

FIRST REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 120

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR WHITE.

0943S.06P

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 36.020, 143.121, 143.124, 302.188, 379.122, 620.2005, 620.2010, and 650.005, RSMo, and to enact in lieu thereof fifteen new sections relating to military affairs, with an emergency clause for certain sections.

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

Section A. Sections 36.020, 143.121, 143.124, 302.188,
2 379.122, 620.2005, 620.2010, and 650.005, RSMo, are repealed
3 and fifteen new sections enacted in lieu thereof, to be known
4 as sections 9.297, 36.020, 36.221, 41.035, 41.201, 42.390,
5 105.1204, 143.121, 143.124, 160.710, 302.188, 379.122,
6 620.2005, 620.2010, and 650.005, to read as follows:

9.297. The month of November is hereby designated as
2 **"Military Family Month" in Missouri. The citizens of this**
3 **state are encouraged to participate in appropriate events**
4 **and activities to honor the daily sacrifices of all military**
5 **families who support their loved ones serving our country.**

36.020. Unless the context clearly requires otherwise,
2 the following terms mean:

3 (1) "Agency", "state agency" or "agency of the state",
4 each department, board, commission or office of the state

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

5 except for offices of the elected officials, the general
6 assembly, the judiciary and academic institutions;

7 (2) "Appointing authority", an officer or agency
8 subject to this chapter having power to make appointments;

9 (3) "Board", the personnel advisory board as
10 established by section 36.050;

11 (4) "Broad classification band", a grouping of
12 positions with similar levels of responsibility or expertise;

13 (5) "Class", "class of positions", or "job class", a
14 group of positions subject to this chapter sufficiently
15 alike in duties, authority and responsibilities to justify
16 the same qualifications and the same schedule of pay to all
17 positions in the group;

18 (6) "Director", the director of the division of
19 personnel of the office of administration;

20 (7) "Disabled veteran", a veteran who has served on
21 active duty in the Armed Forces at any time who receives
22 compensation as a result of a service-connected disability
23 claim allowed by the federal agency responsible for the
24 administration of veteran's affairs, or who receives
25 disability retirement or disability pension benefits from a
26 federal agency as a result of such a disability or a
27 National Guard veteran who was permanently disabled as a
28 result of active service to the state at the call of the
29 governor;

30 (8) "Division of service" or "division", a state
31 department or any division or branch of the state, or any
32 agency of the state government, all the positions and
33 employees in which are under the same appointing authority;

34 (9) "Eleemosynary or penal institutions", an
35 institution within state government holding, housing, or
36 caring for inmates, patients, veterans, juveniles, or other

37 individuals entrusted to or assigned to the state where it
38 is anticipated that such individuals will be in residence
39 for longer than one day. Eleemosynary or penal institutions
40 shall not include elementary, secondary, or higher education
41 institutions operated separately or independently from the
42 foregoing institutions;

43 (10) "Eligible", a person whose name is on a register
44 or who has been determined to meet the qualifications for a
45 class or position;

46 (11) "Employee", shall include only those persons
47 employed in excess of thirty-two hours per calendar week,
48 for a duration that could exceed six months, by a state
49 agency and shall not include patients, inmates, or residents
50 in state eleemosynary or penal institutions who work for the
51 state agency operating an eleemosynary or penal institutions;

52 (12) "Examination" or "competitive examination", a
53 means of determining eligibility or fitness for a class or
54 position;

55 (13) "Open competitive examination", a selection
56 process for positions in a particular class, admission to
57 which is not limited to persons employed in positions
58 subject to this chapter pursuant to subsection 1 of section
59 36.030;

60 (14) "Promotional examination", a selection process
61 for positions in a particular class, admission to which is
62 limited to employees with regular status in positions
63 subject to this chapter pursuant to subsection 1 of section
64 36.030;

65 (15) "Register of eligibles", a list, which may be
66 restricted by locality, of persons who have been found
67 qualified for appointment to a position subject to this
68 chapter pursuant to subsection 1 of section 36.030;

69 (16) "Regular employee", a person employed in a
70 position described under subdivision (2) of subsection 1 of
71 section 36.030 who has successfully completed a probationary
72 period as provided in section 36.250;

73 (17) "State equal employment opportunity officer", the
74 individual designated by the governor or the commissioner of
75 administration as having responsibility for monitoring the
76 compliance of the state as an employer with applicable equal
77 employment opportunity law and regulation and for leadership
78 in efforts to establish a state workforce which reflects the
79 diversity of Missouri citizens at all levels of employment;

80 (18) "Surviving spouse", the unmarried surviving
81 spouse of a deceased disabled veteran or the unmarried
82 [survivor's] **surviving** spouse of any person who was killed
83 while on active duty in the Armed Forces of the United
84 States or an unmarried surviving spouse of a National Guard
85 veteran who was killed as a result of active service to the
86 state at the call of the governor;

87 (19) "Veteran", any person who is a citizen of this
88 state who has been separated under honorable conditions from
89 the Armed Forces of the United States who served on active
90 duty during peacetime or wartime for at least six
91 consecutive months, unless released early as a result of a
92 service-connected disability or a reduction in force at the
93 convenience of the government, or any member of a reserve or
94 National Guard component who has satisfactorily completed at
95 least six years of service or who was called or ordered to
96 active duty by the President and participated in any
97 campaign or expedition for which a campaign badge or service
98 medal has been authorized.

36.221. In filling any position where employees are
2 **selected on the basis of merit under subsection 1 of section**

3 36.030, the appointing authority shall offer an interview to
4 every person who is or was a member of the Missouri National
5 Guard whose name appears on the register of eligibles for
6 the position.

41.035. 1. There is hereby created and established as
2 a department of state government, the "Missouri Department
3 of the National Guard" headed by the adjutant general as
4 provided in Article IV of the Constitution of Missouri, and
5 this chapter and other chapters. The Missouri department of
6 the National Guard shall administer the militia and programs
7 of the state relating to military forces, except for the
8 Missouri veterans commission which is assigned to the
9 department of public safety as provided in chapters 42 and
10 650.

11 2. The office of adjutant general and the state
12 militia are hereby transferred to the Missouri department of
13 the National Guard by a type I transfer as defined in
14 section 1 of the Omnibus State Reorganization Act of 1974.

15 3. Nothing herein shall be construed to interfere with
16 the powers and duties of the governor provided in Article
17 IV, Section 6 of the Constitution of Missouri or this
18 chapter.

19 4. Rules necessary to administer and implement this
20 section may be established by the department. Any rule or
21 portion of a rule, as that term is defined in section
22 536.010, that is created under the authority delegated in
23 this section shall become effective only if it complies with
24 and is subject to all of the provisions of chapter 536 and,
25 if applicable, section 536.028. This section and chapter
26 536 are nonseverable and if any of the powers vested with
27 the general assembly pursuant to chapter 536 to review, to
28 delay the effective date, or to disapprove and annul a rule

29 are subsequently held unconstitutional, then the grant of
30 rulemaking authority and any rule proposed or adopted after
31 the effective date of this act shall be invalid and void.

41.201. Service members of the Missouri National Guard
2 shall be considered state employees for the purposes of
3 operating state-owned vehicles for official state business
4 unless the members are called into active federal military
5 service by order of the President of the United States
6 pursuant to Title 10 of the United States Code.

42.390. 1. Every state agency shall ensure that any
2 form, including digital forms posted on an Internet website,
3 used to collect data from individuals include the following
4 questions in substantially similar form:

5 (1) Have you ever served on active duty in the
6 Armed Forces of the United States and separated
7 from such service under conditions other than
8 dishonorable?

9 (2) If answering question (1) in the
10 affirmative, would you like to receive
11 information and assistance regarding the
12 agency's veteran services?

13 2. Every state agency shall prepare information
14 regarding the agency's applicable services and benefits that
15 are available to veterans and provide such information to
16 those who answer the questions provided in subsection 1 of
17 this section in the affirmative.

18 3. The provisions of subsection 1 of this section
19 shall only apply to any form first created on or after
20 August 28, 2021, or any form created before August 28, 2021,
21 and subsequently modified on or after August 28, 2021.

105.1204. In filling any position in a state agency,
2 as that term is defined under section 36.020, where

3 **employees are not required to be selected on the basis of**
4 **merit under subsection 1 of section 36.030, the employing**
5 **agency shall offer an interview to every applicant who is or**
6 **was a member of the Missouri National Guard and who meets**
7 **the minimum qualifications established for the position.**

143.121. 1. The Missouri adjusted gross income of a
2 resident individual shall be the taxpayer's federal adjusted
3 gross income subject to the modifications in this section.

4 2. There shall be added to the taxpayer's federal
5 adjusted gross income:

6 (1) The amount of any federal income tax refund
7 received for a prior year which resulted in a Missouri
8 income tax benefit. The amount added pursuant to this
9 subdivision shall not include any amount of a federal income
10 tax refund attributable to a tax credit reducing a
11 taxpayer's federal tax liability pursuant to Public Law 116-
12 136, enacted by the 116th United States Congress, for the
13 tax year beginning on or after January 1, 2020, and ending
14 on or before December 31, 2020, and deducted from Missouri
15 adjusted gross income pursuant to section 143.171;

16 (2) Interest on certain governmental obligations
17 excluded from federal gross income by 26 U.S.C. Section 103
18 of the Internal Revenue Code, as amended. The previous
19 sentence shall not apply to interest on obligations of the
20 state of Missouri or any of its political subdivisions or
21 authorities and shall not apply to the interest described in
22 subdivision (1) of subsection 3 of this section. The amount
23 added pursuant to this subdivision shall be reduced by the
24 amounts applicable to such interest that would have been
25 deductible in computing the taxable income of the taxpayer
26 except only for the application of 26 U.S.C. Section 265 of

27 the Internal Revenue Code, as amended. The reduction shall
28 only be made if it is at least five hundred dollars;

29 (3) The amount of any deduction that is included in
30 the computation of federal taxable income pursuant to 26
31 U.S.C. Section 168 of the Internal Revenue Code as amended
32 by the Job Creation and Worker Assistance Act of 2002 to the
33 extent the amount deducted relates to property purchased on
34 or after July 1, 2002, but before July 1, 2003, and to the
35 extent the amount deducted exceeds the amount that would
36 have been deductible pursuant to 26 U.S.C. Section 168 of
37 the Internal Revenue Code of 1986 as in effect on January 1,
38 2002;

39 (4) The amount of any deduction that is included in
40 the computation of federal taxable income for net operating
41 loss allowed by 26 U.S.C. Section 172 of the Internal
42 Revenue Code of 1986, as amended, other than the deduction
43 allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C.
44 Section 172(i) of the Internal Revenue Code of 1986, as
45 amended, for a net operating loss the taxpayer claims in the
46 tax year in which the net operating loss occurred or carries
47 forward for a period of more than twenty years and carries
48 backward for more than two years. Any amount of net
49 operating loss taken against federal taxable income but
50 disallowed for Missouri income tax purposes pursuant to this
51 subdivision after June 18, 2002, may be carried forward and
52 taken against any income on the Missouri income tax return
53 for a period of not more than twenty years from the year of
54 the initial loss; and

55 (5) For nonresident individuals in all taxable years
56 ending on or after December 31, 2006, the amount of any
57 property taxes paid to another state or a political
58 subdivision of another state for which a deduction was

59 allowed on such nonresident's federal return in the taxable
60 year unless such state, political subdivision of a state, or
61 the District of Columbia allows a subtraction from income
62 for property taxes paid to this state for purposes of
63 calculating income for the income tax for such state,
64 political subdivision of a state, or the District of
65 Columbia;

66 (6) For all tax years beginning on or after January 1,
67 2018, any interest expense paid or accrued in a previous
68 taxable year, but allowed as a deduction under 26 U.S.C.
69 Section 163, as amended, in the current taxable year by
70 reason of the carryforward of disallowed business interest
71 provisions of 26 U.S.C. Section 163(j), as amended. For the
72 purposes of this subdivision, an interest expense is
73 considered paid or accrued only in the first taxable year
74 the deduction would have been allowable under 26 U.S.C.
75 Section 163, as amended, if the limitation under 26 U.S.C.
76 Section 163(j), as amended, did not exist.

77 3. There shall be subtracted from the taxpayer's
78 federal adjusted gross income the following amounts to the
79 extent included in federal adjusted gross income:

80 (1) Interest received on deposits held at a federal
81 reserve bank or interest or dividends on obligations of the
82 United States and its territories and possessions or of any
83 authority, commission or instrumentality of the United
84 States to the extent exempt from Missouri income taxes
85 pursuant to the laws of the United States. The amount
86 subtracted pursuant to this subdivision shall be reduced by
87 any interest on indebtedness incurred to carry the described
88 obligations or securities and by any expenses incurred in
89 the production of interest or dividend income described in
90 this subdivision. The reduction in the previous sentence

91 shall only apply to the extent that such expenses including
92 amortizable bond premiums are deducted in determining the
93 taxpayer's federal adjusted gross income or included in the
94 taxpayer's Missouri itemized deduction. The reduction shall
95 only be made if the expenses total at least five hundred
96 dollars;

97 (2) The portion of any gain, from the sale or other
98 disposition of property having a higher adjusted basis to
99 the taxpayer for Missouri income tax purposes than for
100 federal income tax purposes on December 31, 1972, that does
101 not exceed such difference in basis. If a gain is
102 considered a long-term capital gain for federal income tax
103 purposes, the modification shall be limited to one-half of
104 such portion of the gain;

105 (3) The amount necessary to prevent the taxation
106 pursuant to this chapter of any annuity or other amount of
107 income or gain which was properly included in income or gain
108 and was taxed pursuant to the laws of Missouri for a taxable
109 year prior to January 1, 1973, to the taxpayer, or to a
110 decedent by reason of whose death the taxpayer acquired the
111 right to receive the income or gain, or to a trust or estate
112 from which the taxpayer received the income or gain;

113 (4) Accumulation distributions received by a taxpayer
114 as a beneficiary of a trust to the extent that the same are
115 included in federal adjusted gross income;

116 (5) The amount of any state income tax refund for a
117 prior year which was included in the federal adjusted gross
118 income;

119 (6) The portion of capital gain specified in section
120 135.357 that would otherwise be included in federal adjusted
121 gross income;

122 (7) The amount that would have been deducted in the
123 computation of federal taxable income pursuant to 26 U.S.C.
124 Section 168 of the Internal Revenue Code as in effect on
125 January 1, 2002, to the extent that amount relates to
126 property purchased on or after July 1, 2002, but before July
127 1, 2003, and to the extent that amount exceeds the amount
128 actually deducted pursuant to 26 U.S.C. Section 168 of the
129 Internal Revenue Code as amended by the Job Creation and
130 Worker Assistance Act of 2002;

131 (8) For all tax years beginning on or after January 1,
132 2005, the amount of any income received for military service
133 while the taxpayer serves in a combat zone which is included
134 in federal adjusted gross income and not otherwise excluded
135 therefrom. As used in this section, "combat zone" means any
136 area which the President of the United States by Executive
137 Order designates as an area in which Armed Forces of the
138 United States are or have engaged in combat. Service is
139 performed in a combat zone only if performed on or after the
140 date designated by the President by Executive Order as the
141 date of the commencing of combat activities in such zone,
142 and on or before the date designated by the President by
143 Executive Order as the date of the termination of combatant
144 activities in such zone;

145 (9) For all tax years ending on or after July 1, 2002,
146 with respect to qualified property that is sold or otherwise
147 disposed of during a taxable year by a taxpayer and for
148 which an additional modification was made under subdivision
149 (3) of subsection 2 of this section, the amount by which
150 additional modification made under subdivision (3) of
151 subsection 2 of this section on qualified property has not
152 been recovered through the additional subtractions provided
153 in subdivision (7) of this subsection;

154 (10) For all tax years beginning on or after January
155 1, 2014, the amount of any income received as payment from
156 any program which provides compensation to agricultural
157 producers who have suffered a loss as the result of a
158 disaster or emergency, including the:

159 (a) Livestock Forage Disaster Program;

160 (b) Livestock Indemnity Program;

161 (c) Emergency Assistance for Livestock, Honeybees, and
162 Farm-Raised Fish;

163 (d) Emergency Conservation Program;

164 (e) Noninsured Crop Disaster Assistance Program;

165 (f) Pasture, Rangeland, Forage Pilot Insurance Program;

166 (g) Annual Forage Pilot Program;

167 (h) Livestock Risk Protection Insurance Plan; [and]

168 (i) Livestock Gross Margin Insurance Plan; [and]

169 (11) For all tax years beginning on or after January
170 1, 2018, any interest expense paid or accrued in the current
171 taxable year, but not deducted as a result of the limitation
172 imposed under 26 U.S.C. Section 163(j), as amended. For the
173 purposes of this subdivision, an interest expense is
174 considered paid or accrued only in the first taxable year
175 the deduction would have been allowable under 26 U.S.C.
176 Section 163, as amended, if the limitation under 26 U.S.C.
177 Section 163(j), as amended, did not exist; **and**

178 **(12) One hundred percent of any retirement benefits**
179 **received by any taxpayer as a result of the taxpayer's**
180 **service in the Armed Forces of the United States, including**
181 **reserve components and the National Guard of this state, as**
182 **defined in 32 U.S.C. Sections 101(3) and 109, and any other**
183 **military force organized under the laws of this state.**

184 4. There shall be added to or subtracted from the
185 taxpayer's federal adjusted gross income the taxpayer's

186 share of the Missouri fiduciary adjustment provided in
187 section 143.351.

188 5. There shall be added to or subtracted from the
189 taxpayer's federal adjusted gross income the modifications
190 provided in section 143.411.

191 6. In addition to the modifications to a taxpayer's
192 federal adjusted gross income in this section, to calculate
193 Missouri adjusted gross income there shall be subtracted
194 from the taxpayer's federal adjusted gross income any gain
195 recognized pursuant to 26 U.S.C. Section 1033 of the
196 Internal Revenue Code of 1986, as amended, arising from
197 compulsory or involuntary conversion of property as a result
198 of condemnation or the imminence thereof.

199 7. (1) As used in this subsection, "qualified health
200 insurance premium" means the amount paid during the tax year
201 by such taxpayer for any insurance policy primarily
202 providing health care coverage for the taxpayer, the
203 taxpayer's spouse, or the taxpayer's dependents.

204 (2) In addition to the subtractions in subsection 3 of
205 this section, one hundred percent of the amount of qualified
206 health insurance premiums shall be subtracted from the
207 taxpayer's federal adjusted gross income to the extent the
208 amount paid for such premiums is included in federal taxable
209 income. The taxpayer shall provide the department of
210 revenue with proof of the amount of qualified health
211 insurance premiums paid.

212 8. (1) Beginning January 1, 2014, in addition to the
213 subtractions provided in this section, one hundred percent
214 of the cost incurred by a taxpayer for a home energy audit
215 conducted by an entity certified by the department of
216 natural resources under section 640.153 or the
217 implementation of any energy efficiency recommendations made

218 in such an audit shall be subtracted from the taxpayer's
219 federal adjusted gross income to the extent the amount paid
220 for any such activity is included in federal taxable
221 income. The taxpayer shall provide the department of
222 revenue with a summary of any recommendations made in a
223 qualified home energy audit, the name and certification
224 number of the qualified home energy auditor who conducted
225 the audit, and proof of the amount paid for any activities
226 under this subsection for which a deduction is claimed. The
227 taxpayer shall also provide a copy of the summary of any
228 recommendations made in a qualified home energy audit to the
229 department of natural resources.

230 (2) At no time shall a deduction claimed under this
231 subsection by an individual taxpayer or taxpayers filing
232 combined returns exceed one thousand dollars per year for
233 individual taxpayers or cumulatively exceed two thousand
234 dollars per year for taxpayers filing combined returns.

235 (3) Any deduction claimed under this subsection shall
236 be claimed for the tax year in which the qualified home
237 energy audit was conducted or in which the implementation of
238 the energy efficiency recommendations occurred. If
239 implementation of the energy efficiency recommendations
240 occurred during more than one year, the deduction may be
241 claimed in more than one year, subject to the limitations
242 provided under subdivision (2) of this subsection.

243 (4) A deduction shall not be claimed for any otherwise
244 eligible activity under this subsection if such activity
245 qualified for and received any rebate or other incentive
246 through a state-sponsored energy program or through an
247 electric corporation, gas corporation, electric cooperative,
248 or municipally owned utility.

249 9. The provisions of subsection 8 of this section
250 shall expire on December 31, 2020.

143.124. 1. Other provisions of law to the contrary
2 notwithstanding, for tax years ending on or before December
3 31, 2006, the total amount of all annuities, pensions, or
4 retirement allowances above the amount of six thousand
5 dollars annually provided by any law of this state, the
6 United States, or any other state to any person except as
7 provided in subsection 4 of this section, shall be subject
8 to tax pursuant to the provisions of this chapter, in the
9 same manner, to the same extent and under the same
10 conditions as any other taxable income received by the
11 person receiving it. For purposes of this section,
12 "annuity, pension, retirement benefit, or retirement
13 allowance" shall be defined as an annuity, pension or
14 retirement allowance provided by the United States, this
15 state, any other state or any political subdivision or
16 agency or institution of this or any other state. For all
17 tax years beginning on or after January 1, 1998, for
18 purposes of this section, annuity, pension or retirement
19 allowance shall be defined to include 401(k) plans, deferred
20 compensation plans, self-employed retirement plans, also
21 known as Keogh plans, annuities from a defined pension plan
22 and individual retirement arrangements, also known as IRAs,
23 as described in the Internal Revenue Code, but not including
24 Roth IRAs, as well as an annuity, pension or retirement
25 allowance provided by the United States, this state, any
26 other state or any political subdivision or agency or
27 institution of this or any other state. An individual
28 taxpayer shall only be allowed a maximum deduction equal to
29 the amounts provided under this section for each taxpayer on
30 the combined return.

31 2. For the period beginning July 1, 1989, and ending
32 December 31, 1989, there shall be subtracted from Missouri
33 adjusted gross income for that period, determined pursuant
34 to section 143.121, the first three thousand dollars of
35 retirement benefits received by each taxpayer:

36 (1) If the taxpayer's filing status is single, head of
37 household or qualifying widow(er) and the taxpayer's
38 Missouri adjusted gross income is less than twelve thousand
39 five hundred dollars; or

40 (2) If the taxpayer's filing status is married filing
41 combined and their combined Missouri adjusted gross income
42 is less than sixteen thousand dollars; or

43 (3) If the taxpayer's filing status is married filing
44 separately and the taxpayer's Missouri adjusted gross income
45 is less than eight thousand dollars.

46 3. For the tax years beginning on or after January 1,
47 1990, but ending on or before December 31, 2006, there shall
48 be subtracted from Missouri adjusted gross income,
49 determined pursuant to section 143.121, a maximum of the
50 first six thousand dollars of retirement benefits received
51 by each taxpayer from sources other than privately funded
52 sources, and for tax years beginning on or after January 1,
53 1998, there shall be subtracted from Missouri adjusted gross
54 income, determined pursuant to section 143.121, a maximum of
55 the first one thousand dollars of any retirement allowance
56 received from any privately funded source for tax years
57 beginning on or after January 1, 1998, but before January 1,
58 1999, and a maximum of the first three thousand dollars of
59 any retirement allowance received from any privately funded
60 source for tax years beginning on or after January 1, 1999,
61 but before January 1, 2000, and a maximum of the first four
62 thousand dollars of any retirement allowance received from

63 any privately funded source for tax years beginning on or
64 after January 1, 2000, but before January 1, 2001, and a
65 maximum of the first five thousand dollars of any retirement
66 allowance received from any privately funded source for tax
67 years beginning on or after January 1, 2001, but before
68 January 1, 2002, and a maximum of the first six thousand
69 dollars of any retirement allowance received from any
70 privately funded sources for tax years beginning on or after
71 January 1, 2002. A taxpayer shall be entitled to the
72 maximum exemption provided by this subsection:

73 (1) If the taxpayer's filing status is single, head of
74 household or qualifying widow(er) and the taxpayer's
75 Missouri adjusted gross income is less than twenty-five
76 thousand dollars; or

77 (2) If the taxpayer's filing status is married filing
78 combined and their combined Missouri adjusted gross income
79 is less than thirty-two thousand dollars; or

80 (3) If the taxpayer's filing status is married filing
81 separately and the taxpayer's Missouri adjusted gross income
82 is less than sixteen thousand dollars.

83 4. If a taxpayer's adjusted gross income exceeds the
84 adjusted gross income ceiling for such taxpayer's filing
85 status, as provided in subdivisions (1), (2) and (3) of
86 subsection 3 of this section, such taxpayer shall be
87 entitled to an exemption equal to the greater of zero or the
88 maximum exemption provided in subsection 3 of this section
89 reduced by one dollar for every dollar such taxpayer's
90 income exceeds the ceiling for his or her filing status.

91 5. For purposes of this subsection, the term "maximum
92 Social Security benefit available" shall mean thirty-two
93 thousand five hundred dollars for the tax year beginning on
94 or after January 1, 2007, and for each subsequent tax year

95 such amount shall be increased by the percentage increase in
96 the Consumer Price Index for All Urban Consumers, or its
97 successor index, as such index is defined and officially
98 reported by the United States Department of Labor, or its
99 successor agency. For the tax year beginning on or after
100 January 1, 2007, but ending on or before December 31, 2007,
101 there shall be subtracted from Missouri adjusted gross
102 income, determined pursuant to section 143.121, a maximum of
103 an amount equal to the greater of: six thousand dollars in
104 retirement benefits received from sources other than
105 privately funded sources, to the extent such benefits are
106 included in the taxpayer's federal adjusted gross income; or
107 twenty percent of the retirement benefits received from
108 sources other than privately funded sources in the tax year,
109 but not to exceed the maximum Social Security benefit
110 available for such tax year. For the tax year beginning on
111 or after January 1, 2008, but ending on or before December
112 31, 2008, there shall be subtracted from Missouri adjusted
113 gross income, determined pursuant to section 143.121, a
114 maximum of an amount equal to the greater of: six thousand
115 dollars in retirement benefits received from sources other
116 than privately funded sources, to the extent such benefits
117 are included in the taxpayer's federal adjusted gross
118 income; or thirty-five percent of the retirement benefits
119 received from sources other than privately funded sources in
120 the tax year, but not to exceed the maximum Social Security
121 benefit available for such tax year. For the tax year
122 beginning on or after January 1, 2009, but ending on or
123 before December 31, 2009, there shall be subtracted from
124 Missouri adjusted gross income, determined pursuant to
125 section 143.121, a maximum of an amount equal to the greater
126 of: six thousand dollars in retirement benefits received

127 from sources other than privately funded sources, to the
128 extent such benefits are included in the taxpayer's federal
129 adjusted gross income; or fifty percent of the retirement
130 benefits received from sources other than privately funded
131 sources in the tax year, but not to exceed the maximum
132 Social Security benefit available for such tax year. For
133 the tax year beginning on or after January 1, 2010, but
134 ending on or before December 31, 2010, there shall be
135 subtracted from Missouri adjusted gross income, determined
136 pursuant to section 143.121, a maximum of an amount equal to
137 the greater of: six thousand dollars in retirement benefits
138 received from sources other than privately funded sources,
139 to the extent such benefits are included in the taxpayer's
140 federal adjusted gross income; or sixty-five percent of the
141 retirement benefits received from sources other than
142 privately funded sources in the tax year, but not to exceed
143 the maximum Social Security benefit available for such tax
144 year. For the tax year beginning on or after January 1,
145 2011, but ending on or before December 31, 2011, there shall
146 be subtracted from Missouri adjusted gross income,
147 determined pursuant to section 143.121, a maximum of an
148 amount equal to the greater of: six thousand dollars in
149 retirement benefits received from sources other than
150 privately funded sources, to the extent such benefits are
151 included in the taxpayer's federal adjusted gross income; or
152 eighty percent of the retirement benefits received from
153 sources other than privately funded sources in the tax year,
154 but not to exceed the maximum Social Security benefit
155 available for such tax year. For all tax years beginning on
156 or after January 1, 2012, there shall be subtracted from
157 Missouri adjusted gross income, determined pursuant to
158 section 143.121, a maximum of an amount equal to one hundred

159 percent of the retirement benefits received from sources
160 other than privately funded sources in the tax year, but not
161 to exceed the maximum Social Security benefit available for
162 such tax year. A taxpayer shall be entitled to the maximum
163 exemption provided by this subsection:

164 (1) If the taxpayer's filing status is married filing
165 combined, and their combined Missouri adjusted gross income
166 is equal to or less than one hundred thousand dollars; or

167 (2) If the taxpayer's filing status is single, head of
168 household, qualifying widow(er), or married filing
169 separately, and the taxpayer's Missouri adjusted gross
170 income is equal to or less than eighty-five thousand dollars.

171 6. If a taxpayer's adjusted gross income exceeds the
172 adjusted gross income ceiling for such taxpayer's filing
173 status, as provided in subdivisions (1) and (2) of
174 subsection 5 of this section, such taxpayer shall be
175 entitled to an exemption, less any applicable reduction
176 provided under subsection 7 of this section, equal to the
177 greater of zero or the maximum exemption provided in
178 subsection 5 of this section reduced by one dollar for every
179 dollar such taxpayer's income exceeds the ceiling for his or
180 her filing status.

181 7. For purposes of calculating the subtraction
182 provided in subsection 5 of this section, such subtraction
183 shall be decreased by an amount equal to any Social Security
184 benefit exemption provided under section 143.125.

185 8. For purposes of this section, any Social Security
186 benefits otherwise included in Missouri adjusted gross
187 income shall be subtracted; but Social Security benefits
188 shall not be subtracted for purposes of other computations
189 pursuant to this chapter, and are not to be considered as
190 retirement benefits for purposes of this section.

191 9. The provisions of subdivisions (1) and (2) of
192 subsection 3 of this section shall apply during all tax
193 years in which the federal Internal Revenue Code provides
194 exemption levels for calculation of the taxability of Social
195 Security benefits that are the same as the levels in
196 subdivisions (1) and (2) of subsection 3 of this section.
197 If the exemption levels for the calculation of the
198 taxability of Social Security benefits are adjusted by
199 applicable federal law or regulation, the exemption levels
200 in subdivisions (1) and (2) of subsection 3 of this section
201 shall be accordingly adjusted to the same exemption levels.

202 10. The portion of a taxpayer's lump sum distribution
203 from an annuity or other retirement plan not otherwise
204 included in Missouri adjusted gross income as calculated
205 pursuant to this chapter but subject to taxation under
206 Internal Revenue Code Section 402 shall be taxed in an
207 amount equal to ten percent of the taxpayer's federal
208 liability on such distribution for the same tax year.

209 11. For purposes of this section, retirement benefits
210 received shall not include any withdrawals from qualified
211 retirement plans which are subsequently rolled over into
212 another retirement plan.

213 12. The exemptions provided for in this section shall
214 not affect the calculation of the income to be used to
215 determine the property tax credit provided in sections
216 135.010 to 135.035.

217 13. The exemptions provided for in this section shall
218 apply to any annuity, pension, or retirement allowance as
219 defined in subsection 1 of this section to the extent that
220 such amounts are included in the taxpayer's federal adjusted
221 gross income and not otherwise deducted from the taxpayer's
222 federal adjusted gross income in the calculation of Missouri

223 taxable income. This subsection shall not apply to any
224 individual who qualifies under federal guidelines to be one
225 hundred percent disabled.

226 [14. In addition to all other subtractions authorized
227 in this section, for all tax years beginning on or after
228 January 1, 2010, there shall be subtracted from Missouri
229 adjusted gross income, determined under section 143.121, any
230 retirement benefits received by any taxpayer as a result of
231 the taxpayer's service in the Armed Forces of the United
232 States, including reserve components and the National Guard
233 of this state, as defined in Sections 101(3) and 109 of
234 Title 32, United States Code, and any other military force
235 organized under the laws of this state, to the extent such
236 benefits are included in the taxpayer's federal adjusted
237 gross income and not otherwise deducted from the taxpayer's
238 federal adjusted gross income in the calculation of Missouri
239 taxable income. Such retirement benefits shall be
240 subtracted as provided in the following schedule:

241 (1) For the tax year beginning on January 1, 2010,
242 fifteen percent of such retirement benefits;

243 (2) For the tax year beginning on January 1, 2011,
244 thirty percent of such retirement benefits;

245 (3) For the tax year beginning on January 1, 2012,
246 forty-five percent of such retirement benefits;

247 (4) For the tax year beginning on January 1, 2013,
248 sixty percent of such retirement benefits;

249 (5) For the tax year beginning on January 1, 2014,
250 seventy-five percent of such retirement benefits;

251 (6) For the tax year beginning on January 1, 2015,
252 ninety percent of such retirement benefits;

253 (7) For tax years beginning on or after January 1,
254 2016, one hundred percent of such retirement benefits.]

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

3 (1) "Military connected student", a student enrolled
4 in a school district or charter school who:

5 (a) Is a dependent of a current or former member of
6 the Armed Forces of the United States, the Missouri National
7 Guard, or any reserve component of the Armed Forces of the
8 United States; or

9 (b) Was a dependent of a member of the Armed Forces of
10 the United States, the Missouri National Guard, or any
11 reserve component of the Armed Forces of the United States
12 who was killed while on active duty.

13 2. The department of elementary and secondary
14 education shall designate a school district as a purple star
15 campus if the school district applies and qualifies for the
16 designation under this section.

17 3. To qualify as a purple star campus, a school
18 district shall:

19 (1) Designate a staff member as a military liaison to
20 serve as the point of contact between the school district
21 and military connected students and their families;

22 (2) Identify military connected students enrolled in
23 the school district;

24 (3) Determine appropriate services available to
25 military connected students;

26 (4) Coordinate programs relevant to military connected
27 students;

28 (5) Maintain on the school district website an easily
29 accessible webpage that includes resources for military
30 connected students and their families, including information
31 regarding:

32 (a) Relocation to, enrollment at, registration at, and
33 transferring records to the school district;

34 (b) Academic planning, course sequences, and advanced
35 classes available;

36 (c) Counseling and other support services available
37 for military connected students enrolled in the school
38 district;

39 (d) The military liaison designated under subdivision
40 (1) of this section;

41 (6) Establish and maintain a transition program led by
42 the students, when appropriate, that assists military
43 connected students in transitioning into the school district;

44 (7) Offer professional development and education for
45 staff members on issues related to military connected
46 students; and

47 (8) Offer at least one of the following programs:

48 (a) A resolution showing support for military
49 connected students and their families;

50 (b) Recognition of the military holidays with relevant
51 events hosted by the school district; or

52 (c) A partnership with a local military installation
53 that provides opportunities for active duty military members
54 to volunteer with the school district, speak at an assembly,
55 or host a field trip.

302.188. 1. A person may apply to the department of
2 revenue to obtain a veteran designation on a driver's
3 license or identification card issued under this chapter by
4 providing:

5 (1) A United States Department of Defense discharge
6 document, otherwise known as a DD Form 214, that shows a
7 discharge status of "honorable" or "general under honorable

8 conditions" that establishes the person's service in the
9 Armed Forces of the United States; or

10 (2) A United States Uniformed Services Identification
11 Card, otherwise known as a DD Form 2, that includes a
12 discharge status of "retired" or "reserve retired"
13 establishing the person's service in the Armed Forces of the
14 United States; or

15 (3) A United States Department of Veterans Affairs
16 photo identification card; or

17 (4) A discharge document WD AGO 53, WD AGO 55, WD AGO
18 53-55, NAVPERS 553, NAVMC 78 PD, NAVCG 553, or DD 215 form
19 that shows a discharge status of "honorable" or "general
20 under honorable conditions"; and

21 (5) Payment of the fee for the driver's license or
22 identification card authorized under this chapter.

23 2. If the person is seeking a duplicate driver's
24 license with the veteran designation and his or her driver's
25 license has not expired, the fee shall be as provided under
26 section 302.185.

27 3. The department of revenue [may determine the
28 appropriate placement of] **shall place** the veteran
29 designation on the **front of** driver's licenses and
30 identification cards authorized under this section and may
31 promulgate the necessary rules for administration of this
32 section.

33 4. Any rule or portion of a rule, as that term is
34 defined in section 536.010, that is created under the
35 authority delegated in this section shall become effective
36 only if it complies with and is subject to all of the
37 provisions of chapter 536 and if applicable, section
38 536.028. This section and chapter 536 are nonseverable and
39 if any of the powers vested with the general assembly

40 pursuant to chapter 536 to review, to delay the effective
41 date, or to disapprove and annul a rule are subsequently
42 held unconstitutional, then the grant of rulemaking
43 authority and any rule proposed or adopted after August 28,
44 2012, shall be invalid and void.

379.122. 1. No insurer shall refuse to write a policy
2 for an applicant or base an adverse underwriting decision,
3 **including but not limited to charging an increased premium,**
4 solely on the fact that the applicant has never purchased
5 such a policy of motor vehicle insurance where the lack of
6 motor vehicle insurance coverage is due to the applicant
7 serving in the armed services and the applicant has not
8 operated a motor vehicle in violation of any financial
9 responsibility or compulsory insurance requirement within
10 the past twelve months.

11 2. No insurer shall refuse to write a policy for an
12 applicant or base an adverse underwriting decision,
13 **including but not limited to charging an increased premium,**
14 solely on the fact that the applicant has not owned or been
15 covered by such a policy of motor vehicle insurance during
16 any specified period immediately preceding the date of
17 application where the lack of motor vehicle insurance
18 coverage is due to the applicant serving in the armed
19 services and the applicant has not operated a motor vehicle
20 in violation of any financial responsibility or compulsory
21 insurance requirement within the past twelve months.
22 Nothing in this subsection shall prohibit an insurer from
23 giving a discount for such an applicant that has been
24 covered by a policy of insurance during such a specified
25 period.

26 3. Nothing in this section shall prohibit an insurer
27 from basing an adverse underwriting decision on an

28 applicant's previous driving record where such record
29 indicates that the applicant is a substandard risk.

30 4. In order to establish compliance with this section,
31 an insurer may require any applicant claiming to meet the
32 criteria of subsection 1 or 2 of this section to provide
33 proof of eligibility in a manner as the insurer may
34 prescribe.

35 **5. The adjutant general shall ensure that members of**
36 **the state military forces, as defined in section 40.005,**
37 **receive notice of the protections provided under this**
38 **section at such time as information regarding the**
39 **Servicemembers Civil Relief Act, 50 U.S.C. 3901, et seq., is**
40 **provided, or at such other times as the adjutant general**
41 **deems appropriate. The notice shall specifically state that**
42 **insurers are prohibited under this section from refusing to**
43 **issue a policy of motor vehicle insurance, or from charging**
44 **higher premiums, based solely on a lack of prior coverage**
45 **where the lack of prior coverage was due to military**
46 **service. The secretaries of the branches of the United**
47 **States Armed Forces are hereby encouraged to likewise notify**
48 **servicemembers under their jurisdictions of the protections**
49 **provided under this section.**

620.2005. 1. As used in sections 620.2000 to
2 620.2020, the following terms mean:

3 (1) "Average wage", the new payroll divided by the
4 number of new jobs, or the payroll of the retained jobs
5 divided by the number of retained jobs;

6 (2) "Commencement of operations", the starting date
7 for the qualified company's first new employee, which shall
8 be no later than twelve months from the date of the approval;

9 (3) "Contractor", a person, employer, or business
10 entity that enters into an agreement to perform any service

11 or work or to provide a certain product in exchange for
12 valuable consideration. This definition shall include but
13 not be limited to a general contractor, subcontractor,
14 independent contractor, contract employee, project manager,
15 or a recruiting or staffing entity;

16 (4) "County average wage", the average wages in each
17 county as determined by the department for the most recently
18 completed full calendar year. However, if the computed
19 county average wage is above the statewide average wage, the
20 statewide average wage shall be deemed the county average
21 wage for such county for the purpose of determining
22 eligibility. The department shall publish the county
23 average wage for each county at least annually.

24 Notwithstanding the provisions of this subdivision to the
25 contrary, for any qualified company that in conjunction with
26 their project is relocating employees from a Missouri county
27 with a higher county average wage, the company shall obtain
28 the endorsement of the governing body of the community from
29 which jobs are being relocated or the county average wage
30 for their project shall be the county average wage for the
31 county from which the employees are being relocated;

32 (5) "Department", the Missouri department of economic
33 development;

34 (6) "Director", the director of the department of
35 economic development;

36 (7) "Employee", a person employed by a qualified
37 company, excluding:

38 (a) Owners of the qualified company unless the
39 qualified company is participating in an employee stock
40 ownership plan; or

41 (b) Owners of a noncontrolling interest in stock of a
42 qualified company that is publicly traded;

43 (8) "Existing Missouri business", a qualified company
44 that, for the ten-year period preceding submission of a
45 notice of intent to the department, had a physical location
46 in Missouri and full-time employees who routinely performed
47 job duties within Missouri;

48 (9) "Full-time employee", an employee of the qualified
49 company that is scheduled to work an average of at least
50 thirty-five hours per week for a twelve-month period, and
51 one for which the qualified company offers health insurance
52 and pays at least fifty percent of such insurance premiums.
53 An employee that spends less than fifty percent of the
54 employee's work time at the facility shall be considered to
55 be located at a facility if the employee receives his or her
56 directions and control from that facility, is on the
57 facility's payroll, one hundred percent of the employee's
58 income from such employment is Missouri income, and the
59 employee is paid at or above the applicable percentage of
60 the county average wage;

61 (10) "Industrial development authority", an industrial
62 development authority organized under chapter 349 that has
63 entered into a formal written memorandum of understanding
64 with an entity of the United States Department of Defense
65 regarding a qualified military project;

66 (11) "Infrastructure projects", highways, roads,
67 streets, bridges, sewers, traffic control systems and
68 devices, water distribution and supply systems, curbing,
69 sidewalks, storm water and drainage systems, broadband
70 internet infrastructure, and any other similar public
71 improvements, but in no case shall infrastructure projects
72 include private structures;

73 (12) "Local incentives", the present value of the
74 dollar amount of direct benefit received by a qualified

75 company for a project facility from one or more local
76 political subdivisions, but this term shall not include
77 loans or other funds provided to the qualified company that
78 shall be repaid by the qualified company to the political
79 subdivision;

80 (13) "Manufacturing capital investment", expenditures
81 made by a qualified manufacturing company to retool or
82 reconfigure a manufacturing project facility directly
83 related to the manufacturing of a new product or the
84 expansion or modification of the manufacture of an existing
85 product;

86 (14) "Memorandum of understanding", an agreement
87 executed by an industrial development authority and an
88 entity of the United States Department of Defense, a copy of
89 which is provided to the department of economic development,
90 that states, but is not limited to:

91 (a) A requirement for the military to provide the
92 total number of existing jobs, jobs directly created by a
93 qualified military project, and average salaries of such
94 jobs to the industrial development authority and the
95 department of economic development annually for the term of
96 the benefit;

97 (b) A requirement for the military to provide an
98 accounting of the expenditures of capital investment made by
99 the military directly related to the qualified military
100 project to the industrial development authority and the
101 department of economic development annually for the term of
102 the benefit;

103 (c) The process by which the industrial development
104 authority shall monetize the tax credits annually and any
105 transaction cost or administrative fee charged by the

106 industrial development authority to the military on an
107 annual basis;

108 (d) A requirement for the industrial development
109 authority to provide proof to the department of economic
110 development of the payment made to the qualified military
111 project annually, including the amount of such payment;

112 (e) The schedule of the maximum amount of tax credits
113 which may be authorized in each year for the project and the
114 specified term of the benefit, as provided by the department
115 of economic development; and

116 (f) A requirement that the annual benefit paid shall
117 be the lesser of:

118 a. The maximum amount of tax credits authorized; or

119 b. The actual calculated benefit derived from the
120 number of new jobs and average salaries;

121 (15) "NAICS" or "NAICS industry classification", the
122 classification provided by the most recent edition of the
123 North American Industry Classification System as prepared by
124 the Executive Office of the President, Office of Management
125 and Budget;

126 (16) "New capital investment", shall include costs
127 incurred by the qualified company at the project facility
128 after acceptance by the qualified company of the proposal
129 for benefits from the department or the approval notice of
130 intent, whichever occurs first, for real or personal
131 property, and may include the value of finance or capital
132 leases for real or personal property for the term of such
133 lease at the project facility executed after acceptance by
134 the qualified company of the proposal for benefits from the
135 department or the approval of the notice of intent;

136 (17) "New direct local revenue", the present value of
137 the dollar amount of direct net new tax revenues of the

138 local political subdivisions likely to be produced by the
139 project over a ten-year period as calculated by the
140 department, excluding local earnings tax, and net new
141 utility revenues, provided the local incentives include a
142 discount or other direct incentives from utilities owned or
143 operated by the political subdivision;

144 (18) "New job", the number of full-time employees
145 located at the project facility that exceeds the project
146 facility base employment less any decrease in the number of
147 full-time employees at related facilities below the related
148 facility base employment. No job that was created prior to
149 the date of the notice of intent shall be deemed a new job;

150 (19) "New payroll", the amount of wages paid for all
151 new jobs, located at the project facility during the
152 qualified company's tax year that exceeds the project
153 facility base payroll;

154 (20) "New product", a new model or line of a
155 manufactured good that has not been manufactured in Missouri
156 by a qualified manufacturing company at any time prior to
157 the date of the notice of intent, or an existing brand,
158 model, or line of a manufactured good that is redesigned;

159 (21) "Notice of intent", a form developed by the
160 department and available online, completed by the qualified
161 company, and submitted to the department stating the
162 qualified company's intent to request benefits under this
163 program. The notice of intent shall be accompanied with a
164 detailed plan by the qualifying company to make good faith
165 efforts to employ, at a minimum, commensurate with the
166 percentage of minority populations in the state of Missouri,
167 as reported in the previous decennial census, the following:
168 racial minorities, contractors who are racial minorities,
169 and contractors that, in turn, employ at a minimum racial

170 minorities commensurate with the percentage of minority
171 populations in the state of Missouri, as reported in the
172 previous decennial census. At a minimum, such plan shall
173 include monitoring the effectiveness of outreach and
174 recruitment strategies in attracting diverse applicants and
175 linking with different or additional referral sources in the
176 event that recruitment efforts fail to produce a diverse
177 pipeline of applicants;

178 (22) "Percent of local incentives", the amount of
179 local incentives divided by the amount of new direct local
180 revenue;

181 (23) "Program", the Missouri works program established
182 in sections 620.2000 to 620.2020;

183 (24) "Project facility", the building or buildings
184 used by a qualified company at which new or retained jobs
185 and any new capital investment are or will be located or by
186 a qualified manufacturing company at which a manufacturing
187 capital investment is or will be located. A project
188 facility may include separate buildings located within sixty
189 miles of each other such that their purpose and operations
190 are interrelated; provided that where the buildings making
191 up the project facility are not located within the same
192 county, the average wage of the new payroll shall exceed the
193 applicable percentage of the highest county average wage
194 among the counties in which the buildings are located. Upon
195 approval by the department, a subsequent project facility
196 may be designated if the qualified company demonstrates a
197 need to relocate to the subsequent project facility at any
198 time during the project period. For qualified military
199 projects, the term "project facility" means the military
200 base or installation at which such qualified military
201 project is or shall be located;

202 (25) "Project facility base employment", the greater
203 of the number of full-time employees located at the project
204 facility on the date of the notice of intent or, for the
205 twelve-month period prior to the date of the notice of
206 intent, the average number of full-time employees located at
207 the project facility. In the event the project facility has
208 not been in operation for a full twelve-month period, the
209 average number of full-time employees for the number of
210 months the project facility has been in operation prior to
211 the date of the notice of intent;

212 (26) "Project facility base payroll", the annualized
213 payroll for the project facility base employment or the
214 total amount of taxable wages paid by the qualified company
215 to full-time employees of the qualified company located at
216 the project facility in the twelve months prior to the
217 notice of intent. For purposes of calculating the benefits
218 under this program, the amount of base payroll shall
219 increase each year based on an appropriate measure, as
220 determined by the department;

221 (27) "Project period", the time period within which
222 benefits are awarded to a qualified company or within which
223 the qualified company is obligated to perform under an
224 agreement with the department, whichever is greater;

225 (28) "Projected net fiscal benefit", the total fiscal
226 benefit to the state less any state benefits offered to the
227 qualified company, as determined by the department;

228 (29) "Qualified company", a firm, partnership, joint
229 venture, association, private or public corporation whether
230 organized for profit or not, or headquarters of such entity
231 registered to do business in Missouri that is the owner or
232 operator of a project facility, certifies that it offers
233 health insurance to all full-time employees of all

234 facilities located in this state, and certifies that it pays
235 at least fifty percent of such insurance premiums. For the
236 purposes of sections 620.2000 to 620.2020, the term
237 "qualified company" shall not include:

238 (a) Gambling establishments (NAICS industry group
239 7132);

240 (b) Store front consumer-based retail trade
241 establishments (under NAICS sectors 44 and 45), except with
242 respect to any company headquartered in this state with a
243 majority of its full-time employees engaged in operations
244 not within the NAICS codes specified in this subdivision;

245 (c) Food and drinking places (NAICS subsector 722);

246 (d) Public utilities (NAICS 221 including water and
247 sewer services);

248 (e) Any company that is delinquent in the payment of
249 any nonprotested taxes or any other amounts due the state or
250 federal government or any other political subdivision of
251 this state;

252 (f) Any company requesting benefits for retained jobs
253 that has filed for or has publicly announced its intention
254 to file for bankruptcy protection. However, a company that
255 has filed for or has publicly announced its intention to
256 file for bankruptcy may be a qualified company provided that
257 such company:

258 a. Certifies to the department that it plans to
259 reorganize and not to liquidate; and

260 b. After its bankruptcy petition has been filed, it
261 produces proof, in a form and at times satisfactory to the
262 department, that it is not delinquent in filing any tax
263 returns or making any payment due to the state of Missouri,
264 including but not limited to all tax payments due after the
265 filing of the bankruptcy petition and under the terms of the

266 plan of reorganization. Any taxpayer who is awarded
267 benefits under this subsection and who files for bankruptcy
268 under Chapter 7 of the United States Bankruptcy Code, Title
269 11 U.S.C., shall immediately notify the department and shall
270 forfeit such benefits and shall repay the state an amount
271 equal to any state tax credits already redeemed and any
272 withholding taxes already retained;

273 (g) Educational services (NAICS sector 61);

274 (h) Religious organizations (NAICS industry group
275 8131);

276 (i) Public administration (NAICS sector 92);

277 (j) Ethanol distillation or production;

278 (k) Biodiesel production; or

279 (l) Health care and social services (NAICS sector 62).

280 Notwithstanding any provision of this section to the
281 contrary, the headquarters, administrative offices, or
282 research and development facilities of an otherwise excluded
283 business may qualify for benefits if the offices or
284 facilities serve a multistate territory. In the event a
285 national, state, or regional headquarters operation is not
286 the predominant activity of a project facility, the jobs and
287 investment of such operation shall be considered eligible
288 for benefits under this section if the other requirements
289 are satisfied;

290 (30) "Qualified manufacturing company", a company that:

291 (a) Is a qualified company that manufactures motor
292 vehicles (NAICS group 3361);

293 (b) Manufactures goods at a facility in Missouri;

294 (c) Manufactures a new product or has commenced making
295 a manufacturing capital investment to the project facility
296 necessary for the manufacturing of such new product, or

297 modifies or expands the manufacture of an existing product
298 or has commenced making a manufacturing capital investment
299 for the project facility necessary for the modification or
300 expansion of the manufacture of such existing product; and

301 (d) Continues to meet the requirements of paragraphs
302 (a) to (c) of this subdivision for the project period;

303 (31) "Qualified military project", the expansion or
304 improvement of a military base or installation within this
305 state that causes:

306 (a) An increase of ten or more **part-time or full-time**
307 military or civilian support personnel:

308 a. Whose average salaries equal or exceed ninety
309 percent of the county average wage; and

310 b. Who are offered health insurance, with an entity of
311 the United States Department of Defense paying at least
312 fifty percent of such insurance premiums; and

313 (b) Investment in real or personal property at the
314 base or installation expressly for the purposes of serving a
315 new or expanded military activity or unit.

316 **For the purposes of this subdivision, part-time military or**
317 **civilian support personnel shall be converted to full-time**
318 **new jobs by, in hire date order, counting one full-time new**
319 **job for every thirty-five averaged hours worked per week by**
320 **part-time military or civilian support personnel in jobs**
321 **directly created by the qualified military project. For each**
322 **such full-time new job, the sum of the wages of the part-**
323 **time military or civilian support personnel combined and**
324 **converted to form the new job shall be the wage for the one**
325 **full-time new job. Each part-time military or civilian**
326 **support personnel whose job is combined and converted for**
327 **such a full-time new job shall be offered health insurance**

328 **as described in subparagraph b of paragraph (a) of this**
329 **subdivision;**

330 (32) "Related company", shall mean:

331 (a) A corporation, partnership, trust, or association
332 controlled by the qualified company;

333 (b) An individual, corporation, partnership, trust, or
334 association in control of the qualified company; or

335 (c) Corporations, partnerships, trusts or associations
336 controlled by an individual, corporation, partnership,
337 trust, or association in control of the qualified company.

338 As used in this paragraph, "control of a qualified company"
339 shall mean:

340 a. Ownership, directly or indirectly, of stock
341 possessing at least fifty percent of the total combined
342 voting power of all classes of stock entitled to vote in the
343 case of a qualified company that is a corporation;

344 b. Ownership of at least fifty percent of the capital
345 or profit interest in such qualified company if it is a
346 partnership or association;

347 c. Ownership, directly or indirectly, of at least
348 fifty percent of the beneficial interest in the principal or
349 income of such qualified company if it is a trust, and
350 ownership shall be determined as provided in Section 318 of
351 the Internal Revenue Code of 1986, as amended;

352 (33) "Related facility", a facility operated by the
353 qualified company or a related company located in this state
354 that is directly related to the operations of the project
355 facility or in which operations substantially similar to the
356 operations of the project facility are performed;

357 (34) "Related facility base employment", the greater
358 of the number of full-time employees located at all related
359 facilities on the date of the notice of intent or, for the

360 twelve-month period prior to the date of the notice of
361 intent, the average number of full-time employees located at
362 all related facilities of the qualified company or a related
363 company located in this state;

364 (35) "Related facility base payroll", the annualized
365 payroll of the related facility base payroll or the total
366 amount of taxable wages paid by the qualified company to
367 full-time employees of the qualified company located at a
368 related facility in the twelve months prior to the filing of
369 the notice of intent. For purposes of calculating the
370 benefits under this program, the amount of related facility
371 base payroll shall increase each year based on an
372 appropriate measure, as determined by the department;

373 (36) "Rural area", a county in Missouri with a
374 population less than seventy-five thousand or that does not
375 contain an individual city with a population greater than
376 fifty thousand according to the most recent federal
377 decennial census;

378 (37) "Tax credits", tax credits issued by the
379 department to offset the state taxes imposed by chapters 143
380 and 148, or which may be sold or refunded as provided for in
381 this program;

382 (38) "Withholding tax", the state tax imposed by
383 sections 143.191 to 143.265. For purposes of this program,
384 the withholding tax shall be computed using a schedule as
385 determined by the department based on average wages.

386 2. This section is subject to the provisions of
387 section 196.1127.

620.2010. 1. In exchange for the consideration
2 provided by the new tax revenues and other economic stimuli
3 that will be generated by the new jobs created, a qualified
4 company may, for a period of five years from the date the

5 new jobs are created, or for a period of six years from the
6 date the new jobs are created if the qualified company is an
7 existing Missouri business, retain an amount equal to the
8 withholding tax as calculated under subdivision (38) of
9 section 620.2005 from the new jobs that would otherwise be
10 withheld and remitted by the qualified company under the
11 provisions of sections 143.191 to 143.265 if:

12 (1) The qualified company creates ten or more new
13 jobs, and the average wage of the new payroll equals or
14 exceeds ninety percent of the county average wage;

15 (2) The qualified company creates two or more new jobs
16 at a project facility located in a rural area, the average
17 wage of the new payroll equals or exceeds ninety percent of
18 the county average wage, and the qualified company commits
19 to making at least one hundred thousand dollars of new
20 capital investment at the project facility within two years;
21 or

22 (3) The qualified company creates two or more new jobs
23 at a project facility located within a zone designated under
24 sections 135.950 to 135.963, the average wage of the new
25 payroll equals or exceeds eighty percent of the county
26 average wage, and the qualified company commits to making at
27 least one hundred thousand dollars in new capital investment
28 at the project facility within two years of approval.

29 2. In addition to any benefits available under
30 subsection 1 of this section, the department may award a
31 qualified company that satisfies subdivision (1) of
32 subsection 1 of this section additional tax credits, issued
33 each year for a period of five years from the date the new
34 jobs are created, or for a period of six years from the date
35 the new jobs are created if the qualified company is an
36 existing Missouri business, in an amount equal to or less

37 than six percent of new payroll; provided that in no event
38 may the total amount of benefits awarded to a qualified
39 company under this section exceed nine percent of new
40 payroll in any calendar year. The amount of tax credits
41 awarded to a qualified company under this subsection shall
42 not exceed the projected net fiscal benefit to the state, as
43 determined by the department, and shall not exceed the least
44 amount necessary to obtain the qualified company's
45 commitment to initiate the project. In determining the
46 amount of tax credits to award to a qualified company under
47 this subsection or a qualified manufacturing company under
48 subsection 3 of this section, the department shall consider
49 the following factors:

50 (1) The significance of the qualified company's need
51 for program benefits;

52 (2) The amount of projected net fiscal benefit to the
53 state of the project and the period in which the state would
54 realize such net fiscal benefit;

55 (3) The overall size and quality of the proposed
56 project, including the number of new jobs, new capital
57 investment, manufacturing capital investment, proposed
58 wages, growth potential of the qualified company, the
59 potential multiplier effect of the project, and similar
60 factors;

61 (4) The financial stability and creditworthiness of
62 the qualified company;

63 (5) The level of economic distress in the area;

64 (6) An evaluation of the competitiveness of
65 alternative locations for the project facility, as
66 applicable; and

67 (7) The percent of local incentives committed.

68 3. (1) The department may award tax credits to a
69 qualified manufacturing company that makes a manufacturing
70 capital investment of at least five hundred million dollars
71 not more than three years following the department's
72 approval of a notice of intent and the execution of an
73 agreement that meets the requirements of subsection 4 of
74 this section. Such tax credits shall be issued no earlier
75 than January 1, 2023, and may be issued each year for a
76 period of five years. A qualified manufacturing company may
77 qualify for an additional five-year period under this
78 subsection if it makes an additional manufacturing capital
79 investment of at least two hundred fifty million dollars
80 within five years of the department's approval of the
81 original notice of intent.

82 (2) The maximum amount of tax credits that any one
83 qualified manufacturing company may receive under this
84 subsection shall not exceed five million dollars per
85 calendar year. The aggregate amount of tax credits awarded
86 to all qualified manufacturing companies under this
87 subsection shall not exceed ten million dollars per calendar
88 year.

89 (3) If, at the project facility at any time during the
90 project period, the qualified manufacturing company
91 discontinues the manufacturing of the new product, or
92 discontinues the modification or expansion of an existing
93 product, and does not replace it with a subsequent or
94 additional new product or with a modification or expansion
95 of an existing product, the company shall immediately cease
96 receiving any benefit awarded under this subsection for the
97 remainder of the project period and shall forfeit all rights
98 to retain or receive any benefit awarded under this
99 subsection for the remainder of such period.

100 (4) Notwithstanding any other provision of law to the
101 contrary, any qualified manufacturing company that is
102 awarded benefits under this section shall not simultaneously
103 receive tax credits or exemptions under sections 100.700 to
104 100.850 for the jobs created or retained or capital
105 improvement that qualified for benefits under this section.
106 The provisions of subsection 5 of section 285.530 shall not
107 apply to a qualified manufacturing company that is awarded
108 benefits under this section.

109 4. Upon approval of a notice of intent to receive tax
110 credits under subsection 2, 3, 6, or 7 of this section, the
111 department and the qualified company shall enter into a
112 written agreement covering the applicable project period.
113 The agreement shall specify, at a minimum:

114 (1) The committed number of new jobs, new payroll, and
115 new capital investment, or the manufacturing capital
116 investment and committed percentage of retained jobs for
117 each year during the project period;

118 (2) The date or time period during which the tax
119 credits shall be issued, which may be immediately or over a
120 period not to exceed two years from the date of approval of
121 the notice of intent;

122 (3) Clawback provisions, as may be required by the
123 department;

124 (4) Financial guarantee provisions as may be required
125 by the department, provided that financial guarantee
126 provisions shall be required by the department for tax
127 credits awarded under subsection 7 of this section; and

128 (5) Any other provisions the department may require.

129 5. In lieu of the benefits available under sections 1
130 and 2 of this section, and in exchange for the consideration
131 provided by the new tax revenues and other economic stimuli

132 that will be generated by the new jobs created by the
133 program, a qualified company may, for a period of five years
134 from the date the new jobs are created, or for a period of
135 six years from the date the new jobs are created if the
136 qualified company is an existing Missouri business, retain
137 an amount equal to the withholding tax as calculated under
138 subdivision (38) of section 620.2005 from the new jobs that
139 would otherwise be withheld and remitted by the qualified
140 company under the provisions of sections 143.191 to 143.265
141 equal to:

142 (1) Six percent of new payroll for a period of five
143 years from the date the required number of new jobs were
144 created if the qualified company creates one hundred or more
145 new jobs and the average wage of the new payroll equals or
146 exceeds one hundred twenty percent of the county average
147 wage of the county in which the project facility is located;
148 or

149 (2) Seven percent of new payroll for a period of five
150 years from the date the required number of jobs were created
151 if the qualified company creates one hundred or more new
152 jobs and the average wage of the new payroll equals or
153 exceeds one hundred forty percent of the county average wage
154 of the county in which the project facility is located.

155 The department shall issue a refundable tax credit for any
156 difference between the amount of benefit allowed under this
157 subsection and the amount of withholding tax retained by the
158 company, in the event the withholding tax is not sufficient
159 to provide the entire amount of benefit due to the qualified
160 company under this subsection.

161 6. In addition to the benefits available under
162 subsection 5 of this section, the department may award a

163 qualified company that satisfies the provisions of
164 subsection 5 of this section additional tax credits, issued
165 each year for a period of five years from the date the new
166 jobs are created, or for a period of six years from the date
167 the new jobs are created if the qualified company is an
168 existing Missouri business, in an amount equal to or less
169 than three percent of new payroll; provided that in no event
170 may the total amount of benefits awarded to a qualified
171 company under this section exceed nine percent of new
172 payroll in any calendar year. The amount of tax credits
173 awarded to a qualified company under this subsection shall
174 not exceed the projected net fiscal benefit to the state, as
175 determined by the department, and shall not exceed the least
176 amount necessary to obtain the qualified company's
177 commitment to initiate the project. In determining the
178 amount of tax credits to award to a qualified company under
179 this subsection, the department shall consider the factors
180 provided under subsection 2 of this section.

181 7. In lieu of the benefits available under subsections
182 1, 2, 5, and 6 of this section, and in exchange for the
183 consideration provided by the new tax revenues and other
184 economic stimuli that will be generated by the new jobs and
185 new capital investment created by the program, the
186 department may award a qualified company that satisfies the
187 provisions of subdivision (1) of subsection 1 of this
188 section tax credits, issued within one year following the
189 qualified company's acceptance of the department's proposal
190 for benefits, in an amount equal to or less than nine
191 percent of new payroll. The amount of tax credits awarded
192 to a qualified company under this subsection shall not
193 exceed the projected net fiscal benefit to the state, as
194 determined by the department, and shall not exceed the least

195 amount necessary to obtain the qualified company's
196 commitment to initiate the project. In determining the
197 amount of tax credits to award to a qualified company under
198 this subsection, the department shall consider the factors
199 provided under subsection 2 of this section and the
200 qualified company's commitment to new capital investment and
201 new job creation within the state for a period of not less
202 than ten years. For the purposes of this subsection, each
203 qualified company shall have an average wage of the new
204 payroll that equals or exceeds one hundred percent of the
205 county average wage. Notwithstanding the provisions of
206 section 620.2020 to the contrary, this subsection, shall
207 expire on June 30, 2025.

208 8. No benefits shall be available under this section
209 for any qualified company that has performed significant,
210 project-specific site work at the project facility,
211 purchased machinery or equipment related to the project, or
212 has publicly announced its intention to make new capital
213 investment or manufacturing capital investment at the
214 project facility prior to receipt of a proposal for benefits
215 under this section or approval of its notice of intent,
216 whichever occurs first.

217 9. In lieu of any other benefits under this chapter,
218 the department of economic development may award a tax
219 credit to an industrial development authority for a
220 qualified military project in an amount equal to the
221 estimated withholding taxes associated with the **part-time**
222 **and full-time** civilian and military new jobs located at the
223 facility and directly impacted by the project. The amount
224 of the tax credit shall be calculated by multiplying:

225 (1) The average percentage of tax withheld, as
226 provided by the department of revenue to the department of
227 economic development;

228 (2) The average salaries of the jobs directly created
229 by the qualified military project; and

230 (3) The number of jobs directly created by the
231 qualified military project.

232 If the amount of the tax credit represents the least amount
233 necessary to accomplish the qualified military project, the
234 tax credits may be issued, but no tax credits shall be
235 issued for a term longer than fifteen years. No qualified
236 military project shall be eligible for tax credits under
237 this subsection unless the department of economic
238 development determines the qualified military project shall
239 achieve a net positive fiscal impact to the state.

650.005. 1. There is hereby created a "Department of
2 Public Safety" in charge of a director appointed by the
3 governor with the advice and consent of the senate. The
4 department's role will be to provide overall coordination in
5 the state's public safety and law enforcement program, to
6 provide channels of coordination with local and federal
7 agencies in regard to public safety, law enforcement and
8 with all correctional and judicial agencies in regard to
9 matters pertaining to its responsibilities as they may
10 interrelate with the other agencies or offices of state,
11 local or federal governments.

12 2. All the powers, duties and functions of the state
13 highway patrol, chapter 43 and others, are transferred by
14 type II transfer to the department of public safety. The
15 governor by and with the advice and consent of the senate
16 shall appoint the superintendent of the patrol. With the

17 exception of sections 43.100 to 43.120 relating to financial
18 procedures, the director of public safety shall succeed the
19 state highways and transportation commission in approving
20 actions of the superintendent and related matters as
21 provided in chapter 43. Uniformed members of the patrol
22 shall be selected in the manner provided by law and shall
23 receive the compensation provided by law. Nothing in the
24 Reorganization Act of 1974, however, shall be interpreted to
25 affect the funding of appropriations or the operation of
26 chapter 104 relating to retirement system coverage or
27 section 226.160 relating to workers' compensation for
28 members of the patrol.

29 3. All the powers, duties and functions of the
30 supervisor of liquor control, chapter 311 and others, are
31 transferred by type II transfer to the department of public
32 safety. The supervisor shall be nominated by the department
33 director and appointed by the governor with the advice and
34 consent of the senate. The supervisor shall appoint such
35 agents, assistants, deputies and inspectors as limited by
36 appropriations. All employees shall have the qualifications
37 provided by law and may be removed by the supervisor or
38 director of the department as provided in section 311.670.

39 4. All the powers, duties and functions of the safety
40 and fire prevention bureau of the department of public
41 health and welfare are transferred by type I transfer to the
42 director of public safety.

43 5. All the powers, duties and functions of the state
44 fire marshal, chapter 320 and others, are transferred to the
45 department of public safety by a type I transfer.

46 6. All the powers, duties and functions of the law
47 enforcement assistance council administering federal grants,
48 planning and the like relating to Public Laws 90-351, 90-445

49 and related acts of Congress are transferred by type I
50 transfer to the director of public safety. The director of
51 public safety shall appoint such advisory bodies as are
52 required by federal laws or regulations. The council is
53 abolished.

54 7. The director of public safety shall promulgate
55 motor vehicle regulations and be ex officio a member of the
56 safety compact commission in place of the director of
57 revenue and all powers, duties and functions relating to
58 chapter 307 are transferred by type I transfer to the
59 director of public safety.

60 8. [The office of adjutant general and the state
61 militia are assigned to the department of public safety;
62 provided, however, nothing herein shall be construed to
63 interfere with the powers and duties of the governor as
64 provided in Article IV, Section 6 of the Constitution of the
65 state of Missouri or chapter 41.

66 9.] All the powers, duties and functions of the
67 Missouri boat commission, chapter 306 and others, are
68 transferred by type I transfer to the "Missouri State Water
69 Patrol", which is hereby created, in the department of
70 public safety. The Missouri boat commission and the office
71 of secretary to the commission are abolished. All deputy
72 boat commissioners and all other employees of the commission
73 who were employed on February 1, 1974, shall be transferred
74 to the water patrol without further qualification.
75 Effective January 1, 2011, all the powers, duties, and
76 functions of the Missouri state water patrol are transferred
77 to the division of water patrol within the Missouri state
78 highway patrol as set out in section 43.390.

79 [10.] 9. The Missouri veterans's commission, chapter
80 42, is assigned to the department of public safety.

81 [11.] 10. Any rule or portion of a rule, as that term
82 is defined in section 536.010, that is created under the
83 authority delegated in this section shall become effective
84 only if it complies with and is subject to all of the
85 provisions of chapter 536 and, if applicable, section
86 536.028. This section and chapter 536 are nonseverable and
87 if any of the powers vested with the general assembly
88 pursuant to chapter 536 to review, to delay the effective
89 date, or to disapprove and annul a rule are subsequently
90 held unconstitutional, then the grant of rulemaking
91 authority and any rule proposed or adopted after August 28,
92 2009, shall be invalid and void.

 Section B. Because of the importance of military jobs
2 to the state, the repeal and reenactment of sections
3 620.2005 and 620.2010 of this act is deemed necessary for
4 the immediate preservation of the public health, welfare,
5 peace, and safety, and is hereby declared to be an emergency
6 act within the meaning of the constitution, and the repeal
7 and reenactment of sections 620.2005 and 620.2010 of this
8 act shall be in full force and effect upon its passage and
9 approval.

 Section C. The enactment of section 41.035 and the
2 repeal and reenactment of section 650.005 of this act shall
3 become effective only upon approval by the voters of an
4 amendment to article IV of the Constitution of Missouri that
5 establishes the Missouri department of the National Guard.

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