

# SENATE BILL NO. 1036

102ND GENERAL ASSEMBLY

3509S.05C

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 67.3000 and 67.3005, RSMo, and to enact in lieu thereof two new sections relating to tax credits for certain sporting events.

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

Section A. Sections 67.3000 and 67.3005, RSMo, are  
2 repealed and two new sections enacted in lieu thereof, to be  
3 known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section  
2 67.3005, the following words shall mean:

3 (1) "Active member", an organization located in the  
4 state of Missouri which solicits and services sports events,  
5 sports organizations, and other types of sports-related  
6 activities in that community;

7 (2) "Applicant" or "applicants", one or more certified  
8 sponsors, endorsing counties, endorsing municipalities, or a  
9 local organizing committee, acting individually or  
10 collectively;

11 (3) "Certified sponsor" or "certified sponsors", a  
12 nonprofit organization which is an active member of the  
13 **[National Association of Sports Commissions] Sports Events**  
14 **and Tourism Association;**

15 (4) "Department", the Missouri department of economic  
16 development;

17 (5) "Director", the director of revenue;

18 (6) **["Eligible costs" shall include:**

19 **(a) Costs necessary for conducting the sporting event;**

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

20 (b) Costs relating to the preparations necessary for  
21 the conduct of the sporting event; and

22 (c) An applicant's pledged obligations to the site  
23 selection organization as evidenced by the support contract  
24 for the sporting event including, but not limited to, bid  
25 fees and financial guarantees.

26 Eligible costs shall not include any cost associated with  
27 the rehabilitation or construction of any facilities used to  
28 host the sporting event or direct payments to a for-profit  
29 site selection organization, but may include costs  
30 associated with the retrofitting of a facility necessary to  
31 accommodate the sporting event;

32 [(7)] "Eligible donation", donations received, by a  
33 certified sponsor or local organizing committee, from a  
34 taxpayer that may include cash, publicly traded stocks and  
35 bonds, and real estate that will be valued and documented  
36 according to rules promulgated by the department. Such  
37 donations shall be used solely to provide funding to attract  
38 sporting events to this state;

39 [(8)] (7) "Endorsing municipality" or "endorsing  
40 municipalities", any city, town, incorporated village, or  
41 county that contains a site selected by a site selection  
42 organization for one or more sporting events;

43 [(9)] (8) "Joinder agreement", an agreement entered  
44 into by one or more applicants, acting individually or  
45 collectively, and a site selection organization setting out  
46 representations and assurances by each applicant in  
47 connection with the selection of a site in this state for  
48 the location of a sporting event;

49 [(10)] (9) "Joinder undertaking", an agreement entered  
50 into by one or more applicants, acting individually or

51 collectively, and a site selection organization that each  
52 applicant will execute a joinder agreement in the event that  
53 the site selection organization selects a site in this state  
54 for a sporting event;

55 [(11)] (10) "Local organizing committee", a nonprofit  
56 corporation or its successor in interest that:

57 (a) Has been authorized by one or more certified  
58 sponsors, endorsing municipalities, or endorsing counties,  
59 acting individually or collectively, to pursue an  
60 application and bid on its or the applicant's behalf to a  
61 site selection organization for selection as the host of one  
62 or more sporting events; or

63 (b) With the authorization of one or more certified  
64 sponsors, endorsing municipalities, or endorsing counties,  
65 acting individually or collectively, executes an agreement  
66 with a site selection organization regarding a bid to host  
67 one or more sporting events;

68 (11) **"Registered participant", an individual who is**  
69 **registered to compete in a sporting event, or an athlete,**  
70 **coach, or other individual who is part of a team's official**  
71 **contingent with an official capacity for such sporting event;**

72 (12) "Site selection organization", the National  
73 Collegiate Athletic Association (NCAA); an NCAA member  
74 conference, university, or institution; the National  
75 Association of Intercollegiate Athletics (NAIA); the United  
76 States Olympic & Paralympic Committee [(USOC)] (USOPC); a  
77 national governing body (NGB) or international federation of  
78 a sport recognized by the [(USOC)] USOPC; the United States  
79 Golf Association (USGA); the United States Tennis  
80 Association (USTA); the Amateur Athletic Union (AAU); the  
81 National Christian College Athletic Association (NCCAA); the  
82 National Junior College Athletic Association (NJCAA); the

83 United States Sports Specialty Association (USSSA); any  
84 rights holder member of the [National Association of Sports  
85 Commissions (NASC)] **Sports Events and Tourism Association**  
86 **(Sports ETA)**; other major regional, national, and  
87 international sports associations, and amateur organizations  
88 that promote, organize, or administer sporting games or  
89 competitions; or other major regional, national, and  
90 international organizations that promote or organize  
91 sporting events;

92 (13) "Sporting event" or "sporting events", an  
93 amateur, collegiate, or Olympic sporting event that is  
94 competitively bid or is awarded by a site selection  
95 organization;

96 (14) "Support contract" or "support contracts", an  
97 event award notification, joinder undertaking, joinder  
98 agreement, or contract executed by an applicant and a site  
99 selection organization;

100 (15) "Tax credit" or "tax credits", a credit or  
101 credits issued by the department against the tax otherwise  
102 due under chapter 143 or 148, excluding withholding tax  
103 imposed under sections 143.191 to 143.265;

104 (16) "Taxpayer", any of the following individuals or  
105 entities who make an eligible donation:

106 (a) A person, firm, partner in a firm, corporation, or  
107 a shareholder in an S corporation doing business in the  
108 state of Missouri and subject to the state income tax  
109 imposed under chapter 143;

110 (b) A corporation subject to the annual corporation  
111 franchise tax imposed under chapter 147;

112 (c) An insurance company paying an annual tax on its  
113 gross premium receipts in this state;

114 (d) Any other financial institution paying taxes to  
115 the state of Missouri or any political subdivision of this  
116 state under chapter 148;

117 (e) An individual subject to the state income tax  
118 imposed under chapter 143;

119 (f) Any charitable organization which is exempt from  
120 federal income tax and whose Missouri unrelated business  
121 taxable income, if any, would be subject to the state income  
122 tax imposed under chapter 143.

123 2. An applicant may submit a copy of a support  
124 contract for a sporting event to the department. Within  
125 sixty days of receipt of the sporting event support  
126 contract, the department may review the applicant's support  
127 contract and certify such support contract if it complies  
128 with the requirements of this section. Upon certification  
129 of the support contract by the department, the applicant may  
130 be authorized to receive the tax credit under subsection 4  
131 of this section.

132 3. No more than ninety days following the conclusion  
133 of the sporting event, the applicant shall submit [eligible  
134 costs and documentation of the costs evidenced by receipts,  
135 paid invoices, event settlements, or other documentation in  
136 a manner prescribed by the department. Eligible costs may  
137 be paid by the applicant or an entity cohosting the event  
138 with the applicant] **a ticket sales or box office statement  
139 verifying the total number of tickets sold for such event,  
140 or, if such event was participant-based, a list of all  
141 registered participants.**

142 4. (1) [No later than seven days following the  
143 conclusion of the sporting event, the department, in  
144 consultation with the director, shall determine the total  
145 number of tickets sold at face value for such event or, if

146 such event was participant-based and did not sell admission  
147 tickets, the total number of paid participant registrations.

148 (2) No later than sixty days following the receipt of  
149 [eligible costs and] documentation of [such costs] **ticket**  
150 **sales or registered participants** from the applicant as  
151 required in subsection 3 of this section, the department  
152 shall, except for the limitations under subsection 5 of this  
153 section, issue a refundable tax credit to the applicant for  
154 [the least of]:

155 (a) [One hundred percent of eligible costs incurred by  
156 the applicant;

157 (b) An amount equal to [five] **six** dollars for every  
158 admission ticket sold to such event; or

159 [(c)] (b) An amount equal to [ten] **twelve** dollars for  
160 every [paid] **registered** participant [registration] if such  
161 event was participant-based [and did not sell admission  
162 tickets].

163 The calculations under paragraphs [(b)] (a) and [(c)] (b) of  
164 this subdivision shall use the actual number of tickets sold  
165 or [registrations paid] **registered participants**, not an  
166 estimated amount.

167 (2) **The department of revenue shall pay the amount of**  
168 **the refundable tax credit to the applicant within ninety**  
169 **days of the applicant's submission of a valid tax credit**  
170 **certificate.**

171 (3) Tax credits authorized by this section may be  
172 claimed against taxes imposed by chapters 143 and 148 and  
173 shall be claimed within one year of the close of the tax  
174 year for which the credits were issued. Tax credits  
175 authorized by this section may be transferred, sold, or  
176 assigned by filing a notarized endorsement thereof with the

177 department that names the transferee, the amount of tax  
178 credit transferred, and the value received for the credit,  
179 as well as any other information reasonably requested by the  
180 department.

181         5. In no event shall the amount of tax credits issued  
182 by the department under subsection 4 of this section exceed  
183 three million dollars in any fiscal year. For all events  
184 located within the following counties, the total amount of  
185 tax credits issued shall not exceed two million seven  
186 hundred thousand dollars in any fiscal year:

187             (1) A county with a charter form of government and  
188 with more than six hundred thousand inhabitants; or

189             (2) A city not within a county.

190         6. An applicant shall provide any information  
191 necessary as determined by the department for the department  
192 and the director to fulfill the duties required by this  
193 section. At any time upon the request of the state of  
194 Missouri, a certified sponsor shall subject itself to an  
195 audit conducted by the state.

196         7. This section shall not be construed as creating or  
197 requiring a state guarantee of obligations imposed on an  
198 endorsing municipality under a support contract or any other  
199 agreement relating to hosting one or more sporting events in  
200 this state.

201         8. The department shall only certify an applicant's  
202 support contract for a sporting event in which the site  
203 selection organization has yet to select a location for the  
204 sporting event as of December 1, 2012. No support contract  
205 shall be certified unless the site selection organization  
206 has chosen to use a location in this state from competitive  
207 bids, at least one of which was a bid for a location outside  
208 of this state, except that competitive bids shall not be

209 required for any previously-awarded event whose site  
210 selection organization extends its contractual agreement  
211 with the event's certified sponsor or for any [post-season]  
212 **neutral-site** collegiate [football game or other neutral-  
213 site] game with at least one out-of-state team. Support  
214 contracts shall not be certified by the department after  
215 August 28, [2025] **2031**, provided that the support contracts  
216 may be certified on or prior to August 28, [2025] **2031**, for  
217 sporting events that will be held after such date.

218 9. The department may promulgate rules as necessary to  
219 implement the provisions of this section. Any rule or  
220 portion of a rule, as that term is defined in section  
221 536.010, that is created under the authority delegated in  
222 this section shall become effective only if it complies with  
223 and is subject to all of the provisions of chapter 536 and,  
224 if applicable, section 536.028. This section and chapter  
225 536 are nonseverable and if any of the powers vested with  
226 the general assembly pursuant to chapter 536 to review, to  
227 delay the effective date, or to disapprove and annul a rule  
228 are subsequently held unconstitutional, then the grant of  
229 rulemaking authority and any rule proposed or adopted after  
230 August 28, 2013, shall be invalid and void.

67.3005. 1. For all tax years beginning on or after  
2 January 1, 2013, any taxpayer shall be allowed a credit  
3 against the taxes otherwise due under chapter 143, 147, or  
4 148, excluding withholding tax imposed by sections 143.191  
5 to 143.265, in an amount equal to fifty percent of the  
6 amount of an eligible donation, subject to the restrictions  
7 in this section. The amount of the tax credit claimed shall  
8 not exceed the amount of the taxpayer's state income tax  
9 liability in the tax year for which the credit is claimed.  
10 Any amount of credit that the taxpayer is prohibited by this



11 section from claiming in a tax year shall not be refundable,  
12 but may be carried forward to any of the taxpayer's two  
13 subsequent tax years.

14 2. To claim the credit authorized in this section, a  
15 certified sponsor or local organizing committee shall submit  
16 to the department an application for the tax credit  
17 authorized by this section on behalf of taxpayers. The  
18 department shall verify that the applicant has submitted the  
19 following items accurately and completely:

20 (1) A valid application in the form and format  
21 required by the department;

22 (2) A statement attesting to the eligible donation  
23 received, which shall include the name and taxpayer  
24 identification number of the individual making the eligible  
25 donation, the amount of the eligible donation, and the date  
26 the eligible donation was received; and

27 (3) Payment from the certified sponsor or local  
28 organizing committee equal to the value of the tax credit  
29 for which application is made.

30 If the certified sponsor or local organizing committee  
31 applying for the tax credit meets all criteria required by  
32 this subsection, the department shall issue a certificate in  
33 the appropriate amount.

34 3. Tax credits issued under this section may be  
35 assigned, transferred, sold, or otherwise conveyed, and the  
36 new owner of the tax credit shall have the same rights in  
37 the credit as the taxpayer. Whenever a certificate is  
38 assigned, transferred, sold, or otherwise conveyed, a  
39 notarized endorsement shall be filed with the department  
40 specifying the name and address of the new owner of the tax  
41 credit or the value of the credit. In no event shall the

42 amount of tax credits issued by the department under this  
43 section exceed ten million dollars in any fiscal year.

44 4. The department shall promulgate rules to implement  
45 the provisions of this section. Any rule or portion of a  
46 rule, as that term is defined in section 536.010, that is  
47 created under the authority delegated in this section shall  
48 become effective only if it complies with and is subject to  
49 all of the provisions of chapter 536 and, if applicable,  
50 section 536.028. This section and chapter 536 are  
51 nonseverable and if any of the powers vested with the  
52 general assembly pursuant to chapter 536 to review, to delay  
53 the effective date, or to disapprove and annul a rule are  
54 subsequently held unconstitutional, then the grant of  
55 rulemaking authority and any rule proposed or adopted after  
56 August 28, 2013, shall be invalid and void.

57 5. Under section 23.253 of the Missouri sunset act:

58 (1) The provisions of the new program authorized under  
59 **this section and section 67.3000 [and under this section]**  
60 shall automatically sunset six years after August 28, [2019]  
61 **2025**, unless reauthorized by an act of the general assembly;  
62 and

63 (2) If such program is reauthorized, the program  
64 authorized under **this section and section 67.3000 [and under**  
65 **this section]** shall automatically sunset twelve years after  
66 the effective date of the reauthorization of these sections;  
67 and

68 (3) **[Section 67.3000 and]** This section shall terminate  
69 on September first of the calendar year immediately  
70 following the calendar year in which the program authorized  
71 under these sections is sunset.

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