 ~~a population of at least one hundred thousand inhabitants and which contains a~~
 13 ~~branch of the state university. Such designation shall only be made if the area of~~
 14 ~~the county which is to be included in the enterprise zone meets all the~~
 15 ~~requirements of section 135.205.~~

16 ~~3. In addition to the number of enterprise zones authorized under the~~
 17 ~~provisions of sections 135.206, 135.210 and 135.256, the department of~~
 18 ~~economic development shall designate one such zone in every county of the third~~
 19 ~~class without a township form of government with a population of more than~~
 20 ~~seven thousand eight hundred but less than ten thousand inhabitants located south~~
 21 ~~of the Missouri River, which adjoins one third class county with a township form~~
 22 ~~of government, and which adjoins no first or second class county. Such~~
 23 ~~enterprise zone designation shall only be made if the area in the county which is~~
 24 ~~to be included in the enterprise zone meets all the requirements of section~~
 25 ~~135.205.~~

26 ~~4. In addition to the number of enterprise zones authorized pursuant to~~
 27 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
 28 ~~economic development shall designate one such zone in a city of the third class~~
 29 ~~with a population of more than eight thousand but less than ten thousand located~~
 30 ~~in a county of the third classification with a township form of government with~~

31 ~~a population of more than twenty thousand but less than twenty-two thousand.~~
32 ~~Such enterprise zone designation shall only be made if the area in the city which~~
33 ~~is to be included in the enterprise zone meets all the requirements of section~~
34 ~~135.205.~~

35 ~~————— 5. In addition to the number of enterprise zones authorized pursuant to~~
36 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
37 ~~economic development shall designate one such zone for any city with a home~~
38 ~~rule form of government and a population of at least one hundred ten thousand~~
39 ~~inhabitants but not more than one hundred thirty thousand inhabitants. Such~~
40 ~~enterprise zone designation shall only be made if the area in the city which is to~~
41 ~~be included in the enterprise zone meets all the requirements of section 135.205.~~

42 ~~————— 6. In addition to the number of enterprise zones authorized pursuant to~~
43 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
44 ~~economic development shall designate one such zone for any county of the first~~
45 ~~classification without a charter form of government with a population of less than~~
46 ~~thirty thousand inhabitants. Such enterprise zone designation shall only be made~~
47 ~~if the area in the city which is to be included in the enterprise zone meets all the~~
48 ~~requirements of section 135.205.~~

49 ~~————— 7. In addition to the number of enterprise zones authorized pursuant to~~
50 ~~the provisions of sections 135.206, 135.210, 135.256 and 135.257, the~~
51 ~~department of economic development shall designate one such zone in a city of~~
52 ~~the fourth classification with a population of at least three thousand but less than~~
53 ~~four thousand inhabitants located in a county of the second classification with a~~
54 ~~population of at least twenty thousand but not more than twenty-five thousand~~
55 ~~inhabitants. Such enterprise zone designation shall only be made if such area~~
56 ~~which is to be included in the enterprise zone meets all the requirements of~~
57 ~~section 135.205.~~

58 ~~————— 8. In addition to the number of enterprise zones authorized pursuant to~~
59 ~~the provisions of sections 135.206, 135.210, 135.256 and 135.257, the~~
60 ~~department of economic development shall designate one such zone for any area~~
61 ~~that includes property in two adjoining counties where one county is a county of~~
62 ~~the third classification without a township form of government with a population~~
63 ~~of less than sixteen thousand three hundred and more than sixteen thousand~~
64 ~~inhabitants and the other county is a county of the first classification having a~~
65 ~~population of at least one hundred seventy-one thousand but less than one~~
66 ~~hundred seventy-two thousand inhabitants. Such enterprise zone designation~~

67 shall only be made if such area which is to be included in the enterprise zone
 68 meets all the requirements of section 135.205.

69 ~~9. In addition to the number of enterprise zones authorized pursuant to~~
 70 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
 71 ~~economic development shall designate one such zone in a city of the fourth class~~
 72 ~~with a population of more than four thousand located in a county of the third~~
 73 ~~classification with a township form of government and with a population of less~~
 74 ~~than thirteen thousand. Such enterprise zone designation shall only be made if~~
 75 ~~the area in the city which is to be included in the enterprise zone meets all the~~
 76 ~~requirements of section 135.205.~~

77 ~~10. In addition to the number of enterprise zones authorized pursuant to~~
 78 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
 79 ~~economic development shall designate one such zone in a city of the fourth class~~
 80 ~~with a population of more than two thousand nine hundred located in a county of~~
 81 ~~the third classification without a township form of government with a population~~
 82 ~~of less than twelve thousand and more than eleven thousand seven hundred~~
 83 ~~inhabitants. Such enterprise zone designation shall only be made if the area in~~
 84 ~~the city which is to be included in the enterprise zone meets all the requirements~~
 85 ~~of section 135.205.~~

86 ~~11. In addition to the number of enterprise zones authorized pursuant to~~
 87 ~~the provisions of sections 135.206, 135.210 and 135.256, the department of~~
 88 ~~economic development shall designate one such zone in a county of the third~~
 89 ~~classification without a township form of government with a population of less~~
 90 ~~than twenty-four thousand five hundred and more than twenty-four thousand~~
 91 ~~inhabitants. Such enterprise zone designation shall only be made if the area in~~
 92 ~~the county which is to be included in the enterprise zone meets all the~~
 93 ~~requirements of section 135.205.]~~

94

2 ~~[135.209. 1. Any city in which an enterprise zone is designated pursuant~~
 3 ~~to subsection 5 of section 135.208 may, upon approval of the local governing~~
 4 ~~authority of the city and the director of the department of economic development,~~
 5 ~~designate one satellite enterprise zone within its corporate limits. A prerequisite~~
 6 ~~for the designation of the satellite zone shall be the approval by the director of the~~
 7 ~~department of economic development of a plan submitted by the local governing~~
 8 ~~authority of the city describing how the satellite zone corresponds to the city's~~
 9 ~~overall enterprise zone strategy.~~

9 ~~2. The satellite enterprise zone authorized by this section shall be~~
 10 ~~designated only if it meets the criteria established by subdivisions (1) to (4) of~~
 11 ~~subsection 2 of section 135.207. Retail businesses, as identified by the 1997~~
 12 ~~North American Industry Classification System (NAICS) sector numbers 44 to~~
 13 ~~45, located within the satellite enterprise zone shall be eligible for all benefits~~
 14 ~~provided pursuant to the provisions of sections 135.200 to 135.258.]~~
 15

~~[135.210. 1. Any governing authority which desires to have any portion~~
 2 ~~of a city or unincorporated area of a county under its control designated as an~~
 3 ~~enterprise zone shall hold a public hearing for the purpose of obtaining the~~
 4 ~~opinion and suggestions of those persons who will be affected by such~~
 5 ~~designation. The governing authority shall notify the director of such hearing at~~
 6 ~~least thirty days prior thereto and shall publish notice of such hearing in a~~
 7 ~~newspaper of general circulation in the area to be affected by such designation at~~
 8 ~~least twenty days prior to the date of the hearing but not more than thirty days~~
 9 ~~prior to such hearing. Such notice shall state the time, location, date and purpose~~
 10 ~~of the hearing. The director, or the director's designee, shall attend such hearing.~~

11 ~~2. After a public hearing is held as required in subsection 1 of this~~
 12 ~~section, the governing authority may file a petition with the department~~
 13 ~~requesting the designation of a specific area as an enterprise zone. Such petition~~
 14 ~~shall include, in addition to a description of the physical, social, and economic~~
 15 ~~characteristics of the area:~~

- 16 ~~(1) A plan to provide adequate police protection within the area;~~
- 17 ~~(2) A specific and practical process for individual businesses to obtain~~
 18 ~~waivers from burdensome local regulations, ordinances, and orders which serve~~
 19 ~~to discourage economic development within the area to be designated an~~
 20 ~~enterprise zone; except that, such waivers shall not substantially endanger the~~
 21 ~~health or safety of the employees of any such business or the residents of the area;~~
- 22 ~~(3) A description of what other specific actions will be taken to support~~
 23 ~~and encourage private investment within the area;~~
- 24 ~~(4) A plan to ensure that resources are available to assist area residents~~
 25 ~~to participate in increased development through self-help efforts and in~~
 26 ~~ameliorating any negative effects of designation of the area as an enterprise zone;~~
- 27 ~~(5) A statement describing the projected positive and negative effects of~~
 28 ~~designation of the area as an enterprise zone; and~~

29 ~~————— (6) A specific plan to provide assistance to any person or business~~
30 ~~dislocated as a result of activities within the zone. Such plan shall determine the~~
31 ~~need of dislocated persons for relocation assistance; provide, prior to~~
32 ~~displacement, information about the type, location and price of comparable~~
33 ~~housing or commercial property; provide information concerning state and~~
34 ~~federal programs for relocation assistance and provide other advisory services to~~
35 ~~displaced persons. Public agencies may choose to provide assistance under the~~
36 ~~Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601,~~
37 ~~et seq. to meet the requirements of this subdivision.~~

38 ~~————— 3. No more than fifty such areas may be designated by the director as an~~
39 ~~enterprise zone under the provisions of this subsection, except that any enterprise~~
40 ~~zones authorized apart from this subsection by specific legislative enactment, on~~
41 ~~or after August 28, 1991, shall not be counted toward the limitation set forth in~~
42 ~~this subsection. After fifty enterprise zones, plus any others authorized apart~~
43 ~~from this subsection by specific legislative enactment first designated on or after~~
44 ~~August 28, 1991, have been designated by the director, additional enterprise~~
45 ~~zones may be authorized apart from this subsection by specific legislative~~
46 ~~enactment, except that if an enterprise zone designation is cancelled under the~~
47 ~~provision of subsection 4 of this section, the director may designate one area as~~
48 ~~an enterprise zone for each enterprise zone designation which is cancelled.~~

49 ~~————— 4. Each designated enterprise zone or satellite zone must report to the~~
50 ~~director on an annual basis regarding the status of the zone and business activity~~
51 ~~within the zone. On the fifth anniversary of the designation of each zone after~~
52 ~~August 8, 1989, and each five years thereafter, the director shall evaluate the~~
53 ~~activity which has occurred within the zone during the previous five-year period,~~
54 ~~including business investments and the creation of new jobs. If the director finds~~
55 ~~that the plan outlined in the application for designation was not implemented in~~
56 ~~good faith, or if such zone no longer qualifies under the original criteria, or if the~~
57 ~~director finds that the zone is not being effectively promoted or developed, the~~
58 ~~director may recommend that the designation of that area as an enterprise zone~~
59 ~~be cancelled. All agreements negotiated under the benefits of such zone shall~~
60 ~~remain in effect for the originally agreed upon duration. The director shall~~
61 ~~schedule a hearing on such recommendation for not later than sixty days after the~~
62 ~~recommendation is filed with it. At the hearing, interested parties, including the~~
63 ~~director, may present witnesses and evidence as to why the enterprise zone~~
64 ~~designation for that particular area should be continued or cancelled. Within~~

65 ~~thirty days after the hearing, the director shall determine whether or not the~~
66 ~~designation should be continued. If it is not continued, the director shall remove~~
67 ~~the designation from the area and, following the procedures outlined in this~~
68 ~~section, award the designation of an enterprise zone to another applicant. If an~~
69 ~~area has requested a designated enterprise zone, and met all existing statutory~~
70 ~~requirements, but has not been designated such, then the applicant may appeal for~~
71 ~~a hearing to determine its eligibility for such a designation.]~~

72

~~[135.212. 1. In addition to any other enterprise zones authorized in this~~
2 ~~chapter, the department of economic development shall designate one enterprise~~
3 ~~zone in any county of the third classification without a township form of~~
4 ~~government and with more than thirty-two thousand five hundred but less than~~
5 ~~thirty-two thousand six hundred inhabitants. Such enterprise zone designations~~
6 ~~shall have the same boundaries as such county, and shall only be made if the area~~
7 ~~to be included in the enterprise zone meets all the requirements of section~~
8 ~~135.205.~~

9 ~~————— 2. In addition to any other enterprise zones authorized in this chapter, the~~
10 ~~department of economic development shall designate one enterprise zone that~~
11 ~~shall have boundaries that are the same as any city of the fourth classification~~
12 ~~with more than one thousand eight hundred but less than one thousand nine~~
13 ~~hundred inhabitants and located in three counties. Such enterprise zone~~
14 ~~designation shall only be made if the area that is to be included in the enterprise~~
15 ~~zone meets all the requirements of section 135.205.~~

16 ~~————— 3. In addition to any other enterprise zones authorized in this chapter, the~~
17 ~~department of economic development shall designate one enterprise zone that~~
18 ~~shall have boundaries that are the same as any city of the fourth classification~~
19 ~~with more than one thousand but less than one thousand one hundred inhabitants~~
20 ~~and located in any county of the third classification without a township form of~~
21 ~~government and with more than forty-one thousand one hundred but less than~~
22 ~~forty-one thousand two hundred inhabitants. Such enterprise zone designation~~
23 ~~shall only be made if the area that is to be included in the enterprise zone meets~~
24 ~~all the requirements of section 135.205.~~

25 ~~————— 4. In addition to any other enterprise zones authorized pursuant to this~~
26 ~~chapter, the department of economic development shall designate one enterprise~~
27 ~~zone that shall have boundaries that are the same as any county of the third~~
28 ~~classification without a township form of government and with more than~~

29 ~~thirteen thousand seventy-five but less than thirteen thousand one hundred~~
30 ~~seventy-five inhabitants. Such enterprise zone designation shall only be made if~~
31 ~~the area that is to be included in the enterprise zone meets all the requirements~~
32 ~~of section 135.205.~~

33 ~~————— 5. In addition to any other enterprise zones authorized in this chapter, the~~
34 ~~department of economic development shall designate one enterprise zone in the~~
35 ~~portions of any city of the fourth classification with more than three thousand~~
36 ~~eight hundred but less than four thousand inhabitants and located in more than~~
37 ~~one county and any home rule city with more than one hundred thirteen thousand~~
38 ~~two hundred but less than one hundred thirteen thousand three hundred~~
39 ~~inhabitants which include a political subdivision that receives a portion of its~~
40 ~~funding from section 163.031 and is located in part in any home rule city with~~
41 ~~more than four hundred thousand inhabitants and located in more than one~~
42 ~~county. Such enterprise zone shall only be made if the area to be included in the~~
43 ~~enterprise zone meets all the requirements of section 135.205.~~

44 ~~————— 6. In addition to any other enterprise zones authorized pursuant to this~~
45 ~~chapter, the department of economic development shall designate one enterprise~~
46 ~~zone that shall have boundaries that are the same as any city of the fourth~~
47 ~~classification with more than four thousand three hundred but less than four~~
48 ~~thousand five hundred located in a county of the first classification with more~~
49 ~~than ninety-three thousand eight hundred but less than ninety-three thousand nine~~
50 ~~hundred inhabitants. Such enterprise zone designation shall only be made if the~~
51 ~~area that is to be included in the enterprise zone meets all the requirements of~~
52 ~~section 135.205.~~

53 ~~————— 7. In addition to any other enterprise zones authorized pursuant to this~~
54 ~~chapter, the department of economic development shall designate one enterprise~~
55 ~~zone that shall have boundaries that are the same as any city of the fourth~~
56 ~~classification with more than five thousand four hundred but less than five~~
57 ~~thousand five hundred inhabitants and located in more than one county. Such~~
58 ~~enterprise zone designation shall only be made if the area that is to be included~~
59 ~~in the enterprise zone meets all the requirements of section 135.205.~~

60 ~~————— 8. In addition to any other enterprise zones authorized in this chapter, the~~
61 ~~department of economic development shall designate one enterprise zone that~~
62 ~~shall be located partially in any city of the fourth classification with more than~~
63 ~~twelve thousand one hundred but less than twelve thousand four hundred~~
64 ~~inhabitants and partially in any city of the fourth classification with more than~~

65 ~~nine thousand six hundred but less than nine thousand seven hundred inhabitants~~
66 ~~and shall include all area in between any city of the fourth classification with~~
67 ~~more than twelve thousand one hundred but less than twelve thousand four~~
68 ~~hundred inhabitants and any city of the fourth classification with more than nine~~
69 ~~thousand six hundred but less than nine thousand seven hundred inhabitants with~~
70 ~~specific boundaries to be determined by the department of economic~~
71 ~~development in conjunction with the governing authority of the county. Such~~
72 ~~enterprise zone designation shall only be made if the area that is to be included~~
73 ~~in the enterprise zone meets all the requirements of section 135.205.~~

74 ~~————— 9. In addition to any other enterprise zones authorized in this chapter, the~~
75 ~~department of economic development shall designate one enterprise zone within~~
76 ~~any county of the third classification without a township form of government and~~
77 ~~with more than thirty-one thousand but less than thirty-one thousand one hundred~~
78 ~~inhabitants. Such enterprise zone designation shall only be made if the area that~~
79 ~~is to be included in the enterprise zone meets all the requirements of section~~
80 ~~135.205.~~

81 ~~————— 10. Notwithstanding the provisions of section 135.230 to the contrary,~~
82 ~~any enterprise zone designated in any county of the third classification with a~~
83 ~~township form of government and with more than thirteen thousand seven~~
84 ~~hundred but less than thirteen thousand eight hundred inhabitants or designated~~
85 ~~in any county of the third classification without a township form of government~~
86 ~~and with more than fifteen thousand seven hundred but less than fifteen thousand~~
87 ~~eight hundred inhabitants shall not expire before December 31, 2015.~~

88 ~~————— 11. In addition to the number of enterprise zones authorized by the~~
89 ~~provisions of sections 135.200 to 135.270, the department of economic~~
90 ~~development shall designate one such zone in every county of the third~~
91 ~~classification without a township form of government and with more than six~~
92 ~~thousand seven hundred fifty but less than six thousand eight hundred fifty~~
93 ~~inhabitants. Such designation shall only be made if the area in the county which~~
94 ~~is to be included in the enterprise zone meets all the requirements of section~~
95 ~~135.205.~~

96 ~~————— 12. In addition to the number of enterprise zones authorized by the~~
97 ~~provisions of this chapter the department of economic development shall~~
98 ~~designate one such zone in every city of the fourth classification with more than~~
99 ~~thirteen thousand six hundred but less than thirteen thousand eight hundred~~
100 ~~inhabitants which shall have boundaries abutting an international airport and an~~

101 interstate highway with specific boundaries to be determined by the department
102 of economic development in conjunction with the governing authority of the city.
103 Such designation shall only be made if the area in the city which is to be included
104 in the enterprise zone meets all the requirements of section 135.205.

105 ~~13. In addition to any other enterprise zones authorized in this chapter,~~
106 ~~the department of economic development shall designate one such zone in a city~~
107 ~~of the fourth classification with more than thirty thousand three hundred but less~~
108 ~~than thirty thousand seven hundred inhabitants. Such enterprise zone shall only~~
109 ~~be made if the area to be included in the enterprise zone meets all the~~
110 ~~requirements of section 135.205.]~~

111

~~[135.215. 1. Improvements made to "real property" as such term is~~
2 ~~defined in section 137.010, which are made in an enterprise zone subsequent to~~
3 ~~the date such zone or expansion thereto was designated, may upon approval of~~
4 ~~an authorizing resolution by the governing authority having jurisdiction of the~~
5 ~~area in which the improvements are made, be exempt, in whole or in part, from~~
6 ~~assessment and payment of ad valorem taxes of one or more affected political~~
7 ~~subdivisions, provided that, except as to the exemption allowed under subsection~~
8 ~~3 of this section, at least fifty new jobs that provide an average of at least~~
9 ~~thirty-five hours of employment per week per job are created and maintained at~~
10 ~~the new or expanded facility. Such authorizing resolution shall specify the~~
11 ~~percent of the exemption to be granted, the duration of the exemption to be~~
12 ~~granted, and the political subdivisions to which such exemption is to apply and~~
13 ~~any other terms, conditions or stipulations otherwise required. A copy of the~~
14 ~~resolution shall be provided the director within thirty calendar days following~~
15 ~~adoption of the resolution by the governing authority.~~

16 ~~2. No exemption shall be granted until the governing authority holds a~~
17 ~~public hearing for the purpose of obtaining the opinions and suggestions of~~
18 ~~residents of political subdivisions to be affected by the exemption from property~~
19 ~~taxes. The governing authority shall send, by certified mail, a notice of such~~
20 ~~hearing to each political subdivision in the area to be affected and shall publish~~
21 ~~notice of such hearing in a newspaper of general circulation in the area to be~~
22 ~~affected by the exemption at least twenty days prior to the hearing but not more~~
23 ~~than thirty days prior to the hearing. Such notice shall state the time, location,~~
24 ~~date and purpose of the hearing.~~

25 ~~3. Notwithstanding subsection 1 of this section, at least one-half of the~~
26 ~~ad valorem taxes otherwise imposed on subsequent improvements to real~~
27 ~~property located in an enterprise zone shall become and remain exempt from~~
28 ~~assessment and payment of ad valorem taxes of any political subdivision of this~~
29 ~~state or municipality thereof, if said political subdivision or municipality levies~~
30 ~~ad valorem taxes, for a period of not less than ten years following the date such~~
31 ~~improvements were assessed, provided the improved properties are used for~~
32 ~~assembling, fabricating, processing, manufacturing, mining, warehousing or~~
33 ~~distributing properties.~~

34 ~~4. No exemption shall be granted for a period more than twenty-five~~
35 ~~years following the date on which the original enterprise zone was designated by~~
36 ~~the department except for any enterprise zone within any home rule city with~~
37 ~~more than one hundred fifty-one thousand five hundred but less than one hundred~~
38 ~~fifty-one thousand six hundred inhabitants provided in any instance the~~
39 ~~exemption shall not be granted for a period longer than twenty-five years from~~
40 ~~the date on which the exemption was granted.~~

41 ~~5. The provisions of subsection 1 of this section shall not apply to~~
42 ~~improvements made to real property which have been started prior to August 28,~~
43 ~~1991.~~

44 ~~6. The mandatory abatement referred to in this section shall not relieve~~
45 ~~the assessor or other responsible official from ascertaining the amount of the~~
46 ~~equalized assessed value of all taxable property annually as required by section~~
47 ~~99.855 and shall not have the effect of reducing the payments in lieu of taxes~~
48 ~~referred to in subdivision (2) of section 99.845 unless such reduction is set forth~~
49 ~~in the plan approved by the governing body of the municipality pursuant to~~
50 ~~subdivision (1) of section 99.820.~~

51 ~~7. Effective August 28, 2004, any abatement or exemption provided for~~
52 ~~in this section on an individual parcel of real property shall cease after a period~~
53 ~~of thirty days of business closure, work stoppage, major reduction in force, or a~~
54 ~~significant change in the type of business conducted at that location. For the~~
55 ~~purposes of this subsection, "work stoppage" shall not include strike or lockout~~
56 ~~or time necessary to retool a plant, and "major reduction in force" is defined as~~
57 ~~a seventy-five percent or greater reduction. Any owner or new owner may~~
58 ~~reapply, but cannot receive the abatement or exemption for any period of time~~
59 ~~beyond the original life of the enterprise zone.]~~

2 ~~[135.220. 1. The provisions of chapter 143 notwithstanding, one-half of~~
 3 ~~the Missouri taxable income attributed to a new business facility in an enterprise~~
 4 ~~zone which is earned by a taxpayer establishing and operating a new business~~
 5 ~~facility located within an enterprise zone shall be exempt from taxation under~~
 6 ~~chapter 143. A taxpayer operating a revenue producing enterprise as defined in~~
 7 ~~paragraph (d) of subdivision (6) of section 135.200 may elect to exempt from~~
 8 ~~taxation under chapter 143 one-half of the Missouri taxable income attributed to~~
 9 ~~a new business facility in an enterprise zone or may elect to claim a fifty-dollar~~
 10 ~~credit against the tax imposed under chapter 143, excluding withholding tax~~
 11 ~~imposed by sections 143.191 to 143.265, for each room constructed for use as a~~
 12 ~~bedroom for each qualifying residential unit. A "bedroom" is defined as a~~
 13 ~~structurally separate room used primarily for sleeping, and not as a living room,~~
 14 ~~dining room, kitchen or closet. That portion of income attributed to the new~~
 15 ~~business facility shall be determined in a manner prescribed in paragraph (b) of~~
 16 ~~subdivision (7) of section 135.100, except that compensation paid to truck~~
 17 ~~drivers, or rail or barge vehicle operators shall be excluded from the fraction.~~

18 ~~2. In the case of a small corporation described in section 143.471 or a~~
 19 ~~partnership, in computing the Missouri taxable income of the taxpayers described~~
 20 ~~in subdivisions (1) and (2) of this subsection, a deduction apportioned in~~
 21 ~~proportion to their share of ownership of the business on the last day of the~~
 22 ~~taxpayer's tax period for which such tax credits are being claimed, shall be~~
 23 ~~allowed from their Missouri adjusted gross income in the amount of one-half of~~
 24 ~~the Missouri taxable income earned by the new business facility, as determined~~
 25 ~~by the method prescribed in subsection 1 of this section located within the~~
 26 ~~enterprise zone, as defined in this section, to the following:~~

27 ~~(1) The shareholders of a small corporation described in section 143.471;~~

28 ~~(2) The partners in a partnership.]~~

2 ~~[135.225. 1. The credits otherwise provided by sections 135.100 to~~
 3 ~~135.150 shall upon proper application be granted to any taxpayer who shall~~
 4 ~~establish and operate a new business facility located within an enterprise zone,~~
 5 ~~except one designated pursuant to subsection 5 of section 135.230, on the same~~
 6 ~~terms and conditions specified in those sections, except that:~~

7 ~~(1) The credit otherwise allowed for each new business facility employee~~
 8 ~~employed within an enterprise zone shall be four hundred dollars;~~

8 ~~————— (2) An additional credit of four hundred dollars shall be granted for each~~
9 ~~twelve-month period that a new business facility employee is a resident of an~~
10 ~~enterprise zone;~~

11 ~~————— (3) An additional credit of four hundred dollars shall be granted for each~~
12 ~~twelve-month period that the person employed as a new business facility~~
13 ~~employee is a person who, at the time of such employment by the new business~~
14 ~~facility, met the criteria as set forth in section 135.240;~~

15 ~~————— (4) The credit otherwise allowed for new business facility investment~~
16 ~~shall be equal to the sum of ten percent of the first ten thousand dollars of such~~
17 ~~qualifying investment, plus five percent of the next ninety thousand dollars of~~
18 ~~such qualifying investment, plus two percent of all remaining qualifying~~
19 ~~investments within an enterprise zone;~~

20 ~~————— (5) In the case of a small corporation described in section 143.471 or a~~
21 ~~partnership, the credits granted by this section shall be apportioned in proportion~~
22 ~~to the share of ownership of the taxpayer on the last day of the taxpayer's tax~~
23 ~~period for which such tax credits are being claimed, to the following:~~

24 ~~————— (a) The shareholders of a small corporation described in section 143.471;~~

25 ~~————— (b) The partners in a partnership;~~

26 ~~————— (6) In the case of financial institutions described pursuant to the~~
27 ~~provisions of chapter 148, the credits allowed in subdivisions (1), (2), (3) and (4)~~
28 ~~of this subsection and the credit allowed in section 135.235 may be used to offset~~
29 ~~the tax imposed by chapter 148 and, in the case of an insurance company exempt~~
30 ~~from the thirty-percent employee requirement of section 135.230, any obligations~~
31 ~~imposed pursuant to section 375.916 subject to the same method of~~
32 ~~apportionment as prescribed for taxes imposed by chapter 143 and as provided~~
33 ~~in subdivision (7) of section 135.100 and subsections 2 and 3 of section 135.110;~~

34 ~~————— (7) If a facility within an enterprise zone, which does not constitute a new~~
35 ~~business facility, is expanded or improved by the taxpayer within the enterprise~~
36 ~~zone, the expansion or improvement shall be considered a separate facility~~
37 ~~eligible for the credits allowed in this section and section 135.235, and the~~
38 ~~exemption allowed in section 135.220, if:~~

39 ~~————— (a) The new business facility investment in the expansion or~~
40 ~~improvement during the tax period in which such credits and the exemption are~~
41 ~~claimed exceeds one hundred thousand dollars or, if less than one hundred~~
42 ~~thousand dollars, is twenty-five percent of the investment in the original facility~~
43 ~~prior to expansion or improvement; and~~

44 ~~————— (b) The expansion or improvement otherwise constitutes a new business~~
 45 ~~facility; and~~

46 ~~————— (c) The number of new business facility employees engaged or~~
 47 ~~maintained in employment at the expanded or improved facility for the taxable~~
 48 ~~year for which the credit is claimed equals or exceeds two and the total number~~
 49 ~~of employees at the facility after expansion or improvement is at least two greater~~
 50 ~~than the total number of employees before expansion or improvement. The~~
 51 ~~taxpayer's investment in the expansion or improvement and in the original facility~~
 52 ~~prior to expansion or improvement shall be determined in the manner provided~~
 53 ~~in subdivision (8) of section 135.100;~~

54 ~~————— (8) For the purpose of sections 135.200 to 135.256, an office as defined~~
 55 ~~in subdivision (9) of section 135.100, when established, must create and maintain~~
 56 ~~at least two new business facility employees as defined in subdivision (6) of~~
 57 ~~section 135.100;~~

58 ~~————— (9) In the case where a person employed by the new business facility is~~
 59 ~~a resident of the enterprise zone for less than a twelve-month period, or in the~~
 60 ~~case where a person employed as a new business facility employee is a person~~
 61 ~~who, at the time of such employment by the new business facility, met the criteria~~
 62 ~~as set forth in section 135.240, is employed for less than a twelve-month period;~~
 63 ~~the credits allowed by subdivisions (2) and (3) of this subsection shall be~~
 64 ~~determined by multiplying four hundred dollars by a fraction, the numerator of~~
 65 ~~which is the number of calendar days during the taxpayer's tax year for which~~
 66 ~~such credits are claimed, in which the person met the requirements prescribed in~~
 67 ~~subdivision (2) or (3) of this subsection, and the denominator of which is three~~
 68 ~~hundred and sixty-five, except that such credit shall not exceed four hundred~~
 69 ~~dollars per employee in any one taxable year;~~

70 ~~————— (10) The deferment of tax credit authorized in section 135.120 shall not~~
 71 ~~be available to taxpayers establishing a new business facility in an enterprise~~
 72 ~~zone;~~

73 ~~————— (11) The allowance for additional ten-year periods to certain new~~
 74 ~~business facilities as prescribed in subsection 1 of section 135.110 shall not be~~
 75 ~~available to taxpayers expanding a new business facility in an enterprise zone;~~
 76 ~~except that any taxpayer who has been eligible to earn enterprise zone tax~~
 77 ~~benefits for ten tax periods, or until the expiration of the fifteen-year period as~~
 78 ~~prescribed in subsection 1 of section 135.230, or for the maximum period~~
 79 ~~otherwise allowed by law, may qualify for the tax credits allowed in section~~

80 ~~135.110 if otherwise eligible, pursuant to the same terms and conditions~~
81 ~~prescribed in sections 135.100 to 135.150;~~

82 ~~————— (12) Taxpayers who establish a new business facility by operating a~~
83 ~~revenue-producing enterprise as defined in paragraph (d) of subdivision (6) of~~
84 ~~section 135.200 shall not be required to create and maintain new business facility~~
85 ~~employees.~~

86 ~~————— 2. The tax credits described in subdivisions (1), (2), (3) and (4) of~~
87 ~~subsection 1 of this section, the training credit allowed in section 135.235, and~~
88 ~~the income exemption allowed in section 135.220, shall be allowed to any~~
89 ~~taxpayer, under the same terms and conditions specified in such sections, who~~
90 ~~establishes a new business facility in an enterprise zone designated pursuant to~~
91 ~~subsection 5 of section 135.230, except that all such tax benefits shall be~~
92 ~~removed not later than seven years after the enterprise zone is designated as such.~~

93 ~~————— 3. Notwithstanding any provision of law to the contrary, any taxpayer~~
94 ~~who establishes a new business facility in an enterprise zone, may elect to forfeit~~
95 ~~the tax credits otherwise allowed in section 135.235 and this section and the~~
96 ~~exemptions otherwise allowed in sections 135.215 and 135.220 and the refund~~
97 ~~otherwise allowed in section 135.245, and in lieu thereof, claim the tax credits~~
98 ~~allowed in section 135.110, pursuant to the same terms and conditions prescribed~~
99 ~~in sections 135.100 to 135.150. To perfect the election, the taxpayer shall attach~~
100 ~~written notification of such election to the taxpayer's initial application for~~
101 ~~claiming tax credits. The election shall be irreversible once perfected.~~

102 ~~————— 4. The right to receive the income exemption described in section~~
103 ~~135.220, the tax credits described in subsection 1 of this section and the training~~
104 ~~credit allowed in section 135.235 shall vest in the taxpayer upon commencement~~
105 ~~of operations of the revenue-producing enterprise, but such vested right shall be~~
106 ~~waived by the taxpayer for any given year in which the terms and conditions of~~
107 ~~sections 135.100 to 135.268 are not met. Representations made by the~~
108 ~~department and relied upon in good faith by the taxpayer shall be binding upon~~
109 ~~the state of Missouri insofar as they are consistent with the provisions of this~~
110 ~~chapter. The provisions of this subsection shall apply to all revenue-producing~~
111 ~~enterprises which are eligible for incentives pursuant to this subsection and which~~
112 ~~commenced operation on or after January 1, 1996, to the extent such incentives~~
113 ~~do not exceed the fifteen-year limitation pursuant to subsection 1 of section~~
114 ~~135.230 or the seven-year limitation pursuant to subsection 5 of section 135.230.~~
115 ~~The provisions of this subsection shall apply to all revenue-producing enterprises~~

116 which are eligible for the incentives set forth in this subsection, and which began
117 operation after January 1, 1996, to the extent such incentives do not exceed the
118 fifteen-year limitation set forth in subsection 1 of section 135.230, or the
119 seven-year limit set forth in subsection 5 of section 135.230.]

120

2 [135.230. 1. The exemption or credit established and allowed by section
3 135.220 and the credits allowed and established by subdivisions (1), (2), (3) and
4 (4) of subsection 1 of section 135.225 shall be granted with respect to any new
5 business facility located within an enterprise zone for a vested period not to
6 exceed ten years following the date upon which the new business facility
7 commences operation within the enterprise zone and such exemption shall be
8 calculated, for each succeeding year of eligibility, in accordance with the
9 formulas applied in the initial year in which the new business facility is certified
10 as such, subject, however, to the limitation that all such credits allowed in
11 sections 135.225 and 135.235 and the exemption allowed in section 135.220 shall
12 be removed not later than fifteen years after the enterprise zone is designated as
13 such. No credits shall be allowed pursuant to subdivision (1), (2), (3) or (4) of
14 subsection 1 of section 135.225 or section 135.235 and no exemption shall be
15 allowed pursuant to section 135.220 unless the number of new business facility
16 employees engaged or maintained in employment at the new business facility for
17 the taxable year for which the credit is claimed equals or exceeds two or the new
18 business facility is a revenue-producing enterprise as defined in paragraph (d) of
19 subdivision (6) of section 135.200. In order to qualify for either the exemption
20 pursuant to section 135.220 or the credit pursuant to subdivision (4) of subsection
21 1 of section 135.225, or both, it shall be required that at least thirty percent of
22 new business facility employees, as determined by subsection 4 of section
23 135.110, meet the criteria established in section 135.240 or are residents of an
24 enterprise zone or some combination thereof, except taxpayers who establish a
25 new business facility by operating a revenue-producing enterprise as defined in
26 paragraph (d) of subdivision (6) of section 135.200 or any taxpayer that is an
27 insurance company that established a new business facility satisfying the
28 requirements of subdivision (8) of section 135.100 located within an enterprise
29 zone after June 30, 1993, and before December 31, 1994, and that employs in
30 excess of three hundred fifty new business facility employees at such facility each
31 tax period for which the credits allowable pursuant to subdivisions (1) to (4) of
subsection 1 of section 135.225 are claimed shall not be required to meet such

32 requirement. A new business facility described as SIC 3751 shall be required to
33 employ fifteen percent of such employees instead of the required thirty percent.
34 For the purpose of satisfying the thirty-percent requirement, residents must have
35 lived in the enterprise zone for a period of at least one full calendar month and
36 must have been employed at the new business facility for at least one full
37 calendar month, and persons qualifying because they meet the requirements of
38 section 135.240 must have satisfied such requirement at the time they were
39 employed by the new business facility and must have been employed at the new
40 business facility for at least one full calendar month. The director may
41 temporarily reduce or waive this requirement for any business in an enterprise
42 zone with ten or less full-time employees, and for businesses with eleven to
43 twenty full-time employees this requirement may be temporarily reduced. No
44 reduction or waiver may be granted for more than one tax period and shall not be
45 renewable. The exemptions allowed in sections 135.215 and 135.220 and the
46 credits allowed in sections 135.225 and 135.235 and the refund established and
47 authorized in section 135.245 shall not be allowed to any "public utility", as such
48 term is defined in section 386.020. For the purposes of achieving the
49 fifteen-percent employment requirement set forth in this subsection, a new
50 business facility described as NAICS 336991 may count employees who were
51 residents of the enterprise zone at the time they were employed by the new
52 business facility and for at least ninety days thereafter, regardless of whether such
53 employees continue to reside in the enterprise zone, so long as the employees
54 remain employed by the new business facility and residents of the state of
55 Missouri.

56 ————— 2. Notwithstanding the provisions of subsection 1 of this section, motor
57 carriers, barge lines or railroads engaged in transporting property for hire or any
58 interexchange telecommunications company that establish a new business facility
59 shall be eligible to qualify for the exemptions allowed in sections 135.215 and
60 135.220, and the credits allowed in sections 135.225 and 135.235 and the refund
61 established and authorized in section 135.245, except that trucks, truck-trailers,
62 truck semitrailers, rail or barge vehicles or other rolling stock for hire, track,
63 switches, bridges, barges, tunnels, rail yards and spurs shall not constitute new
64 business facility investment nor shall truck drivers or rail or barge vehicle
65 operators constitute new business facility employees.

66 ————— 3. Notwithstanding any other provision of sections 135.200 to 135.256
67 to the contrary, motor carriers establishing a new business facility on or after

68 ~~January 1, 1993, but before January 1, 1995, may qualify for the tax credits~~
69 ~~available pursuant to sections 135.225 and 135.235 and the exemption provided~~
70 ~~in section 135.220, even if such new business facility has not satisfied the~~
71 ~~employee criteria, provided that such taxpayer employs an average of at least two~~
72 ~~hundred persons at such facility, exclusive of truck drivers and provided that such~~
73 ~~taxpayer maintains an average investment of at least ten million dollars at such~~
74 ~~facility, exclusive of rolling stock, during the tax period for which such credits~~
75 ~~and exemption are being claimed.~~

76 ~~4. Any governing authority having jurisdiction of an area that has been~~
77 ~~designated an enterprise zone may petition the department to expand the~~
78 ~~boundaries of such existing enterprise zone. The director may approve such~~
79 ~~expansion if the director finds that:~~

80 ~~(1) The area to be expanded meets the requirements prescribed in section~~
81 ~~135.207 or 135.210, whichever is applicable;~~

82 ~~(2) The area to be expanded is contiguous to the existing enterprise zone;~~
83 ~~and~~

84 ~~(3) The number of expansions do not exceed three after August 28, 1994.~~

85 ~~5. Notwithstanding the fifteen-year limitation as prescribed in subsection~~
86 ~~1 of this section, any governing authority having jurisdiction of an area that has~~
87 ~~been designated as an enterprise zone by the director, except one designated~~
88 ~~pursuant to this subsection, may file a petition, as prescribed by the director, for~~
89 ~~redesignation of such area for an additional period not to exceed seven years~~
90 ~~following the fifteenth anniversary of the enterprise zone's initial designation~~
91 ~~date; provided:~~

92 ~~(1) The petition is filed with the director within three years prior to the~~
93 ~~date the tax credits authorized in sections 135.225 and 135.235 and the~~
94 ~~exemption allowed in section 135.220 are required to be removed pursuant to~~
95 ~~subsection 1 of this section;~~

96 ~~(2) The governing authority identifies and conforms the boundaries of the~~
97 ~~area to be designated a new enterprise zone to the political boundaries established~~
98 ~~by the latest decennial census, unless otherwise approved by the director;~~

99 ~~(3) The area satisfies the requirements prescribed in subdivisions (3) and~~
100 ~~(4) of section 135.205 according to the United States Census Bureau's American~~
101 ~~Community Survey, based on the most recent of five-year period estimate data~~
102 ~~in which the final year of the estimate ends in either zero or five or other~~
103 ~~appropriate source as approved by the director;~~

104 ~~————— (4) The governing authority satisfies the requirements prescribed in~~
105 ~~sections 135.210, 135.215 and 135.255;~~

106 ~~————— (5) The director finds that the area is unlikely to support reasonable tax~~
107 ~~assessment or to experience reasonable economic growth without such~~
108 ~~designation; and~~

109 ~~————— (6) The director's recommendation that the area be designated as an~~
110 ~~enterprise zone is approved by the joint committee on economic development~~
111 ~~policy and planning, as otherwise required in subsection 3 of section 135.210.~~

112 ~~————— 6. Any taxpayer having established a new business facility in an~~
113 ~~enterprise zone except one designated pursuant to subsection 5 of this section,~~
114 ~~who did not earn the tax credits authorized in sections 135.225 and 135.235 and~~
115 ~~the exemption allowed in section 135.220 for the full ten-year period because of~~
116 ~~the fifteen-year limitation as prescribed in subsection 1 of this section, shall be~~
117 ~~granted such benefits for ten tax years, less the number of tax years the benefits~~
118 ~~were claimed or could have been claimed prior to the expiration of the original~~
119 ~~fifteen-year period, except that such tax benefits shall not be earned for more than~~
120 ~~seven tax periods during the ensuing seven-year period, provided the taxpayer~~
121 ~~continues to operate the new business facility in an area that is designated an~~
122 ~~enterprise zone pursuant to subsection 5 of this section. Any taxpayer who~~
123 ~~establishes a new business facility subsequent to the commencement of the~~
124 ~~ensuing seven-year period, as authorized in subsection 5 of this section, may~~
125 ~~qualify for the tax credits authorized in sections 135.225 and 135.235, and the~~
126 ~~exemptions authorized in sections 135.215 and 135.220, pursuant to the same~~
127 ~~terms and conditions as prescribed in sections 135.100 to 135.256. The~~
128 ~~designation of any enterprise zone pursuant to subsection 5 of this section shall~~
129 ~~not be subject to the fifty enterprise zone limitation imposed in subsection 3 of~~
130 ~~section 135.210.]~~

131

2 ~~[135.235. To the extent that expenses incurred by a new business facility~~
3 ~~in an enterprise zone for the training of persons employed in the operation of the~~
4 ~~new business facility is not covered by an existing federal, state or local program,~~
5 ~~such new business facility shall be eligible for a full tax credit equal to eighty~~
6 ~~percent of that portion of such training expenses which are in excess of four~~
7 ~~hundred dollars for each trainee who is a resident of the enterprise zone or who~~
8 ~~was at the time of such employment at the new business facility unemployable~~
~~or difficult to employ as defined in section 135.240, provided such credit shall~~

9 not exceed four hundred dollars for each employee trained. In the case of a small
 10 corporation described in section 143.471 or a partnership, all credits allowed by
 11 this section shall be apportioned in proportion to the share of ownership of the
 12 business to the following:

- 13 ~~————— (1) The shareholders of the corporation described in section 143.471; or~~
- 14 ~~————— (2) The partners in a partnership.]~~

15
 [135.240. The provisions of subdivision (3) of section 135.225 and
 2 section 135.230 shall apply to employees determined to:

- 3 ~~————— (1) Be difficult to employ. For the purpose of this section, "a person~~
 4 ~~difficult to employ" shall mean a person who was unemployed for at least three~~
 5 ~~months immediately prior to being employed at the new business facility in the~~
 6 ~~enterprise zone; or~~
- 7 ~~————— (2) Be eligible for aid to families with dependent children or general~~
 8 ~~relief programs.]~~

9
 [135.245. 1. Notwithstanding any other provision of Missouri law, some
 2 portion of the tax credits earned by a newly established new business facility
 3 within an enterprise zone through the provisions of sections 135.200 to 135.256,
 4 except one designated pursuant to subsection 5 of section 135.230, which
 5 exceeds its total income tax liability shall be considered an overpayment of the
 6 income tax and shall be refunded to the taxpayer as provided by this section,
 7 except that such refund shall only apply to taxpayers subject to the tax imposed
 8 pursuant to chapter 143. The refund allowed by this section shall be limited to
 9 taxpayers who establish new facilities in enterprise zones. The refund shall not
 10 be allowed to a taxpayer who establishes a new business facility because it
 11 qualifies as a separate facility pursuant to subsection 6 of section 135.110 or
 12 subdivision (7) of subsection 1 of section 135.225 or because it satisfies the
 13 requirements of paragraph (c) of subdivision (5) of section 135.100 or
 14 subdivision (11) of section 135.100. The provisions of this section shall have
 15 effect on all initial applications filed on or after August 28, 1992. The provisions
 16 of this section shall only be available to a taxpayer for the first two consecutive
 17 years during which the taxpayer is eligible for the credits provided by sections
 18 135.200 to 135.256, and the portion of tax credit which is considered an
 19 overpayment of the income tax shall be limited to fifty percent or fifty thousand
 20 dollars, whichever is less, in the first year and twenty-five percent or twenty-five

21 thousand dollars, whichever is less, in the second year in which the taxpayer is
 22 eligible. The overpayment of the income tax for the first year shall not be
 23 refunded to the taxpayer until the third taxable year of operation by the new
 24 business facility and the overpayment of the income tax for the second year shall
 25 not be refunded to the taxpayer until the fourth taxable year of operation by the
 26 new business facility.

27 ~~2. The portion of tax credit which is considered an overpayment of the~~
 28 ~~income tax by any taxpayer who establishes a new business facility in an~~
 29 ~~enterprise zone designated pursuant to subsection 5 of section 135.230 shall be~~
 30 ~~limited to twenty-five percent or twenty-five thousand dollars, whichever is less,~~
 31 ~~in the first year of the ensuing seven-year period. Such overpayment of tax shall~~
 32 ~~not be refunded to the taxpayer until the third taxable year of operation by the~~
 33 ~~new business facility.~~

34 ~~3. Such refunds to the taxpayer shall be made as otherwise provided by~~
 35 ~~law. In the case of a small corporation described in section 143.471 or a~~
 36 ~~partnership, all refunds allowed by this section shall be apportioned in proportion~~
 37 ~~to the share of ownership of the business on the last day of the taxpayer's tax~~
 38 ~~period for which such tax credits are being claimed, to the following:~~

- 39 ~~(1) The shareholders of the corporation described in section 143.471; or~~
- 40 ~~(2) The partners in a partnership.]~~

41

~~[135.247. 1. Notwithstanding the provisions of sections 135.205,~~
 2 ~~135.207, and 135.210 or any other provisions to the contrary, any area having~~
 3 ~~been designated by the United States Department of Housing and Urban~~
 4 ~~Development as a federal empowerment zone or by the United States Department~~
 5 ~~of Agriculture as an enterprise community pursuant to the federal Omnibus~~
 6 ~~Budget Reconciliation Act of 1993, title XIII, chapter I, subchapter c, shall~~
 7 ~~immediately upon such federal designation become and remain a state enterprise~~
 8 ~~zone until the expiration of such federal designation.~~

9 ~~2. The credits otherwise provided by sections 135.225 and 135.235, the~~
 10 ~~exemption provided by section 135.220, and the refund provided by section~~
 11 ~~135.245 shall be available to any taxpayer who establishes and operates a new~~
 12 ~~business facility located within a federal empowerment zone or enterprise~~
 13 ~~community on the same terms and conditions specified in sections 135.100 to~~
 14 ~~135.256. The exemption provided in section 135.215 shall be available to any~~
 15 ~~taxpayer who makes improvements to real property after the date the area is~~

16 designated as a federal empowerment zone or enterprise community pursuant to
 17 the same terms and conditions specified in section 135.215.

18 ~~3. Notwithstanding any provision of law to the contrary, retail businesses,~~
 19 ~~as defined by SICs 52 through 59, hotels and motels, as defined by SIC 7011, and~~
 20 ~~recreational facilities as defined by SIC 7999, shall be eligible for all benefits~~
 21 ~~provided pursuant to the provisions of sections 135.200 to 135.256, if:~~

22 ~~(1) In the case of a retail business, such business is located within a~~
 23 ~~state-designated enterprise zone located wholly or partially within a federal~~
 24 ~~empowerment zone or enterprise community; or~~

25 ~~(2) Such business is located within a satellite enterprise zone, established~~
 26 ~~pursuant to subdivision (1) or (3) of subsection 1 of section 135.207, whether or~~
 27 ~~not such satellite zone is contained within a federal empowerment zone or~~
 28 ~~enterprise community; and~~

29 ~~(3) In the case of a hotel or motel, such business is located within an~~
 30 ~~enterprise zone which is located within any county of the first classification with~~
 31 ~~a population of at least five hundred thousand but less than seven hundred~~
 32 ~~thousand inhabitants according to the last decennial census, or in an enterprise~~
 33 ~~zone which is located within any city of the third classification which is partially~~
 34 ~~located within a county of the first class with a population of one hundred fifty~~
 35 ~~thousand or more which is adjacent to a county of the first classification with a~~
 36 ~~population of at least five hundred thousand but less than seven hundred~~
 37 ~~thousand according to the last decennial census; and~~

38 ~~(4) In the case of a recreational facility, such business is located within~~
 39 ~~an area designated a satellite enterprise zone pursuant to subdivision (1) of~~
 40 ~~subsection 1 of section 135.207, by the director after January 1, 1991, and before~~
 41 ~~January 1, 1992, in any city not within a county, and further provided the director~~
 42 ~~approves the eligibility of such recreational facility to claim tax benefits~~
 43 ~~otherwise allowed in sections 135.200 to 135.256. When making such~~
 44 ~~determination, the director shall consider the number and quality of new jobs to~~
 45 ~~be created, the amount of payroll and investment to be generated from the~~
 46 ~~proposed project, the extent to which such tax concessions are needed to induce~~
 47 ~~the development, whether the area is unlikely to support reasonable tax~~
 48 ~~assessment or to experience reasonable economic growth without such~~
 49 ~~designation and the overall economic benefits to be realized from the proposed~~
 50 ~~project.~~

51 ~~4. For purposes of qualifying for benefits pursuant to this section,~~
 52 ~~recreational facilities, as defined by SIC 7999, shall not include:~~

53 ~~(1) An excursion gambling boat licensed pursuant to sections 313.800 to~~
 54 ~~313.850 and the docking facility associated with such licensed excursion~~
 55 ~~gambling boat; or~~

56 ~~(2) An excursion gambling boat and docking facility as proposed on an~~
 57 ~~application filed with the Missouri gaming commission.]~~

58

~~[135.250. 1. The director of the department of economic development~~
 2 ~~may, subject to the requirements of section 536.021, issue such rules and~~
 3 ~~regulations as he deems necessary regarding the qualifications necessary for an~~
 4 ~~area to be deemed an "enterprise zone" and for the continuation of such~~
 5 ~~designation. Beginning January 1, 1987, the director shall prescribe the method~~
 6 ~~for submitting applications for claiming the tax credits allowed in sections~~
 7 ~~135.225 and 135.235 and the exemption allowed in section 135.220 and shall, if~~
 8 ~~such application is approved, certify same to the director of revenue that the~~
 9 ~~taxpayer claiming the credits allowed in sections 135.225 and 135.235 and the~~
 10 ~~exemption allowed in section 135.220 has satisfied all requirements prescribed~~
 11 ~~in sections 135.200 to 135.255, and is therefore eligible to claim the credits and~~
 12 ~~exemption. The director shall also calculate and specify the amount of the credits~~
 13 ~~earned by the taxpayer during the taxpayer's first taxable year in which such~~
 14 ~~credits are claimed and for each of the nine succeeding taxable years the credits~~
 15 ~~are claimed by the taxpayer and shall certify such amounts to the director of~~
 16 ~~revenue. The director shall certify the extent to which such earned credits and the~~
 17 ~~exemption allowed in section 135.220 can be claimed to the director of revenue~~
 18 ~~and shall notify the taxpayer in writing of such determination. The director may~~
 19 ~~prescribe such rules and regulations necessary to carry out the provisions of~~
 20 ~~sections 135.200 to 135.255.~~

21 ~~2. The director of revenue shall determine the amount of the taxpayer's~~
 22 ~~refund, as allowed in section 135.245, if any, and shall notify the taxpayer in~~
 23 ~~writing of any amount to be refunded. The director of revenue may, subject to~~
 24 ~~the requirements of section 536.021, prescribe rules and regulations necessary to~~
 25 ~~process the credits allowed in sections 135.225 and 135.235 and the exemption~~
 26 ~~allowed in section 135.220 and the refund allowed in section 135.245 following~~
 27 ~~certification of eligibility by the director. No rule or portion of a rule~~

28 promulgated under the authority of this section shall become effective unless it
 29 has been promulgated pursuant to the provisions of section 536.024.

30 ~~3. Any taxpayer who has submitted an application for claiming tax~~
 31 ~~credits as allowed in sections 135.225, 135.235, or the exemption allowed in~~
 32 ~~section 135.220 or an application to be certified as a new business facility for the~~
 33 ~~purpose of claiming the refund as allowed in section 135.245, may file with the~~
 34 ~~director of economic development, a protest within sixty days (one hundred fifty~~
 35 ~~days if the taxpayer is outside the United States) after the date of such~~
 36 ~~certification notice or the date of the notice denying such certification. The~~
 37 ~~protest shall be in writing and shall set forth the grounds on which the protest is~~
 38 ~~based.~~

39 ~~4. If a protest is filed, the director of economic development shall~~
 40 ~~consider the taxpayer's grounds for protest and make a determination concerning~~
 41 ~~such protest. The director of economic development shall notify the taxpayer in~~
 42 ~~writing of such determination within thirty days following the date in which the~~
 43 ~~written protest was received. Such notice shall be mailed to the taxpayer by~~
 44 ~~certified or registered mail and such notice shall set forth briefly the director of~~
 45 ~~economic development's findings of fact and the basis of decision.~~

46 ~~5. The decision of the director of economic development on the~~
 47 ~~taxpayer's protest is final upon the expiration of thirty days from the date when~~
 48 ~~he mails notice of his action to the taxpayer unless within this period, the~~
 49 ~~taxpayer seeks review of the director of economic development's determination~~
 50 ~~by the administrative hearing commission.]~~

51

~~[135.255. After August 13, 1982, whenever an enterprise zone resident~~
 2 ~~becomes displaced as a result of condemnation authorized under the provisions~~
 3 ~~of chapter 353 and is displaced from a dwelling which was actually owned and~~
 4 ~~occupied by the displaced person as his principal residence for not less than one~~
 5 ~~year prior to the initiation of negotiations for acquisition of the property, the~~
 6 ~~redevelopment corporation shall make payment to the displaced person upon~~
 7 ~~proper application for:~~

8 ~~(1) Actual expenses up to five hundred dollars incurred in moving~~
 9 ~~himself, his family and other personal property; or the displaced person may elect~~
 10 ~~to be moved by licensed, bonded moving services, or receive a moving expense~~
 11 ~~allowance up to a maximum of five hundred dollars;~~

12 ~~————— (2) Actual dislocation expenses incurred up to two hundred dollars,~~
 13 ~~including as eligible expenses, but not limited to, utility connection costs, and~~
 14 ~~other incidental expenses;~~

15 ~~————— (3) The amount, if any, which, when added to the acquisition cost of the~~
 16 ~~dwelling acquired by the redevelopment corporation, equals the reasonable cost~~
 17 ~~of a replacement dwelling which is comparable to the dwelling being acquired~~
 18 ~~in size, condition, and accessibility to public services, and commercial facilities,~~
 19 ~~and which is reasonably accessible to his place of employment, and is available~~
 20 ~~on the private market without discrimination due to race, color, creed, religion,~~
 21 ~~national origin, sex or source of income;~~

22 ~~————— (4) The amount, if any, which will compensate the displaced person for~~
 23 ~~any increased interest costs which such person is required to pay for financing the~~
 24 ~~acquisition of a replacement dwelling. Such amount shall be equal to the interest~~
 25 ~~differential between the existing and new mortgage based upon the remaining~~
 26 ~~principal and term on the existing mortgage;~~

27 ~~————— (5) The amount, if any, which will compensate the displaced person for~~
 28 ~~any increased monthly payments for principal, interest, taxes and insurance which~~
 29 ~~such person is required to pay due to the loss by such person of government~~
 30 ~~subsidies, including, but not limited to, subsidies under Section 235 of Title 24,~~
 31 ~~Code of Federal Regulations, as a result of being displaced. Such amount shall~~
 32 ~~be discounted to present value. The discount rate shall be five and one-half~~
 33 ~~percent. The payments authorized by this section shall be made only to a~~
 34 ~~displaced person who purchases or occupies a replacement dwelling which is~~
 35 ~~decent, safe and sanitary not later than one year after the date on which the~~
 36 ~~displaced person receives payment of consideration for the acquired dwelling or~~
 37 ~~the date on which the displaced person moves from the acquired dwelling,~~
 38 ~~whichever is later. No payment under this section to any displaced person may~~
 39 ~~exceed ten thousand dollars.]~~

40

2 ~~[135.256. In addition to the number of enterprise zones authorized under~~
 3 ~~the provisions of sections 135.206 and 135.210, the department of economic~~
 4 ~~development shall designate one such zone in every city of the third class in~~
 5 ~~every county of the third class which contains a state university whose primary~~
 6 ~~mission is engineering studies and technical research. Such enterprise zone~~
 7 ~~designation shall only be made if the area in the city which is to be included~~
~~meets all the requirements of section 135.205.]~~

2 ~~[135.257. In addition to the number of enterprise zones authorized~~
3 ~~pursuant to the provisions of sections 135.206, 135.208, 135.210 and 135.256,~~
4 ~~the department of economic development shall designate one such zone in any~~
5 ~~city not within a county if such area which is to be included in the enterprise zone~~
6 ~~meets all the requirements of section 135.205.]~~

2 ~~[135.258. 1. A taxpayer shall not be entitled to receive the tax credits,~~
3 ~~the exemption and the refunds respectively provided for in sections 135.110,~~
4 ~~135.220, 135.225, and 135.245 solely because the taxpayer has met and~~
5 ~~maintained the new investment and new job creation criteria required by sections~~
6 ~~135.100 through 135.256. In addition to meeting these criteria, the taxpayer must~~
7 ~~be in receipt of an approved letter of intent as described in subsection 2 of this~~
8 ~~section. The taxpayer shall make available such copies of the approved letter of~~
9 ~~intent, as may be required, to the department of revenue.~~

10 ~~2. In order to be eligible for the tax credits, exemption and refunds~~
11 ~~specified in subsection 1 of this section, a taxpayer must submit a letter of intent~~
12 ~~to the director of the department of economic development. The letter of intent~~
13 ~~shall be completed on a form that shall be prepared by the department. It need~~
14 ~~not contain an estimate of the amounts of the tax credits, exemption or refunds~~
15 ~~for which the taxpayer may become eligible. The letter of intent shall be~~
16 ~~submitted to the director at least fifteen days prior to the commencement of~~
17 ~~commercial operations as defined in subdivision (1) of section 135.100. The~~
18 ~~director shall approve or deny the letter of intent and return such to the taxpayer~~
19 ~~within fifteen days of its receipt.]~~

2 ~~[135.259. In addition to the number of enterprise zones authorized~~
3 ~~pursuant to the provisions of sections 135.206, 135.210, 135.256 and 135.257,~~
4 ~~the department of economic development shall designate one such zone for any~~
5 ~~county of the third classification without a township form of government with a~~
6 ~~population of less than eighteen thousand and more than seventeen thousand nine~~
7 ~~hundred. Such enterprise zone designation shall only be made if such area which~~
8 ~~is to be included in the enterprise zone meets all the requirements of section~~
9 ~~135.205.]~~

2 ~~[135.260. In addition to the number of enterprise zones authorized~~
3 ~~pursuant to the provisions of sections 135.206 and 135.210, the department of~~

3 economic development shall designate one such zone in every city of the fourth
 4 classification with greater than five thousand two hundred inhabitants and less
 5 than five thousand three hundred inhabitants in every noncharter county of the
 6 first classification which contains greater than one hundred four thousand
 7 inhabitants and fewer than one hundred five thousand inhabitants. Such
 8 enterprise zone shall only be made if such area in the city which is to be included
 9 meets all the requirements of section 135.205.]

10
 [135.262. In addition to the number of enterprise zones authorized under
 2 the provisions of sections 135.206 to 135.260, the department of economic
 3 development shall designate any area that meets all the requirements of section
 4 135.205 as an enterprise zone.]

5
 [135.270. 1. Any automobile manufacturer or assembler, as defined by
 2 standard industrial classification code (SIC) number 3711, that is located within
 3 a state enterprise zone established pursuant to sections 135.200 to 135.256 may
 4 make an application to the department of economic development for a strategic
 5 initiative investment income tax refund.

6 ————— 2. Such refunds shall be approved only if the total amount of tax credits
 7 certified for the automobile manufacturer or assembler in the four calendar years
 8 immediately preceding 1998 exceeded the company's total Missouri tax on
 9 taxable income in those years by an amount equal to at least twenty million
 10 dollars. In such cases, a portion of tax credits earned shall constitute an
 11 overpayment of taxes and may be refunded to the taxpayer in the manner
 12 authorized by this section as a strategic initiative income tax fund.

13 ————— 3. The department shall evaluate and may approve such applications
 14 based upon the importance of the manufacturer to the economy of Missouri, the
 15 company's investment of at least one hundred million dollars in new facilities or
 16 equipment, and the number of jobs to be created or retained as a result of new
 17 investment. Such applications may be approved annually for no longer than five
 18 successive years. The maximum amount of refund that may be awarded to the
 19 manufacturer or assembler shall not exceed two million dollars per year.]

20
 [135.545. A taxpayer shall be allowed a credit for taxes paid pursuant to
 2 chapter 143, 147 or 148 in an amount equal to fifty percent of a qualified
 3 investment in transportation development for aviation, mass transportation,

4 including parking facilities for users of mass transportation, railroads, ports,
5 including parking facilities and limited access roads within ports, waterborne
6 transportation, bicycle and pedestrian paths, or rolling stock located in a
7 distressed community as defined in section 135.530, and which are part of a
8 development plan approved by the appropriate local agency. If the department
9 of economic development determines the investment has been so approved, the
10 department shall grant the tax credit in order of date received. A taxpayer may
11 carry forward any unused tax credit for up to ten years and may carry it back for
12 the previous three years until such credit has been fully claimed. Certificates of
13 tax credit issued in accordance with this section may be transferred, sold or
14 assigned by notarized endorsement which names the transferee. The tax credits
15 allowed pursuant to this section shall be for an amount of no more than ten
16 million dollars for each year. This credit shall apply to returns filed for all
17 taxable years beginning on or after January 1, 1999. Any unused portion of the
18 tax credit authorized pursuant to this section shall be available for use in the
19 future by those entities until fully claimed. For purposes of this section, a
20 "taxpayer" shall include any charitable organization that is exempt from federal
21 income tax and whose Missouri unrelated business taxable income, if any, would
22 be subject to the state income tax imposed under chapter 143.]

23

2 [135.546. For all tax years beginning on or after January 1, 2005, no tax
3 credits shall be approved, awarded, or issued to any person or entity claiming any
4 tax credit under section 135.545; if an organization has been allocated credits for
5 contribution-based credits prior to January 1, 2005, the organization may issue
6 such credits prior to January 1, 2007, for qualified contributions.]

6

2 [135.700. For all tax years beginning on or after January 1, 1999, a grape
3 grower or wine producer shall be allowed a tax credit against the state tax
4 liability incurred pursuant to chapter 143, exclusive of the provisions relating to
5 the withholding of tax as provided in sections 143.191 to 143.265, in an amount
6 equal to twenty-five percent of the purchase price of all new equipment and
7 materials used directly in the growing of grapes or the production of wine in the
8 state. Each grower or producer shall apply to the department of economic
9 development and specify the total amount of such new equipment and materials
10 purchased during the calendar year. The department of economic development
shall certify to the department of revenue the amount of such tax credit to which

11 ~~a grape grower or wine producer is entitled pursuant to this section. The~~
 12 ~~provisions of this section notwithstanding, a grower or producer may only apply~~
 13 ~~for and receive the credit authorized by this section for five tax periods.]~~
 14

~~[135.750. 1. As used in this section, the following terms mean:~~

2 ~~————— (1) "Highly compensated individual", any individual who receives~~
 3 ~~compensation in excess of one million dollars in connection with a single~~
 4 ~~qualified film production project;~~

5 ~~————— (2) "Qualified film production project", any film, video, commercial, or~~
 6 ~~television production, as approved by the department of economic development~~
 7 ~~and the office of the Missouri film commission, that is under thirty minutes in~~
 8 ~~length with an expected in-state expenditure budget in excess of fifty thousand~~
 9 ~~dollars, or that is over thirty minutes in length with an expected in-state~~
 10 ~~expenditure budget in excess of one hundred thousand dollars. Regardless of the~~
 11 ~~production costs, "qualified film production project" shall not include any:~~

12 ~~————— (a) News or current events programming;~~

13 ~~————— (b) Talk show;~~

14 ~~————— (c) Production produced primarily for industrial, corporate, or~~
 15 ~~institutional purposes, and for internal use;~~

16 ~~————— (d) Sports event or sports program;~~

17 ~~————— (e) Gala presentation or awards show;~~

18 ~~————— (f) Infomercial or any production that directly solicits funds;~~

19 ~~————— (g) Political ad;~~

20 ~~————— (h) Production that is considered obscene, as defined in section 573.010;~~

21 ~~————— (3) "Qualifying expenses", the sum of the total amount spent in this state~~
 22 ~~for the following by a production company in connection with a qualified film~~
 23 ~~production project:~~

24 ~~————— (a) Goods and services leased or purchased by the production company.~~
 25 ~~For goods with a purchase price of twenty-five thousand dollars or more, the~~
 26 ~~amount included in qualifying expenses shall be the purchase price less the fair~~
 27 ~~market value of the goods at the time the production is completed;~~

28 ~~————— (b) Compensation and wages paid by the production company on which~~
 29 ~~the production company remitted withholding payments to the department of~~
 30 ~~revenue under chapter 143. For purposes of this section, compensation and~~
 31 ~~wages shall not include any amounts paid to a highly compensated individual;~~

32 ~~————— (4) "Tax credit", a credit against the tax otherwise due under chapter 143,~~
 33 ~~excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise~~
 34 ~~due under chapter 148;~~

35 ~~————— (5) "Taxpayer", any individual, partnership, or corporation as described~~
 36 ~~in section 143.441, 143.471, or section 148.370 that is subject to the tax imposed~~
 37 ~~in chapter 143, excluding withholding tax imposed by sections 143.191 to~~
 38 ~~143.265, or the tax imposed in chapter 148 or any charitable organization which~~
 39 ~~is exempt from federal income tax and whose Missouri unrelated business~~
 40 ~~taxable income, if any, would be subject to the state income tax imposed under~~
 41 ~~chapter 143.~~

42 ~~————— 2. For all taxable years beginning on or after January 1, 1999, but ending~~
 43 ~~on or before December 31, 2007, a taxpayer shall be granted a tax credit for up~~
 44 ~~to fifty percent of the amount of investment in production or production-related~~
 45 ~~activities in any film production project with an expected in-state expenditure~~
 46 ~~budget in excess of three hundred thousand dollars. For all taxable years~~
 47 ~~beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for~~
 48 ~~up to thirty-five percent of the amount of qualifying expenses in a qualified film~~
 49 ~~production project. Each film production company shall be limited to one~~
 50 ~~qualified film production project per year. Activities qualifying a taxpayer for the~~
 51 ~~tax credit pursuant to this subsection shall be approved by the office of the~~
 52 ~~Missouri film commission and the department of economic development.~~

53 ~~————— 3. Taxpayers shall apply for the film production tax credit by submitting~~
 54 ~~an application to the department of economic development, on a form provided~~
 55 ~~by the department. As part of the application, the expected in-state expenditures~~
 56 ~~of the qualified film production project shall be documented. In addition, the~~
 57 ~~application shall include an economic impact statement, showing the economic~~
 58 ~~impact from the activities of the film production project. Such economic impact~~
 59 ~~statement shall indicate the impact on the region of the state in which the film~~
 60 ~~production or production-related activities are located and on the state as a whole.~~

61 ~~————— 4. For all taxable years ending on or before December 31, 2007, tax~~
 62 ~~credits certified pursuant to subsection 2 of this section shall not exceed one~~
 63 ~~million dollars per taxpayer per year, and shall not exceed a total for all tax~~
 64 ~~credits certified of one million five hundred thousand dollars per year. For all~~
 65 ~~taxable years beginning on or after January 1, 2008, tax credits certified under~~
 66 ~~subsection 1 of this section shall not exceed a total for all tax credits certified of~~
 67 ~~four million five hundred thousand dollars per year. Taxpayers may carry~~

68 forward unused credits for up to five tax periods, provided all such credits shall
69 be claimed within ten tax periods following the tax period in which the film
70 production or production-related activities for which the credits are certified by
71 the department occurred.

72 ~~5. Notwithstanding any provision of law to the contrary, any taxpayer~~
73 ~~may sell, assign, exchange, convey or otherwise transfer tax credits allowed in~~
74 ~~subsection 2 of this section. The taxpayer acquiring the tax credits may use the~~
75 ~~acquired credits to offset the tax liabilities otherwise imposed by chapter 143,~~
76 ~~excluding withholding tax imposed by sections 143.191 to 143.265, or chapter~~
77 ~~148. Unused acquired credits may be carried forward for up to five tax periods,~~
78 ~~provided all such credits shall be claimed within ten tax periods following the tax~~
79 ~~period in which the film production or production-related activities for which the~~
80 ~~credits are certified by the department occurred.~~

81 ~~6. Under section 23.253 of the Missouri sunset act:~~

82 ~~(1) The provisions of the new program authorized under this section shall~~
83 ~~automatically sunset six years after November 28, 2007, unless reauthorized by~~
84 ~~an act of the general assembly; and~~

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

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

91

2 ~~[320.093. 1. Any person, firm or corporation who purchases a dry fire~~
3 ~~hydrant, as defined in section 320.273, or provides an acceptable means of water~~
4 ~~storage for such dry fire hydrant including a pond, tank or other storage facility~~
5 ~~with the primary purpose of fire protection within the state of Missouri, shall be~~
6 ~~eligible for a credit on income taxes otherwise due pursuant to chapter 143,~~
7 ~~except sections 143.191 to 143.261, as an incentive to implement safe and~~
8 ~~efficient fire protection controls. The tax credit, not to exceed five thousand~~
9 ~~dollars, shall be equal to fifty percent of the cost in actual expenditure for any~~
10 ~~new water storage construction, equipment, development and installation of the~~
11 ~~dry hydrant, including pipes, valves, hydrants and labor for each such installation~~
~~of a dry hydrant or new water storage facility. The amount of the tax credit~~

12 claimed for in-kind contributions shall not exceed twenty-five percent of the total
13 amount of the contribution for which the tax credit is claimed.

14 ~~2. Any amount of credit which exceeds the tax due shall not be refunded~~
15 ~~but may be carried over to any subsequent taxable year, not to exceed seven~~
16 ~~years. The person, firm or corporation may elect to assign to a third party the~~
17 ~~approved tax credit. The certificate of assignment and other appropriate forms~~
18 ~~shall be filed with the Missouri department of revenue and the department of~~
19 ~~economic development.~~

20 ~~3. The person, firm or corporation shall make application for the credit~~
21 ~~to the department of economic development after receiving approval of the state~~
22 ~~fire marshal. The fire marshal shall establish by rule promulgated pursuant to~~
23 ~~chapter 536 the requirements to be met based on the National Resources~~
24 ~~Conservation Service's Dry Hydrant Standard. The state fire marshal or~~
25 ~~designated local representative shall review and authorize the construction and~~
26 ~~installation of any dry fire hydrant site. Only approved dry fire hydrant sites shall~~
27 ~~be eligible for tax credits as indicated in this section. Under no circumstance~~
28 ~~shall such authority deny any entity the ability to provide a dry fire hydrant site~~
29 ~~when tax credits are not requested.~~

30 ~~4. The department of public safety shall certify to the department of~~
31 ~~revenue that the dry hydrant system meets the requirements to obtain a tax credit~~
32 ~~as specified in subsection 5 of this section.~~

33 ~~5. In order to qualify for a tax credit under this section, a dry hydrant or~~
34 ~~new water storage facility shall meet the following minimum requirements:~~

35 ~~(1) Each body of water or water storage structure shall be able to provide~~
36 ~~two hundred fifty gallons per minute for a continuous two-hour period during a~~
37 ~~fifty-year drought or freeze at a vertical lift of eighteen feet;~~

38 ~~(2) Each dry hydrant shall be located within twenty-five feet of an~~
39 ~~all-weather roadway and shall be accessible to fire protection equipment;~~

40 ~~(3) Dry hydrants shall be located a reasonable distance from other dry or~~
41 ~~pressurized hydrants; and~~

42 ~~(4) The site shall provide a measurable economic improvement potential~~
43 ~~for rural development.~~

44 ~~6. New credits shall not be awarded under this section after August 28,~~
45 ~~2010. The total amount of all tax credits allowed pursuant to this section is five~~
46 ~~hundred thousand dollars in any one fiscal year as approved by the director of the~~
47 ~~department of economic development.~~

48 ~~7. Any rule or portion of a rule, as that term is defined in section 536.010;~~
 49 ~~that is created under the authority delegated in this section shall become effective~~
 50 ~~only if it complies with and is subject to all of the provisions of chapter 536 and,~~
 51 ~~if applicable, section 536.028. This section and chapter 536 are nonseverable and~~
 52 ~~if any of the powers vested with the general assembly pursuant to chapter 536 to~~
 53 ~~review, to delay the effective date or to disapprove and annul a rule are~~
 54 ~~subsequently held unconstitutional, then the grant of rulemaking authority and~~
 55 ~~any rule proposed or adopted after August 28, 2007, shall be invalid and void.]~~
 56

2 ~~[620.635. Sections 620.635 to 620.653 shall be known and may be cited~~
 3 ~~as the "Missouri New Enterprise Creation Act".]~~

2 ~~[620.638. As used in sections 620.635 to 620.653, the following terms~~
 3 ~~mean:~~

- 3 ~~(1) "Committed contributions", the total amount of qualified~~
 4 ~~contributions that are committed to a qualifying fund by contractual agreement;~~
- 5 ~~(2) "Corporation", the Missouri technology corporation as established~~
 6 ~~pursuant to section 348.251;~~
- 7 ~~(3) "Department", the department of economic development;~~
- 8 ~~(4) "Director", the director of the department of economic development;~~
- 9 ~~(5) "Follow-up capital", capital provided to a qualified business in which~~
 10 ~~a qualified fund has previously invested seed capital or start-up capital. No more~~
 11 ~~than forty percent of the qualified contributions to a qualified fund may be used~~
 12 ~~for follow-up capital, and no qualified contributions which generate tax credits~~
 13 ~~before the second round of allocations as authorized by section 620.650 shall be~~
 14 ~~used for follow-up capital investments;~~
- 15 ~~(6) "Person", any individual, corporation, partnership, limited liability~~
 16 ~~company or other entity, including any charitable organization which is exempt~~
 17 ~~from federal income tax and whose Missouri unrelated business taxable income,~~
 18 ~~if any, would be subject to the state income tax imposed under chapter 143;~~
- 19 ~~(7) "Positive cash flow", total cash receipts from sales or services, but not~~
 20 ~~from investments or loans, exceeding total cash expenditures as calculated on a~~
 21 ~~fiscal year basis;~~
- 22 ~~(8) "Qualified business", any independently owned and operated business~~
 23 ~~which is headquartered and located in Missouri and which is involved in or~~
 24 ~~intends to be involved in commerce for the purpose of manufacturing, processing~~

25 or assembling products, conducting research and development, or providing
 26 services in interstate commerce. Such a business shall maintain its headquarters
 27 in Missouri for a period of at least three years from the date of receipt of a
 28 qualified investment or be subject to penalties pursuant to section 620.017;

29 ~~————— (9) "Qualified contribution", cash contributions to a qualified fund
 30 pursuant to the terms of contractual agreements made between the qualified fund
 31 and a qualified economic development organization authorized by the corporation
 32 to enter into such contracts;~~

33 ~~————— (10) "Qualified economic development organization", any corporation
 34 organized pursuant to the provisions of chapter 355 that, as of January 1, 1991,
 35 had obtained a contract with the department to operate an innovation center to
 36 promote, assist and coordinate the research and development of new services,
 37 products or processes in this state;~~

38 ~~————— (11) "Qualified fund", a fund established by any corporation, partnership,
 39 joint venture, unincorporated association, trust or other organization established
 40 pursuant to the laws of Missouri and approved by the corporation;~~

41 ~~————— (12) "Qualified investment", any investment of seed capital, start-up
 42 capital or follow-up capital in a qualified business that does not cause more than
 43 ten percent of all the qualified contributions to a qualified fund to be invested in
 44 a single qualified business;~~

45 ~~————— (13) "Seed capital", capital provided to a qualified business for research,
 46 development and precommercialization activities to prove a concept for a new
 47 product, process or service, and for activities related thereto; provided that, seed
 48 capital shall not be provided to any business which in a past fiscal year has
 49 experienced a positive cash flow;~~

50 ~~————— (14) "Start-up capital", capital provided to a qualified business for use in
 51 preproduction product development, service development or initial marketing
 52 thereof; provided that, start-up capital shall not be provided to any business
 53 which has experienced a positive cash flow in a past fiscal year;~~

54 ~~————— (15) "Uninvested capital", that portion of any qualified contribution to
 55 a qualified fund, other than management fees not to exceed three percent per year
 56 of committed contributions, qualified investments and other expenses or fees
 57 authorized by the corporation, that is not invested as a qualified investment
 58 within ten years of its receipt.]~~

59

2 ~~[620.641. The powers and duties of the Missouri seed capital investment~~
3 ~~board shall be transferred to the Missouri technology corporation effective~~
4 ~~August 28, 2011, and the Missouri seed capital investment board shall be~~
5 ~~dissolved.]~~

2 ~~[620.644. 1. The Missouri seed capital and commercialization strategy~~
3 ~~shall be jointly developed and approved by the boards of directors of all of the~~
4 ~~qualified economic development organizations and submitted as one plan to the~~
5 ~~corporation for its approval. The board shall not approve any qualified fund,~~
6 ~~exclusive of the fund approved by the corporation, unless such fund is described~~
7 ~~in the Missouri seed capital and commercialization strategy. The strategy shall~~
8 ~~include a proposal for the establishment and operation of between one and four~~
9 ~~qualified funds in Missouri, including the fund approved by the corporation~~
10 ~~pursuant to the provisions of section 620.653. The initial strategy shall be~~
11 ~~submitted to the board no later than July 1, 2000, and shall be approved or~~
12 ~~rejected by the board within three months of receipt. No tax credits authorized~~
13 ~~pursuant to the provisions of sections 620.635 to 620.653 shall be awarded until~~
14 ~~such strategy has been approved by the board, other than tax credits authorized~~
15 ~~for qualified contributions to the fund approved by the corporation.~~

16 ~~2. The department shall authorize the use of up to twenty million dollars~~
17 ~~in tax credits by the approved qualified funds, in aggregate pursuant to the~~
18 ~~provisions of section 620.650, with not more than five million dollars of tax~~
19 ~~credits being issued in any one year.~~

20 ~~3. The corporation shall approve the professional managers employed by~~
21 ~~the qualified funds according to criteria similar to that used by the U.S. Small~~
22 ~~Business Administration's Small Business Investment Corporation Program.~~

23 ~~4. The department may promulgate any rules and regulations necessary~~
24 ~~to administer the provisions of sections 620.635 to 620.653. No rule or~~
25 ~~regulation or portion of a rule or regulation promulgated pursuant to the authority~~
26 ~~of this section shall become effective unless it has been promulgated pursuant to~~
27 ~~the provisions of chapter 536.~~

28 ~~5. The corporation shall report the following to the department:~~

29 ~~(1) As soon as practicable after the receipt of a qualified contribution the~~
30 ~~name of each person from which the qualified contribution was received, the~~
31 ~~amount of each contributor's qualified contribution and the tax credits computed~~
 ~~pursuant to this section;~~

32 ~~————— (2) On a quarterly basis, the amount of qualified investments made to any~~
 33 ~~qualified business;~~

34 ~~————— (3) On a quarterly basis, verification that the investment of seed capital,~~
 35 ~~start-up capital, or follow-up capital in a qualified business does not direct more~~
 36 ~~than ten percent of all the qualified contributions to a qualified fund to be~~
 37 ~~invested in a single qualifying business.~~

38 ~~————— 6. Each qualified fund shall provide annual audited financial statements,~~
 39 ~~including the opinion of an independent certified public accountant, to the~~
 40 ~~department within ninety days of the close of the state fiscal year. The audit shall~~
 41 ~~address the methods of operation and conduct of the business of the qualified~~
 42 ~~economic development organization to determine compliance with the statutes~~
 43 ~~and program and program rules and that the qualified contributions received by~~
 44 ~~the qualified fund have been invested as required by this section.]~~

45

~~[620.647. 1. The corporation may authorize each qualified economic~~
 2 ~~development organization to enter into contractual agreements with any qualified~~
 3 ~~fund allowing such qualified fund to offer tax credits authorized pursuant to the~~
 4 ~~provisions of sections 620.635 to 620.653 to those persons making qualified~~
 5 ~~contributions to the qualified fund. The corporation shall establish policies and~~
 6 ~~procedures requiring each authorized qualified economic development~~
 7 ~~organization to secure from each qualified fund and its investors the maximum~~
 8 ~~fund equity interest possible, as dictated by market conditions, in exchange for~~
 9 ~~the use of the tax credits. All tax credits authorized pursuant to sections 620.635~~
 10 ~~to 620.653 shall be administered by the department.~~

11 ~~————— 2. Each qualified fund shall enter into a contract with one or more~~
 12 ~~qualified economic development organizations which shall entitle all qualified~~
 13 ~~economic development organizations in existence at that time to receive and~~
 14 ~~share equally all distributions of equity and dividends or other earnings of the~~
 15 ~~fund that are generated as a result of any equity interest secured as a result of~~
 16 ~~actions taken to comply with subsection 1 of this section. Such contracts shall~~
 17 ~~require the qualified funds to transfer to the corporation all distributions of~~
 18 ~~dividends or other earnings of the fund that are owed to any qualified economic~~
 19 ~~development organization that has dissolved or has ceased doing business for a~~
 20 ~~period of one year or more.~~

21 ~~————— 3. All distributions of dividends, earnings, equity or the like owed~~
 22 ~~pursuant to the provisions of sections 620.635 to 620.653 to a qualified economic~~

23 development organization by any qualified fund shall be paid to the qualified
 24 economic development organization. The qualified economic development
 25 organization shall use such payments solely for reinvestment in qualified funds
 26 in order to provide ongoing seed capital, start-up capital and follow-up capital for
 27 Missouri businesses. No qualified economic development organization may
 28 transfer any dividends, earnings, equity or the like owed it pursuant to sections
 29 620.635 to 620.653 to any other person or entity without the approval of the
 30 corporation.]

31

2 [620.650.—1.— The sole purpose of each qualified fund is to make
 3 investments. One hundred percent of investments made from qualified
 4 contributions shall be qualified investments.

5 ————— 2. Any person who makes a qualified contribution to a qualified fund
 6 shall receive a tax credit against the tax otherwise due pursuant to chapter 143;
 7 chapter 147, or chapter 148, other than taxes withheld pursuant to sections
 8 143.191 to 143.265, in an amount equal to one hundred percent of such person's
 9 qualified contribution.

10 ————— 3. Such person shall submit to the department an application for the tax
 11 credit on a form provided by the department. The department shall award tax
 12 credits in the order the applications are received and based upon the strategy
 13 approved by the corporation. Tax credits issued pursuant to this section may be
 14 claimed for the tax year in which the qualified contribution is made or in any of
 15 the following ten years, and may be assigned, transferred or sold.

16 ————— 4. There is hereby imposed on each qualified fund a tax equal to fifteen
 17 percent of the qualified fund's uninvested capital at the close of such qualified
 18 fund's tax year. For purposes of tax computation, any distribution made by a
 19 qualified fund during a tax year is deemed made at the end of such tax year. Each
 20 tax year, every qualified fund shall remit the tax imposed by this section to the
 21 director of the department of revenue for deposit in the state treasury to the credit
 22 of the general revenue fund.]

23

2 [620.653. The provisions of sections 620.635 to 620.650 to the contrary
 3 notwithstanding, one qualified fund shall be approved by the corporation as soon
 4 as practicable after July 8, 1999. Such fund need not be initially incorporated
 5 into the seed capital and commercialization strategy until after the appointment
 of the board. After the appointment of the board, all powers exercised by the

6 corporation in relation to that fund shall be transferred to the board. After the
 7 dissolution of the board, all powers exercised by the board shall be transferred to
 8 the corporation. The corporation shall approve the professional fund manager
 9 employed by the qualified fund established by this section.]

10

2 ~~[620.2600. 1. This section shall be known and may be cited as the~~
~~"Innovation Campus Tax Credit Act".~~

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

4 ~~(1) "Certificate", a tax credit certificate issued under this section;~~

5 ~~(2) "Department", the Missouri department of economic development;~~

6 ~~(3) "Eligible donation", donations received from a taxpayer by innovation~~
 7 ~~campuses that are to be used solely for projects that advance learning in the areas~~
 8 ~~of science, technology, engineering, and mathematics. Eligible donations may~~
 9 ~~include cash, publicly traded stocks and bonds, and real estate that shall and will~~
 10 ~~be valued and documented according to the rules promulgated by the department~~
 11 ~~of economic development;~~

12 ~~(4) "Innovation education campus" or "innovation campus", as defined~~
 13 ~~in section 178.1100, an educational partnership consisting of at least one of each~~
 14 ~~of the following entities:~~

15 ~~(a) A local Missouri high school or K-12 school district;~~

16 ~~(b) A Missouri four-year public or private higher education institution;~~

17 ~~(c) A Missouri-based business or businesses; and~~

18 ~~(d) A Missouri two-year public higher education institution or state~~
 19 ~~technical college of Missouri;~~

20 ~~(5) "Taxpayer", any of the following individuals or entities who make an~~
 21 ~~eligible donation to any innovation campus:~~

22 ~~(a) A person, firm, partner in a firm, corporation, or a shareholder in an~~
 23 ~~S corporation doing business in the state of Missouri and subject to the state~~
 24 ~~income tax imposed in chapter 143;~~

25 ~~(b) A corporation subject to the annual corporation franchise tax imposed~~
 26 ~~in chapter 147;~~

27 ~~(c) An insurance company paying an annual tax on its gross premium~~
 28 ~~receipts in this state;~~

29 ~~(d) Any other financial institution paying taxes to the state of Missouri~~
 30 ~~or any political subdivisions of this state under chapter 148;~~

31 ~~(e) An individual subject to the state income tax imposed in chapter 143;~~

32 ~~————— (f) Any charitable organization which is exempt from federal income tax~~
 33 ~~and whose Missouri unrelated business taxable income, if any, would be subject~~
 34 ~~to the state income tax imposed under chapter 143.~~

35 ~~————— 3. For all taxable years beginning on or after January 1, 2015, any~~
 36 ~~taxpayer shall be allowed a credit against the taxes otherwise due under chapters~~
 37 ~~147, 148, or 143, excluding withholding tax imposed by sections 143.191 to~~
 38 ~~143.265, in an amount equal to fifty percent of the amount of an eligible~~
 39 ~~donation, subject to the restrictions in this section. The amount of the tax credit~~
 40 ~~claimed shall not exceed the amount of the taxpayer's state income tax liability~~
 41 ~~in the tax year for which the credit is claimed. Any amount of credit that the~~
 42 ~~taxpayer is prohibited by this section from claiming in a tax year shall not be~~
 43 ~~refundable, but may be carried forward to any of the taxpayer's four subsequent~~
 44 ~~taxable years.~~

45 ~~————— 4. To claim the credit authorized in this section, an innovation campus~~
 46 ~~may submit to the department an application for the tax credit authorized by this~~
 47 ~~section on behalf of taxpayers. The department shall verify that the innovation~~
 48 ~~campus has submitted the following items:~~

49 ~~————— (1) A valid application in the form and format required by the~~
 50 ~~department;~~

51 ~~————— (2) A statement attesting to the eligible donation received, which shall~~
 52 ~~include the name and taxpayer identification number of the individual or taxpayer~~
 53 ~~making the eligible donation, the amount of the eligible donation, and the date~~
 54 ~~the eligible donation was received by the innovation campus; and~~

55 ~~————— (3) Payment from the innovation campus equal to the value of the tax~~
 56 ~~credit for which application is made.—~~

57
 58 ~~————— If the innovation campus applying for the tax credit meets all criteria required by~~
 59 ~~this subsection, the department shall issue a certificate in the appropriate amount.~~

60 ~~————— 5. Tax credits issued under this section may be assigned, transferred,~~
 61 ~~sold, or otherwise conveyed, and the new owner of the tax credit shall have the~~
 62 ~~same rights in the credit as the taxpayer. Whenever a certificate is assigned,~~
 63 ~~transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed~~
 64 ~~with the department specifying the name and address of the new owner of the tax~~
 65 ~~credit and the value of the credit.~~

66 ~~————— 6. The department may promulgate rules to implement the provisions of~~
 67 ~~this section. Any rule or portion of a rule, as that term is defined in section~~

68 ~~536.010, that is created under the authority delegated in this section shall become~~
 69 ~~effective only if it complies with and is subject to all of the provisions of chapter~~
 70 ~~536 and, if applicable, section 536.028. This section and chapter 536 are~~
 71 ~~nonseverable and if any of the powers vested with the general assembly under~~
 72 ~~and pursuant to chapter 536 to review, to delay the effective date, or to~~
 73 ~~disapprove and annul a rule are subsequently held unconstitutional, then the grant~~
 74 ~~of rulemaking authority and any rule proposed or adopted after August 28, 2014,~~
 75 ~~shall be invalid and void.~~

76 ~~————— 7. Under section 23.253 of the Missouri sunset act:~~

77 ~~————— (1) The program authorized under this section shall expire six years after~~
 78 ~~August 28, 2014, unless reauthorized by an act of the general assembly; and~~

79 ~~————— (2) If such program is reauthorized, the program authorized under this~~
 80 ~~section shall automatically sunset twelve years after August 28, 2014; and~~

81 ~~————— (3) This section shall terminate on September first of the calendar year~~
 82 ~~immediately following the calendar year in which the program authorized under~~
 83 ~~this section is sunset.]~~

✓