

# SENATE BILL NO. 868

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

4306S.01I

ADRIANE D. CROUSE, Secretary

## AN ACT

To repeal sections 135.800, 135.802, 135.805, 135.810, 135.815, 135.825, and 143.119, RSMo, and to enact in lieu thereof seven new sections relating to tax credits.

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

Section A. Sections 135.800, 135.802, 135.805, 135.810, 2 135.815, 135.825, and 143.119, RSMo, are repealed and seven new 3 sections enacted in lieu thereof, to be known as sections 4 135.800, 135.802, 135.805, 135.810, 135.815, 135.825, and 5 143.119, to read as follows:

135.800. 1. The provisions of sections 135.800 to 2 135.830 shall be known and may be cited as the "Tax Credit 3 Accountability Act of 2004".

4 2. As used in sections 135.800 to 135.830, the 5 following terms mean:

6 (1) "Administering agency", the state agency or 7 department charged with administering a particular tax 8 credit program, as set forth by the program's enacting 9 statute **or by executive order**; where no department or agency 10 is set forth, the department of revenue;

11 (2) "Agricultural tax credits", the agricultural 12 product utilization contributor tax credit created pursuant 13 to section 348.430, the new generation cooperative incentive 14 tax credit created pursuant to section 348.432, the family 15 farm breeding livestock loan tax credit created under 16 section 348.505, the qualified beef tax credit created under

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

17 section 135.679, and the wine and grape production tax  
18 credit created pursuant to section 135.700;

19 (3) ["All tax credit programs", or "any tax credit  
20 program", the tax credit programs included in the  
21 definitions of agricultural tax credits, business  
22 recruitment tax credits, community development tax credits,  
23 domestic and social tax credits, entrepreneurial tax  
24 credits, environmental tax credits, financial and insurance  
25 tax credits, housing tax credits, redevelopment tax credits,  
26 and training and educational tax credits;

27 (4) "Business recruitment tax credits", the business  
28 facility tax credit created pursuant to sections 135.110 to  
29 135.150 and section 135.258, the enterprise zone tax  
30 benefits created pursuant to sections 135.200 to 135.270,  
31 the business use incentives for large-scale development  
32 programs created pursuant to sections 100.700 to 100.850,  
33 the development tax credits created pursuant to sections  
34 32.100 to 32.125, the rebuilding communities tax credit  
35 created pursuant to section 135.535, the film production tax  
36 credit created pursuant to section 135.750, the enhanced  
37 enterprise zone created pursuant to sections 135.950 to  
38 135.970, and the Missouri quality jobs program created  
39 pursuant to sections 620.1875 to 620.1900;

40 [(5)] (4) "Community development tax credits", the  
41 neighborhood assistance tax credit created pursuant to  
42 sections 32.100 to 32.125, the family development account  
43 tax credit created pursuant to sections 208.750 to 208.775,  
44 the dry fire hydrant tax credit created pursuant to section  
45 320.093, and the transportation development tax credit  
46 created pursuant to section 135.545;

47 [(6)] (5) "Domestic and social tax credits", the youth  
48 opportunities tax credit created pursuant to section 135.460

49 and sections 620.1100 to 620.1103, the shelter for victims  
50 of domestic violence created pursuant to section 135.550,  
51 the senior citizen or disabled person property tax credit  
52 created pursuant to sections 135.010 to 135.035, the  
53 adoption tax credit created pursuant to sections 135.325 to  
54 135.339, the champion for children tax credit created  
55 pursuant to section 135.341, the maternity home tax credit  
56 created pursuant to section 135.600, the surviving spouse  
57 tax credit created pursuant to section 135.090, the  
58 residential treatment agency tax credit created pursuant to  
59 section 135.1150, the pregnancy resource center tax credit  
60 created pursuant to section 135.630, the food pantry tax  
61 credit created pursuant to section 135.647, [the health care  
62 access fund tax credit created pursuant to section 135.575,]  
63 the residential dwelling access tax credit created pursuant  
64 to section 135.562, the developmental disability care  
65 provider tax credit created under section 135.1180, the  
66 shared care tax credit created pursuant to section 192.2015,  
67 **the health, hunger, and hygiene tax credit created pursuant**  
68 **to section 135.1125**, and the diaper bank tax credit created  
69 pursuant to section 135.621;

70 [(7)] (6) "Entrepreneurial tax credits", the capital  
71 tax credit created pursuant to sections 135.400 to 135.429,  
72 the certified capital company tax credit created pursuant to  
73 sections 135.500 to 135.529, the seed capital tax credit  
74 created pursuant to sections 348.300 to 348.318, the new  
75 enterprise creation tax credit created pursuant to sections  
76 620.635 to 620.653, the research tax credit created pursuant  
77 to section 620.1039, the small business incubator tax credit  
78 created pursuant to section 620.495, the guarantee fee tax  
79 credit created pursuant to section 135.766, and the new

80 generation cooperative tax credit created pursuant to  
81 sections 32.105 to 32.125;

82 [(8)] (7) "Environmental tax credits", the charcoal  
83 producer tax credit created pursuant to section 135.313, the  
84 wood energy tax credit created pursuant to sections 135.300  
85 to 135.311, and the alternative fuel stations tax credit  
86 created pursuant to section 135.710;

87 [(9)] (8) "Financial and insurance tax credits", the  
88 bank franchise tax credit created pursuant to section  
89 148.030, the bank tax credit for S corporations created  
90 pursuant to section 143.471, the exam fee tax credit created  
91 pursuant to section 148.400, the health insurance pool tax  
92 credit created pursuant to section 376.975, the life and  
93 health insurance guaranty tax credit created pursuant to  
94 section 376.745, the property and casualty guaranty tax  
95 credit created pursuant to section 375.774, and the self-  
96 employed health insurance tax credit created pursuant to  
97 section 143.119;

98 [(10)] (9) "Housing tax credits", the neighborhood  
99 preservation tax credit created pursuant to sections 135.475  
100 to 135.487, the low-income housing tax credit created  
101 pursuant to sections 135.350 to 135.363, and the affordable  
102 housing tax credit created pursuant to sections 32.105 to  
103 32.125;

104 [(11)] (10) "Recipient", the individual or entity who  
105 **both:**

106 (a) Is the original applicant for [and who receives  
107 proceeds from a tax credit program directly from the  
108 administering agency, the person or entity responsible for  
109 the reporting requirements established in section 135.805] a  
110 **tax credit; and**

111           **(b) Who directly receives a tax credit or the right to**  
112 **transfer a tax credit under a tax credit program, regardless**  
113 **as to whether the tax credit has been used or redeemed; a**  
114 **recipient shall not include the transferee of a transferable**  
115 **tax credit;**

116           [(12)] **(11) "Redevelopment tax credits",** the historic  
117 preservation tax credit created pursuant to sections 253.545  
118 to 253.559, the brownfield redevelopment program tax credit  
119 created pursuant to sections 447.700 to 447.718, the  
120 community development corporations tax credit created  
121 pursuant to sections 135.400 to 135.430, the infrastructure  
122 tax credit created pursuant to subsection 6 of section  
123 100.286, the bond guarantee tax credit created pursuant to  
124 section 100.297, the disabled access tax credit created  
125 pursuant to section 135.490, the new markets tax credit  
126 created pursuant to section 135.680, and the distressed  
127 areas land assemblage tax credit created pursuant to section  
128 99.1205;

129           **(12) "Tax credit program", any of the tax credit**  
130 **programs included in the definitions of agricultural tax**  
131 **credits, business recruitment tax credits, community**  
132 **development tax credits, domestic and social tax credits,**  
133 **entrepreneurial tax credits, environmental tax credits,**  
134 **financial and insurance tax credits, housing tax credits,**  
135 **redevelopment tax credits, and training and educational tax**  
136 **credits;**

137           **(13) "Training and educational tax credits",** the  
138 Missouri works new jobs tax credit and Missouri works  
139 retained jobs credit created pursuant to sections 620.800 to  
140 620.809.

135.802. 1. Beginning January 1, 2005, all  
2 applications for all tax credit programs shall include, in

3 addition to any requirements provided by the enacting  
4 statutes of a particular credit program, the following  
5 information to be submitted to the department administering  
6 the tax credit:

7 (1) Name, address, and phone number of the applicant  
8 or applicants, and the name, address, and phone number of a  
9 contact person or agent for the applicant or applicants;

10 (2) Taxpayer type, whether individual, corporation,  
11 nonprofit or other, and taxpayer identification number, if  
12 applicable;

13 (3) Standard industry code, if applicable;

14 (4) Program name and type of tax credit, including the  
15 identity of any other state or federal program being  
16 utilized for the same activity or project; and

17 (5) Number of estimated jobs to be **directly** created,  
18 as a result of the tax credits, if applicable, separated by  
19 construction, part-time permanent, and full-time permanent.

20 2. In addition to the information required by  
21 subsection 1 of this section, an applicant for a community  
22 development tax credit shall also provide information  
23 detailing the title and location of the corresponding  
24 project, the estimated time period for completion of the  
25 project, and all geographic areas impacted by the project.

26 3. In addition to the information required by  
27 subsection 1 of this section, an applicant for a  
28 redevelopment tax credit shall also provide information  
29 detailing the location and legal description of the  
30 property, age of the structure, if applicable, whether the  
31 property is residential, commercial, or governmental, and  
32 the projected project cost, labor cost, and projected date  
33 of completion. Where a redevelopment tax credit applicant  
34 is required to submit contemporaneously a federal

35 application for a similar credit on the same underlying  
36 project, the submission of a copy of the federal application  
37 shall be sufficient to meet the requirements of this  
38 subsection.

39 4. In addition to the information required by  
40 subsection 1 of this section, an applicant for a business  
41 recruitment tax credit shall also provide information  
42 detailing the category of business by size, the address of  
43 the business headquarters and all offices located within  
44 this state, the number of employees at the time of the  
45 application, the number of employees projected to increase  
46 as a result of the completion of the project, and the  
47 estimated project cost.

48 5. In addition to the information required by  
49 subsection 1 of this section, an applicant for a training  
50 and educational tax credit shall also provide information  
51 detailing the name and address of the educational  
52 institution to be used, the average salary of workers to be  
53 served, the estimated project cost, and the number of  
54 employees and number of students to be served.

55 6. In addition to the information required by  
56 subsection 1 of this section, an applicant for a housing tax  
57 credit also shall provide information detailing the address,  
58 legal description, and fair market value of the property,  
59 and the projected labor cost and projected completion date  
60 of the project. Where a housing tax credit applicant is  
61 required to submit contemporaneously a federal application  
62 for a similar credit on the same underlying project, the  
63 submission of a copy of the federal application shall be  
64 sufficient to meet the requirements of this subsection. For  
65 the purposes of this subsection, "fair market value" means

66 the value as of the purchase of the property or the most  
67 recent assessment, whichever is more recent.

68 7. In addition to the information required by  
69 subsection 1 of this section, an applicant for an  
70 entrepreneurial tax credit shall also provide information  
71 detailing the amount of investment and the names of the  
72 project, fund, and research project.

73 8. In addition to the information required by  
74 subsection 1 of this section, an applicant for an  
75 agricultural tax credit shall also provide information  
76 detailing the type of agricultural commodity, the amount of  
77 contribution, the type of equipment purchased, and the name  
78 and description of the facility.

79 9. In addition to the information required by  
80 subsection 1 of this section, an applicant for an  
81 environmental tax credit shall also include information  
82 detailing the type of equipment, if applicable, purchased  
83 and any environmental impact statement, if required by state  
84 or federal law.

85 10. An administering agency, **or the department of**  
86 **economic development with the consent of an administering**  
87 **agency**, may, by rule, require additional information to be  
88 submitted by an applicant. Any rule or portion of a rule,  
89 as that term is defined in section 536.010, that is created  
90 pursuant to the authority delegated in this section shall  
91 become effective only if it complies with and is subject to  
92 all of the provisions of chapter 536 and if applicable,  
93 section 536.028. This section and chapter 536 are  
94 nonseverable and if any of the powers vested with the  
95 general assembly pursuant to chapter 536 to review, to delay  
96 the effective date or to disapprove and annul a rule are  
97 subsequently held unconstitutional, then the grant of



98 rulemaking authority and any rule proposed or adopted after  
99 August 28, 2004, shall be void.

100 11. Where the sole requirement for receiving a tax  
101 credit in the enabling legislation of any tax credit is an  
102 obligatory assessment upon a taxpayer or a monetary  
103 contribution to a particular group or entity, the  
104 application requirements provided in this section shall  
105 apply to the recipient of such assessment or contribution  
106 and shall not apply to the assessed nor the contributor.

107 12. It shall be the duty of each administering agency  
108 to provide information to every applicant, at some time  
109 prior to authorization of an applicant's tax credit  
110 application, wherein the requirements of this section, the  
111 annual reporting requirements of section 135.805, and the  
112 penalty provisions of section 135.810 are described in  
113 detail. **Every applicant for a tax credit under a tax credit**  
114 **program, as part of the application process and as a**  
115 **condition of receiving such tax credit, shall sign a**  
116 **statement affirming that the applicant is aware of the**  
117 **reporting requirements of section 135.805 and the penalty**  
118 **provisions of section 135.810.**

135.805. 1. A recipient of any tax credit program,  
2 except domestic and social tax credits, [environmental tax  
3 credits, or financial and insurance tax credits,] shall  
4 [annually] **on June thirtieth of each year**, for a period of  
5 three years following the issuance of the tax credits,  
6 provide to the administering agency the actual number of  
7 jobs **directly** created **that year as of June thirtieth** as a  
8 result of the tax credits, [at the location on the last day  
9 of the annual reporting period,] separated by part-time  
10 permanent and full-time permanent for each month of the  
11 preceding twelve-month period.

12           2. A recipient of a community development tax credit  
13 shall [annually] **on June thirtieth of each year**, for a  
14 period of three years following issuance of tax credits,  
15 provide to the administering agency information confirming  
16 the title and location of the corresponding project, **the**  
17 **estimated and actual project cost**, the estimated [or] **and**  
18 actual time period for completion of the project, and all  
19 geographic areas impacted by the project.

20           3. A recipient of a redevelopment tax credit shall  
21 [annually] **on June thirtieth of each year**, for a period of  
22 three years following issuance of tax credits, provide to  
23 the administering agency information confirming whether the  
24 property is used for residential, commercial, or  
25 governmental purposes, and the projected [or] **and** actual  
26 project cost, labor cost, and date of completion.

27           4. A recipient of a business recruitment tax credit  
28 shall [annually] **on June thirtieth of each year**, for a  
29 period of three years following issuance of tax credits,  
30 provide to the administering agency information confirming  
31 the category of business by size, the address of the  
32 business headquarters and all offices located within this  
33 state, the number of employees at the time of the annual  
34 update, an updated estimate of the number of employees  
35 projected to increase as a result of the completion of the  
36 project, and the estimated [or] **and** actual project cost.

37           5. A recipient of a training and educational tax  
38 credit shall [annually] **on June thirtieth of each year**, for  
39 a period of three years following issuance of tax credits,  
40 provide to the administering agency information confirming  
41 the name and address of the educational institution used,  
42 the average salary of workers served as of such annual  
43 update, the estimated [or] **and** actual project cost, and the

44 number of employees and number of students served as of such  
45 annual update.

46 6. A recipient of a housing tax credit shall  
47 **[annually] on June thirtieth of each year,** for a period of  
48 three years following issuance of tax credits, provide to  
49 the administering agency information confirming the address  
50 of the property, the fair market value of the property, as  
51 defined in subsection 6 of section 135.802, and the  
52 projected **[or] and** actual labor **[cost] and project costs** and  
53 completion date of the project.

54 7. A recipient of an entrepreneurial tax credit shall  
55 **[annually] on June thirtieth of each year,** for a period of  
56 three years following issuance of tax credits, provide to  
57 the administering agency information confirming the amount  
58 of investment and the names of the project, fund, and  
59 research project.

60 8. A recipient of an agricultural tax credit shall  
61 **[annually] on June thirtieth of each year,** for a period of  
62 three years following issuance of tax credits, provide to  
63 the administering agency information confirming the type of  
64 agricultural commodity, the amount of contribution, the type  
65 of equipment purchased, and the name and description of the  
66 facility, except that if the agricultural credit is issued  
67 as a result of a producer member investing in a new  
68 generation processing entity or new generation cooperative  
69 then the new generation processing entity or new generation  
70 cooperative, and not the recipient, shall **[annually] on June**  
71 **thirtieth of each year,** for a period of three years  
72 following issuance of tax credits, provide to the  
73 administering agency information confirming the type of  
74 agricultural commodity, the amount of contribution, the type

75 of equipment purchased, and the name and description of the  
76 facility.

77 9. A recipient of an environmental tax credit shall  
78 [annually] on June thirtieth of each year, for a period of  
79 three years following issuance of tax credits, provide to  
80 the administering agency information detailing any change to  
81 the type of equipment purchased, if applicable, and any  
82 change to any environmental impact statement, if such  
83 statement is required by state or federal law.

84 10. [The reporting requirements established in this  
85 section shall be due annually on June thirtieth of each  
86 year. No person or entity shall be required to make an  
87 annual report until at least one year after the credit  
88 issuance date.]

89 [11.] Where the sole requirement for receiving a tax  
90 credit in the enabling legislation of any tax credit is an  
91 obligatory assessment upon a taxpayer or a monetary  
92 contribution to a particular group or entity, the reporting  
93 requirements provided in this section shall apply to the  
94 recipient of such assessment or contribution and shall not  
95 apply to the assessed nor the contributor.

96 [12.] 11. Where the enacting statutes of a particular  
97 tax credit program or the rules of a particular  
98 administering agency require reporting of information that  
99 includes the information required in sections 135.802 to  
100 135.810, upon reporting of the required information, the  
101 applicant shall be deemed to be in compliance with the  
102 requirements of sections 135.802 to 135.810. The  
103 administering agency shall notify in writing the department  
104 of economic development of the administering agency's status  
105 as custodian of any particular tax credit program and that  
106 all records pertaining to the program are available at the

107 administering agency's office **or electronically** for review  
108 by the department of economic development.

109 [13.] 12. The provisions of subsections 1 to [10] 9 of  
110 this section shall apply beginning on June 30, 2005.

111 [14.] 13. Notwithstanding provisions of law to the  
112 contrary, every agency of this state charged with  
113 administering a tax credit program authorized under the laws  
114 of this state shall make available for public inspection the  
115 name of each tax credit recipient and the amount of tax  
116 credits issued to each such recipient. **An administering**  
117 **agency may satisfy this requirement by making such**  
118 **information available to the public through the department**  
119 **of economic development's website or the Missouri**  
120 **accountability portal.**

121 [15.] 14. The department of economic development shall  
122 make all information provided under the provisions of this  
123 section available for public inspection on the department's  
124 website and the Missouri accountability portal.

125 [16.] 15. The administering agency of any tax credit  
126 program for which reporting requirements are required under  
127 the provisions of subsection 1 of this section shall publish  
128 guidelines and may promulgate rules to implement the  
129 provisions of such subsection. Any rule or portion of a  
130 rule, as that term is defined in section 536.010, that is  
131 created under the authority delegated in this section shall  
132 become effective only if it complies with and is subject to  
133 all of the provisions of chapter 536 and, if applicable,  
134 section 536.028. This section and chapter 536 are  
135 nonseverable and if any of the powers vested with the  
136 general assembly pursuant to chapter 536 to review, to delay  
137 the effective date, or to disapprove and annul a rule are  
138 subsequently held unconstitutional, then the grant of

139 rulemaking authority and any rule proposed or adopted after  
140 August 28, 2009, shall be invalid and void.

135.810. 1. After credits have been issued, any  
2 failure to meet the annual reporting requirements  
3 established in section 135.805 or any determination of fraud  
4 in the application **or reporting** process shall result in  
5 penalties as follows:

6 (1) Failure to **file the first annual** report **due under**  
7 **section 135.805** for more than ~~[six]~~ **three** months ~~[but less~~  
8 ~~than one year]~~ shall result in a penalty equal to ~~[two]~~ **one**  
9 percent of the value of the credits issued for each month of  
10 delinquency ~~[during such time period]~~, **provided such penalty**  
11 **shall not exceed a maximum of ten percent of the value of**  
12 **the credits issued;**

13 (2) Failure to ~~[report]~~ **file the second or third**  
14 **annual reports due under section 135.805** for more than ~~[one~~  
15 ~~year]~~ **three months** shall result in a penalty equal to ~~[ten]~~  
16 **one and one-half** percent of the value of the credits issued  
17 for each month of delinquency ~~[during such time period]~~ up  
18 to ~~[one hundred percent of the value of the credit issued is~~  
19 ~~assessed by way of penalty]~~ **a maximum of twenty percent, per**  
20 **report, of the value of the credits issued;**

21 (3) Fraud in the application **or reporting** process  
22 shall result in a penalty equal to ~~[one]~~ **two** hundred percent  
23 of the credits issued. No taxpayer shall be deemed to have  
24 committed fraud in the application **or reporting** process for  
25 any credit unless such conclusion has been reached by ~~[a~~  
26 ~~court of competent jurisdiction or]~~ the administrative  
27 hearing commission. **The department of revenue, the**  
28 **department of economic development, or the administering**  
29 **agency may, by filing a complaint, submit to the**  
30 **administrative hearing commission the question of whether**

31 fraud in the application or reporting process for any credit  
32 has occurred. The burden of proof shall be on the  
33 governmental agency in such disputes. The issue shall be  
34 decided by the administrative hearing commission under the  
35 same procedural and evidentiary rules as ordinary contested  
36 cases before it.

37 2. [~~Ninety~~] **Thirty** days after the annual report is  
38 past due, the administering agency shall send notice by  
39 registered **or certified** mail to the last known address of  
40 the person or entity obligated to complete the annual  
41 reporting informing such person or entity of the past-due  
42 annual report and describing in detail the pending penalties  
43 and their respective deadlines. [~~Six~~] **Three** months after  
44 the annual report is past due, the administering agency  
45 shall notify the department of revenue of any taxpayer  
46 subject to penalties. The [~~taxpayer shall be liable for any~~  
47 ~~penalties as of December thirty-first of any tax year and~~  
48 ~~such liability~~] **payment of a penalty under this section**  
49 shall be due as of the filing date of the taxpayer's next  
50 income tax return. If the taxpayer is not required to file  
51 an income tax return, the taxpayer's liability for penalties  
52 shall be due as of **the next** April fifteenth[ ~~of each year~~].  
53 The director of the department of revenue shall prepare  
54 forms and promulgate rules to allow for the reporting and  
55 satisfaction of liability for such penalties, **and, for**  
56 **valuable consideration, may enter into agreements to**  
57 **compromise or abate some or all of the penalty amount.** The  
58 director of the department of revenue shall offset any  
59 credits claimed on a contemporaneously filed tax return  
60 against an outstanding penalty before applying such credits  
61 to the tax year against which they were originally claimed.  
62 Any nonpayment of liability for penalties **by the date due**

63 **under this subsection** shall be subject to the same  
64 provisions of law as a liability for unpaid income taxes,  
65 including[, but not limited to, interest and penalty  
66 provisions] **underpayment interest provisions but excluding**  
67 **income tax penalty and addition to tax provisions.**

68 3. Penalties shall remain the liability of the person  
69 or entity obligated to complete the annual reporting,  
70 without regard to any transfer of the credits.

71 4. Any person or entity obligated to complete the  
72 annual reporting requirements provided in section 135.805  
73 shall provide the proper administering agency with notice of  
74 change of address when [necessary] **a change of address**  
75 **occurs. The administering agency shall notify the department**  
76 **of revenue and the department of economic development of**  
77 **such change of address.**

78 5. An administering agency may promulgate rules in  
79 order to implement the provisions of this section. Any rule  
80 or portion of a rule, as that term is defined in section  
81 536.010, that is created under the authority delegated in  
82 this section shall become effective only if it complies with  
83 and is subject to all of the provisions of chapter 536 and,  
84 if applicable, section 536.028. This section and chapter  
85 536 are nonseverable and if any of the powers vested with  
86 the general assembly pursuant to chapter 536 to review, to  
87 delay the effective date, or to disapprove and annul a rule  
88 are subsequently held unconstitutional, then the grant of  
89 rulemaking authority and any rule proposed or adopted after  
90 August 28, 2004, shall be invalid and void.

135.815. 1. Prior to authorization of any tax credit  
2 application, an administering agency shall verify through  
3 the department of revenue that the tax credit applicant does  
4 not owe any delinquent income, sales, or use taxes, or



5 interest, **additions**, or penalties on such taxes, and through  
6 the department of commerce and insurance that the applicant  
7 does not owe any delinquent insurance taxes. Such  
8 delinquency shall not affect the authorization of the  
9 application for such tax credits, except that the amount of  
10 credits issued shall be reduced by the applicant's tax  
11 delinquency. If the department of revenue or the department  
12 of commerce and insurance concludes that a taxpayer is  
13 delinquent after June fifteenth but before July first of any  
14 year, and the application of tax credits to such delinquency  
15 causes a tax deficiency on behalf of the taxpayer to arise,  
16 then the taxpayer shall be granted thirty days to satisfy  
17 the deficiency in which interest, penalties, and additions  
18 to tax shall be tolled. After applying all available  
19 credits towards a tax delinquency, the administering agency  
20 shall notify the appropriate department, and that department  
21 shall update the amount of outstanding delinquent tax owed  
22 by the applicant. If any credits remain after satisfying  
23 all insurance, income, sales, and use tax delinquencies, the  
24 remaining credits shall be issued to the applicant, subject  
25 to the restrictions of other provisions of law.

26 2. Any applicant of a tax credit program [contained in  
27 the definition of the term "all tax credit programs"] who  
28 [purposely and directly] **knowingly** employs unauthorized  
29 aliens shall forfeit any tax credits issued to such  
30 applicant which have not been redeemed, and shall repay the  
31 amount of any tax credits redeemed by such applicant during  
32 the period of time such unauthorized alien was employed by  
33 the applicant. **Such forfeiture and repayment shall be**  
34 **additional to, and not in lieu of, any penalties imposed**  
35 **pursuant to section 135.810.** As used in this subsection,  
36 the term "unauthorized alien" shall mean an alien who does

37 not have the legal right or authorization under federal law  
38 to work in the United States, as defined under Section 8  
39 U.S.C. 1324a(h) (3). **The amount of tax credits required to**  
40 **be repaid under this subsection, but which are not repaid by**  
41 **the applicant, shall be subject to the same procedure and**  
42 **provisions of law as a liability for unpaid income tax**  
43 **arising on the date that the department of revenue became**  
44 **aware of the violation of this provision.**

135.825. 1. The administering agencies for all tax  
2 credit programs shall, in cooperation with the department of  
3 revenue **and the department of economic development,**  
4 implement a system for tracking the amount of tax credits  
5 authorized, issued, and redeemed. Any such agency may  
6 promulgate rules for the implementation of this section.

7 2. The provisions of this section shall not apply to  
8 any credit that is issued and redeemed simultaneously.

9 3. Any rule or portion of a rule, as that term is  
10 defined in section 536.010, that is created under the  
11 authority delegated in this section shall become effective  
12 only if it complies with and is subject to all of the  
13 provisions of chapter 536 and, if applicable, section  
14 536.028. This section and chapter 536 are nonseverable and  
15 if any of the powers vested with the general assembly  
16 pursuant to chapter 536 to review, to delay the effective  
17 date, or to disapprove and annul a rule are subsequently  
18 held unconstitutional, then the grant of rulemaking  
19 authority and any rule proposed or adopted after August 28,  
20 2004, shall be invalid and void.

143.119. 1. A self-employed taxpayer, as such term is  
2 used in the federal internal revenue code, who is otherwise  
3 ineligible for the federal income tax health insurance  
4 deduction under Section 162 of the federal internal revenue

5 code shall be entitled to a credit against the tax otherwise  
6 due under this chapter, excluding withholding tax imposed by  
7 sections 143.191 to 143.265, in an amount equal to the  
8 portion of such taxpayer's federal tax liability incurred  
9 due to such taxpayer's inclusion of such payments in federal  
10 adjusted gross income. **To be eligible for a credit under**  
11 **this section, the self-employed taxpayer shall have a**  
12 **Missouri income tax liability, before any other tax credits,**  
13 **of less than three thousand dollars.** The tax credits  
14 authorized under this section shall be nontransferable,  
15 **nonrefundable, and shall not be carried back or forward to**  
16 **any other tax year.** [To the extent tax credit issued under  
17 this section exceeds a taxpayer's state income tax  
18 liability, such excess shall be considered an overpayment of  
19 tax and shall be refunded to the taxpayer.] **A self-employed**  
20 **taxpayer shall not claim both a tax credit under this**  
21 **section and a subtraction under section 143.113, for the**  
22 **same tax year.**

23 2. The director of the department of revenue shall  
24 promulgate rules and regulations to administer the  
25 provisions of this section. Any rule or portion of a rule,  
26 as that term is defined in section 536.010, that is created  
27 under the authority delegated in this section shall become  
28 effective only if it complies with and is subject to all of  
29 the provisions of chapter 536 and, if applicable, section  
30 536.028. This section and chapter 536 are nonseverable and  
31 if any of the powers vested with the general assembly  
32 pursuant to chapter 536 to review, to delay the effective  
33 date, or to disapprove and annul a rule are subsequently  
34 held unconstitutional, then the grant of rulemaking  
35 authority and any rule proposed or adopted after August 28,  
36 2007, shall be invalid and void.

37           3. Pursuant to section 23.253 of the Missouri sunset  
38 act:

39           (1) The provisions of this section shall sunset  
40 automatically on December 31, 2028, unless reauthorized by  
41 an act of the general assembly; and

42           (2) If such program is reauthorized, this section  
43 shall sunset automatically December thirty-first six years  
44 after the effective date of the reauthorization of this  
45 section; and

46           (3) This section shall terminate on September first of  
47 the calendar year immediately following the calendar year in  
48 which the program authorized under this section is sunset;  
49 and

50           (4) The provisions of this subsection shall not be  
51 construed to limit or in any way impair the department's  
52 ability to redeem tax credits authorized on or before the  
53 date the program authorized pursuant to this section  
54 expires, or a taxpayer's ability to redeem such tax credits.

✓