

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2170

102ND GENERAL ASSEMBLY

4292S.03C

KRISTINA MARTIN, Secretary

AN ACT

To amend chapters 135 and 620, RSMo, by adding thereto ten new sections relating to income taxes.

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

Section A. Chapters 135 and 620, RSMo, are amended by
2 adding thereto ten new sections, to be known as sections
3 135.1310, 135.1325, 135.1350, 620.3500, 620.3505, 620.3510,
4 620.3515, 620.3520, 620.3525, and 620.3530, to read as follows:

135.1310. 1. This section shall be known and may be
2 cited as the "Child Care Contribution Tax Credit Act".

3 2. For purposes of this section, the following terms
4 shall mean:

5 (1) "Child care", the same as defined in section
6 210.201;

7 (2) "Child care desert", a census tract that has a
8 poverty rate of at least twenty percent or a median family
9 income of less than eighty percent of the statewide average
10 and where at least five hundred people or thirty-three
11 percent of the population are located at least one-half mile
12 away from a child care provider in urbanized areas or at
13 least ten miles away in rural areas;

14 (3) "Child care provider", a child care provider as
15 defined in section 210.201 that is licensed pursuant to
16 section 210.221, or that is unlicensed and that is

17 registered with the department of elementary and secondary
18 education;

19 (4) "Contribution", an eligible donation of cash,
20 stock, bonds or other marketable securities, or real
21 property. "Contribution" shall include the reasonable
22 purchase price paid for an employer's purchase of child care
23 from a child care provider for the children of the
24 employer's employees;

25 (5) "Department", the Missouri department of economic
26 development;

27 (6) "Intermediary", a nonprofit organization that is,
28 or agrees to become, subject to the jurisdiction of this
29 state for the purposes of the administration and enforcement
30 of this section, and that distributes funds for the purposes
31 of supporting a child care provider;

32 (7) "Person related to the taxpayer", an individual
33 connected with the taxpayer by blood, adoption, or marriage,
34 or an individual, corporation, partnership, limited
35 liability company, trust, or association controlled by, or
36 under the control of, the taxpayer directly, or through an
37 individual, corporation, limited liability company,
38 partnership, trust, or association under the control of the
39 taxpayer;

40 (8) "Rural area", a town or community within the state
41 that is not within a metropolitan statistical area and has a
42 population of six thousand or fewer inhabitants as
43 determined by the last preceding federal decennial census or
44 any unincorporated area not within a metropolitan
45 statistical area;

46 (9) "State tax liability", any liability incurred by a
47 taxpayer pursuant to chapter 143 or chapter 148, exclusive
48 of the provisions relating to the withholding of tax as

49 provided for in sections 143.191 to 143.265 and related
50 provisions;

51 (10) "Tax credit", a credit against the taxpayer's
52 state tax liability;

53 (11) "Taxpayer", a corporation as defined in section
54 143.441 or 143.471, any charitable organization that is
55 exempt from federal income tax and whose Missouri unrelated
56 business taxable income, if any, would be subject to the
57 state income tax imposed under chapter 143, or individuals
58 or partnerships subject to the state income tax imposed by
59 the provisions of chapter 143.

60 3. For all tax years beginning on or after January 1,
61 2025, a taxpayer may claim the tax credit authorized in this
62 section against the taxpayer's state tax liability for the
63 tax year in which a verified contribution was made in an
64 amount equal to seventy-five percent of the verified
65 contribution to a child care provider or intermediary. The
66 minimum amount of any tax credit issued shall not be less
67 than one hundred dollars and shall not exceed two hundred
68 thousand dollars per tax year.

69 (1) The child care provider or intermediary shall
70 apply to the department to participate in the program
71 established in this section, using a form prescribed by the
72 department. The department shall determine eligibility and
73 enter into an agreement that meets the requirement of
74 section 620.017 with an eligible child care facility or
75 intermediary. Only contributions to child care providers
76 and intermediaries that have entered into an agreement with
77 the department may receive a tax credit pursuant to this
78 section.

79 (2) The child care provider or intermediary receiving
80 a contribution shall, within sixty days of the date it

81 received the contribution, file a contribution verification
82 with the department and issue a copy of the contribution
83 verification to the taxpayer. The contribution verification
84 shall be in the form established by the department and shall
85 include the taxpayer's name, taxpayer's state or federal tax
86 identification number or last four digits of the taxpayer's
87 Social Security number, amount of tax credit sought, amount
88 or description of contribution, legal name and address of
89 the child care provider receiving the tax credit, the child
90 care provider's federal employer identification number, the
91 child care provider's department of elementary and secondary
92 education vendor number or license number, the date the
93 child care provider received the contribution from the
94 taxpayer, and any other information requested by the
95 department. The contribution verification shall include a
96 signed attestation stating, in the case of a child care
97 provider, that the child care provider will use the
98 contribution solely to promote child care and, in the case
99 of an intermediary, that the intermediary will distribute
100 the contribution and any income thereon in full to one or
101 more child care providers within two years of receipt.

102 (3) The failure of the child care provider or
103 intermediary to timely issue the contribution verification
104 to the taxpayer or file it with the department shall entitle
105 the taxpayer to a refund of the contribution from the child
106 care provider or intermediary.

107 4. A contribution, whether received from the taxpayer
108 claiming the tax credit pursuant to this section or from an
109 intermediary, is eligible when:

110 (1) The contribution is used directly by a child care
111 provider to promote child care for children twelve years of
112 age or younger, including by acquiring or improving child

113 care facilities, equipment, or services, staff salaries,
114 staff training, or improving the quality of child care;

115 (2) The contribution, if made to an intermediary, is
116 distributed in full by the intermediary within two years of
117 receipt to one or more child care providers for the sole
118 purpose of promoting child care for children twelve years of
119 age or younger;

120 (3) The contribution is made to a child care provider
121 or intermediary in which the taxpayer or a person related to
122 the taxpayer does not have a direct financial interest;

123 (4) The contribution made to an intermediary is not
124 designated for a child care provider in which the taxpayer
125 or a person related to the taxpayer has a direct financial
126 interest; and

127 (5) The contribution is not made in exchange for care
128 of a child or children, unless the contribution is made by
129 an employer in purchasing child care for the children of the
130 employer's employees.

131 5. A child care provider or intermediary that uses the
132 contribution for an ineligible purpose shall repay to the
133 department the value of the tax credit for the contribution
134 amount used for an ineligible purpose. An intermediary that
135 accepts a contribution and issues a taxpayer a contribution
136 verification is itself permanently ineligible to claim or
137 redeem a tax credit pursuant to this section.

138 6. (1) The tax credits authorized by this section
139 shall not be refundable and shall not be transferred, sold,
140 or otherwise conveyed. Any amount of approved tax credits
141 that a taxpayer is prohibited by this subsection from using
142 for the tax year in which the credit is first claimed may be
143 carried forward to the taxpayer's subsequent tax year for up
144 to six succeeding tax years.

145 (2) In the case of a taxpayer that has or elects pass-
146 through taxation pursuant to federal income tax law, the tax
147 credits issued pursuant to this section shall be apportioned
148 in proportion to the share of ownership of the taxpayer on
149 the last day of the taxpayer's tax period for which such tax
150 credits will be issued, to the following:

151 (a) The shareholders of the S corporation;

152 (b) The partners in a partnership; or

153 (c) The members of a limited liability company that
154 has or elects pass-through taxation pursuant to federal
155 income tax law.

156 (3) A taxpayer shall not claim a tax credit pursuant
157 to this section and a tax credit pursuant to section
158 135.1325 for the same contribution or expenditure.

159 7. Notwithstanding any provision of subsection 6 of
160 this section to the contrary, a taxpayer that is exempt,
161 under 26 U.S.C. Section 501(c)(3), and any amendments
162 thereto, from all or part of the federal income tax shall be
163 eligible for a refund of its tax credit issued under this
164 section, without regard to whether it has incurred any state
165 tax liability. Such exempt taxpayer may claim a refund of
166 the tax credit on its tax return required to be filed under
167 the provisions of chapter 143, exclusive of the return for
168 the withholding of tax under sections 143.191 to 143.265.
169 If such exempt taxpayer is not required to file a tax return
170 under the provisions of chapter 143, the exempt taxpayer may
171 claim a refund of the tax credit on a refund claim form
172 prescribed by the department of revenue. The department of
173 revenue shall prescribe such forms, instructions, and rules
174 as it deems appropriate to carry out the provisions of this
175 subsection.

176 8. (1) The amount of tax credits authorized pursuant
177 to this section shall not exceed twenty million dollars for
178 each calendar year. The department shall approve tax credit
179 applications on a first-come, first-served basis until the
180 tax credit authorization limit is reached for the calendar
181 year. A taxpayer shall apply to the department for the
182 child care contribution tax credit by submitting a copy of
183 the contribution verification provided by a child care
184 provider or intermediary to such taxpayer. Upon receipt of
185 such contribution verification, the department shall issue a
186 tax credit certificate to the taxpayer.

187 (2) If the maximum amount of tax credits allowed in
188 any calendar year as provided pursuant to subdivision (1) of
189 this subsection is authorized, the maximum amount of tax
190 credits allowed pursuant to subdivision (1) of this
191 subsection shall be increased by fifteen percent, provided
192 that all such increases in the allowable amount of tax
193 credits shall be reserved for contributions made to child
194 care providers located in a child care desert. The director
195 of the department shall publish such adjusted amount.

196 9. The tax credits allowed under this section shall be
197 considered a domestic and social tax credit under
198 subdivision (5) of subsection 2 of section 135.800.

199 10. All action and communication undertaken or
200 required under this section shall be exempt from section
201 105.1500.

202 11. The department may promulgate rules to implement
203 and administer the provisions of this section. Any rule or
204 portion of a rule, as that term is defined in section
205 536.010, that is created pursuant to the authority delegated
206 in this section shall become effective only if it complies
207 with and is subject to all of the provisions of chapter 536

208 and, if applicable, section 536.028. This section and
209 chapter 536 are nonseverable and if any of the powers vested
210 with the general assembly pursuant to chapter 536 to review,
211 to delay the effective date, or to disapprove and annul a
212 rule are subsequently held unconstitutional, then the grant
213 of rulemaking authority and any rule proposed or adopted
214 after August 28, 2024, shall be invalid and void.

215 12. Pursuant to section 23.253 of the Missouri sunset
216 act:

217 (1) The program authorized under this section shall
218 expire on December 31, 2030, unless reauthorized by the
219 general assembly;

220 (2) If such program is reauthorized, the program
221 authorized under this section shall automatically sunset six
222 years after the effective date of the reauthorization of
223 this section;

224 (3) This section shall terminate on September first of
225 the calendar year immediately following the calendar year in
226 which the program authorized under this section is sunset;
227 and

228 (4) The provisions of this subsection shall not be
229 construed to limit or in any way impair the department of
230 revenue's ability to redeem tax credits authorized on or
231 before the date the program authorized pursuant to this
232 section expires or a taxpayer's ability to redeem such tax
233 credits.

135.1325. 1. This section shall be known and may be
2 cited as the "Employer Provided Child Care Assistance Tax
3 Credit Act".

4 2. For purposes of this section, the following terms
5 shall mean:

6 (1) "Child care desert", a census tract that has a
7 poverty rate of at least twenty percent or a median family
8 income of less than eighty percent of the statewide average
9 and where at least five hundred people or thirty-three
10 percent of the population are located at least one-half mile
11 away from a child care provider in urbanized areas or at
12 least ten miles away in rural areas;

13 (2) "Child care facility", a child care facility as
14 defined in section 210.201 that is licensed pursuant to
15 section 210.221, or that is unlicensed and that is
16 registered with the department of elementary and secondary
17 education;

18 (3) "Child care provider", a child care provider as
19 defined in section 210.201 that is licensed pursuant to
20 section 210.221, or that is unlicensed and that is
21 registered with the department of elementary and secondary
22 education;

23 (4) "Department", the Missouri department of economic
24 development;

25 (5) "Employer matching contribution", a contribution
26 made by the taxpayer to a cafeteria plan, as that term is
27 used in 26 U.S.C. Section 125, of an employee of the
28 taxpayer, which matches a dollar amount or percentage of the
29 employee's contribution to the cafeteria plan. "Employer
30 matching contribution" shall not include the amount of any
31 salary reduction or other compensation foregone by the
32 employee in connection with the cafeteria plan;

33 (6) "Qualified child care expenditure", an amount paid
34 of reasonable costs incurred that meet any of the following:

35 (a) To acquire, construct, rehabilitate, or expand
36 property that will be, or is, used as part of a child care
37 facility that is either operated by the taxpayer or

38 contracted with by the taxpayer and which does not
39 constitute part of the principal residence of the taxpayer
40 or any employee of the taxpayer;

41 (b) For the operating costs of a child care facility
42 of the taxpayer, including costs relating to the training of
43 child care employees, scholarship programs, and for
44 compensation to child care employees; or

45 (c) Under a contract with a child care facility to
46 provide child care services to employees of the taxpayer; or

47 (d) As an employer matching contribution, but only to
48 the extent such employer matching contribution is restricted
49 by the taxpayer solely for the taxpayer's employee to obtain
50 child care services at a child care facility and is used for
51 that purpose during the tax year;

52 (7) "Rural area", a town or community within the state
53 that is not within a metropolitan statistical area and has a
54 population of six thousand or fewer inhabitants as
55 determined by the last preceding federal decennial census or
56 any unincorporated area not within a metropolitan
57 statistical area;

58 (8) "State tax liability", any liability incurred by
59 the taxpayer pursuant to the provisions of chapter 143 or
60 chapter 148, exclusive of the provisions relating to the
61 withholding of tax as provided for in sections 143.191 to
62 143.265 and related provisions;

63 (9) "Tax credit", a credit against the taxpayer's
64 state tax liability;

65 (10) "Taxpayer", a corporation as defined in section
66 143.441 or 143.471, any charitable organization that is
67 exempt from federal income tax and whose Missouri unrelated
68 business taxable income, if any, would be subject to the
69 state income tax imposed under chapter 143, or individuals

70 or partnerships subject to the state income tax imposed by
71 the provisions of chapter 143.

72 3. For all tax years beginning on or after January 1,
73 2025, a taxpayer with two or more employees may claim a tax
74 credit authorized in this section in an amount equal to
75 thirty percent of the qualified child care expenditures paid
76 or incurred with respect to a child care facility in order
77 to provide child care to the taxpayer's employees. The
78 maximum amount of any tax credit issued under this section
79 shall not exceed two hundred thousand dollars per taxpayer
80 per tax year.

81 4. A facility shall not be treated as a child care
82 facility with respect to a taxpayer unless enrollment in the
83 facility is open to the dependents of employees of the
84 taxpayer during the tax year, provided that the dependents
85 fall within the age range ordinarily cared for by, and only
86 require a level of care ordinarily provided by, such
87 facility.

88 5. (1) The tax credits authorized by this section
89 shall not be refundable or transferable. The tax credits
90 shall not be sold, assigned, or otherwise conveyed. Any
91 amount of approved tax credits that a taxpayer is prohibited
92 by this subsection from using for the tax year in which the
93 credit is first claimed may be carried forward to the
94 taxpayer's subsequent tax year for up to six succeeding tax
95 years.

96 (2) In the case of a taxpayer that has or elects pass-
97 through taxation pursuant to federal income tax law, the tax
98 credits issued pursuant to this section shall be apportioned
99 in proportion to the share of ownership of the taxpayer on
100 the last day of the taxpayer's tax period for which such tax
101 credits will be issued, to the following:

102 (a) The shareholders of the S corporation;
103 (b) The partners in a partnership; or
104 (c) The members of a limited liability company that
105 has or elects pass-through taxation pursuant to federal
106 income tax law.

107 (3) A taxpayer shall not claim a tax credit pursuant
108 to this section and a tax credit pursuant to section
109 135.1310 or 135.1350 for the same contribution or
110 expenditure.

111 6. Notwithstanding any provision of subsection 5 of
112 this section to the contrary, a taxpayer that is exempt,
113 under 26 U.S.C. Section 501(c)(3), and any amendments
114 thereto, from all or part of the federal income tax shall be
115 eligible for a refund of its tax credit issued under this
116 section, without regard to whether it has incurred any state
117 tax liability. Such exempt taxpayer may claim a refund of
118 the tax credit on its tax return required to be filed under
119 the provisions of chapter 143, exclusive of the return for
120 the withholding of tax under sections 143.191 to 143.265.
121 If such exempt taxpayer is not required to file a tax return
122 under the provisions of chapter 143, the exempt taxpayer may
123 claim a refund of the tax credit on a refund claim form
124 prescribed by the department of revenue. The department of
125 revenue shall prescribe such forms, instructions, and rules
126 as it deems appropriate to carry out the provisions of this
127 subsection.

128 7. (1) The amount of tax credits authorized pursuant
129 to this section shall not exceed twenty million dollars for
130 each calendar year. The department shall approve tax credit
131 applications on a first-come, first-served basis until the
132 tax credit authorization limit is reached for the calendar
133 year.

134 (2) If the maximum amount of tax credits allowed in
135 any calendar year as provided pursuant to subdivision (1) of
136 this subsection is authorized, the maximum amount of tax
137 credits allowed pursuant to subdivision (1) of this
138 subsection shall be increased by fifteen percent, provided
139 that all such increases in the allowable amount of tax
140 credits shall be reserved for qualified child care
141 expenditures for child care facilities located in a child
142 care desert. The director of the department shall publish
143 such adjusted amount.

144 8. A taxpayer who has been issued a tax credit under
145 this section shall notify the department within sixty days
146 of any cessation of operation, change in ownership, or
147 agreement to assume recapture liability as such terms are
148 defined by 26 U.S.C. Section 45F, in the form and manner
149 prescribed by department rule or instruction. If there is a
150 cessation of operation or change in ownership relating to a
151 child care facility, the department may require the taxpayer
152 to repay the department an amount equal to the credit issued
153 under this section, but this recapture amount shall be
154 limited to the tax credit allowed under this section. The
155 recapture amount shall be considered a tax liability arising
156 on the tax payment due date for the tax year in which the
157 cessation of operation, change in ownership, or agreement to
158 assume recapture liability occurred and shall be assessed
159 and collected under the same provisions that apply to a tax
160 liability under chapter 143 or chapter 148, provided that no
161 interest shall be assessed against any amounts recaptured
162 pursuant to this subsection.

163 9. The tax credit allowed pursuant to this section
164 shall be considered a domestic and social tax credit under
165 subdivision (5) of subsection 2 of section 135.800.

166 10. All action and communication undertaken or
167 required under this section shall be exempt from the
168 provisions of section 105.1500.

169 11. The department may promulgate rules to implement
170 and administer the provisions of this section. Any rule or
171 portion of a rule, as that term is defined in section
172 536.010, that is created pursuant to the authority delegated
173 in this section shall become effective only if it complies
174 with and is subject to all of the provisions of chapter 536
175 and, if applicable, section 536.028. This section and
176 chapter 536 are nonseverable and if any of the powers vested
177 with the general assembly pursuant to chapter 536 to review,
178 to delay the effective date, or to disapprove and annul a
179 rule are subsequently held unconstitutional, then the grant
180 of rulemaking authority and any rule proposed or adopted
181 after August 28, 2024, shall be invalid and void.

182 12. Pursuant to section 23.253 of the Missouri sunset
183 act:

184 (1) The program authorized under this act shall expire
185 on December 31, 2030, unless reauthorized by the general
186 assembly;

187 (2) If such program is reauthorized, the program
188 authorized under this act shall automatically sunset six
189 years after the effective date of the reauthorization of
190 this section;

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

195 (4) The provisions of this subsection shall not be
196 construed to limit or in any way impair the department of
197 revenue's ability to redeem tax credits authorized on or

198 before the date the program authorized pursuant to this
199 section expires or a taxpayer's ability to redeem such tax
200 credits.

135.1350. 1. This section shall be known and may be
2 cited as the "Child Care Providers Tax Credit Act".

3 2. For purposes of this section, the following terms
4 shall mean:

5 (1) "Capital expenditures", expenses incurred by a
6 child care provider, during the tax year for which a tax
7 credit is claimed pursuant to this section, for the
8 construction, renovation, or rehabilitation of a child care
9 facility to the extent necessary to operate a child care
10 facility and comply with applicable child care facility
11 regulations promulgated by the department of elementary and
12 secondary education;

13 (2) "Child care desert", a census tract that has a
14 poverty rate of at least twenty percent or a median family
15 income of less than eighty percent of the statewide average
16 and where at least five hundred people or thirty-three
17 percent of the population are located at least one-half mile
18 away from a child care provider in urbanized areas or at
19 least ten miles away in rural areas;

20 (3) "Child care facility", a child care facility as
21 defined in section 210.201 that is licensed pursuant to
22 section 210.221, or that is unlicensed and that is
23 registered with the department of elementary and secondary
24 education;

25 (4) "Child care provider", a child care provider as
26 defined in section 210.201 that is licensed pursuant to
27 section 210.221, or that is unlicensed and that is
28 registered with the department of elementary and secondary
29 education;

30 (5) "Department", the department of elementary and
31 secondary education;

32 (6) "Eligible employer withholding tax", the total
33 amount of tax that the child care provider was required,
34 under section 143.191, to deduct and withhold from the wages
35 it paid to employees during the tax year for which the child
36 care provider is claiming a tax credit pursuant to this
37 section, to the extent actually paid. "Eligible employer
38 withholding tax" shall not include any additional voluntary
39 withholding requested by an employee;

40 (7) "Employee", an employee, as that term is used in
41 subsection 2 of section 143.191, of a child care provider
42 who worked for the child care provider for an average of at
43 least ten hours per week for at least a three-month period
44 during the tax year for which a tax credit is claimed
45 pursuant to this section and who is not an immediate family
46 member of the child care provider;

47 (8) "Rural area", a town or community within the state
48 that is not within a metropolitan statistical area and has a
49 population of six thousand or fewer inhabitants as
50 determined by the last preceding federal decennial census or
51 any unincorporated area not within a metropolitan
52 statistical area;

53 (9) "State tax liability", any liability incurred by
54 the taxpayer pursuant to the provisions of chapter 143,
55 exclusive of the provisions relating to the withholding of
56 tax as provided for in sections 143.191 to 143.265 and
57 related provisions;

58 (10) "Tax credit", a credit against the taxpayer's
59 state tax liability;

60 (11) "Taxpayer", a corporation as defined in section
61 143.441 or 143.471, any charitable organization that is

62 exempt from federal income tax and whose Missouri unrelated
63 business taxable income, if any, would be subject to the
64 state income tax imposed under chapter 143, or an individual
65 or partnership subject to the state income tax imposed by
66 the provisions of chapter 143.

67 3. For all tax years beginning on or after January 1,
68 2025, a child care provider with three or more employees may
69 claim a tax credit authorized in this section in an amount
70 equal to the child care provider's eligible employer
71 withholding tax, and may also claim a tax credit in an
72 amount up to thirty percent of the child care provider's
73 capital expenditures. No tax credit for capital
74 expenditures shall be allowed if the capital expenditures
75 are less than one thousand dollars. The amount of any tax
76 credit issued under this section shall not exceed two
77 hundred thousand dollars per child care provider per tax
78 year.

79 4. To claim a tax credit authorized pursuant to this
80 section, a child care provider shall submit to the
81 department, for preliminary approval, an application for the
82 tax credit on a form provided by the department and at such
83 times as the department may require. If the child care
84 provider is applying for a tax credit for capital
85 expenditures, the child care provider shall present proof
86 acceptable to the department that the child care provider's
87 capital expenditures satisfy the requirements of subdivision
88 (1) of subsection 2 of this section. Upon final approval of
89 an application, the department shall issue the child care
90 provider a certificate of tax credit.

91 5. (1) The tax credits authorized by this section
92 shall not be refundable and shall not be transferred, sold,
93 assigned, or otherwise conveyed. Any amount of credit that

94 exceeds the child care provider's state tax liability for
95 the tax year for which the tax credit is issued may be
96 carried forward to the child care provider's subsequent tax
97 year for up to six succeeding tax years.

98 (2) In the case of a taxpayer that has or elects pass-
99 through taxation pursuant to federal income tax law, the tax
100 credits issued pursuant to this section shall be apportioned
101 in proportion to the share of ownership of the taxpayer on
102 the last day of the taxpayer's tax period for which such tax
103 credits will be issued, to the following:

- 104 (a) The shareholders of the S corporation;
105 (b) The partners in a partnership; or
106 (c) The members of a limited liability company that
107 has or elects pass-through taxation pursuant to federal
108 income tax law.

109 (3) A taxpayer shall not claim a tax credit pursuant
110 to this section and a tax credit pursuant to section
111 135.1325 for the same contribution or expenditure.

112 6. Notwithstanding any provision of subsection 5 of
113 this section to the contrary, a child care provider that is
114 exempt, under 26 U.S.C. Section 501(c)(3), and any
115 amendments thereto, from all or part of the federal income
116 tax shall be eligible for a refund of its tax credit issued
117 under this section, without regard to whether it has
118 incurred any state tax liability. Such exempt child care
119 provider may claim a refund of the tax credit on its tax
120 return required to be filed under the provisions of chapter
121 143, exclusive of the return for the withholding of tax
122 under sections 143.191 to 143.265. If such exempt child
123 care provider is not required to file a tax return under the
124 provisions of chapter 143, the exempt child care provider
125 may claim a refund of the tax credit on a refund claim form

126 prescribed by the department of revenue. The department of
127 revenue shall prescribe such forms, instructions, and rules
128 as it deems appropriate to carry out the provisions of this
129 subsection.

130 7. (1) The amount of tax credits authorized pursuant
131 to this section shall not exceed twenty million dollars for
132 each calendar year. The department shall approve tax credit
133 applications on a first-come, first-served basis until the
134 tax credit authorization limit is reached for the calendar
135 year.

136 (2) If the maximum amount of tax credits allowed in
137 any calendar year as provided pursuant to subdivision (1) of
138 this subsection is authorized, the maximum amount of tax
139 credits allowed pursuant to subdivision (1) of this
140 subsection shall be increased by fifteen percent, provided
141 that all such increases in the allowable amount of tax
142 credits shall be reserved for child care providers located
143 in a child care desert. The director of the department
144 shall publish such adjusted amount.

145 8. The tax credit authorized by this section shall be
146 considered a domestic and social tax credit under
147 subdivision (5) of subsection 2 of section 135.800.

148 9. All action and communication undertaken or required
149 with respect to this section shall be exempt from the
150 provisions of section 105.1500. Notwithstanding section
151 32.057 or any other tax confidentiality law to the contrary,
152 the department of revenue may disclose tax information to
153 the department for the purpose of the verification of a
154 child care provider's eligible employer withholding tax
155 under this section.

156 10. The department may promulgate rules and adopt
157 statements of policy, procedures, forms, and guidelines to

158 implement and administer the provisions of this section.
159 Any rule or portion of a rule, as that term is defined in
160 section 536.010, that is created pursuant to the authority
161 delegated in this section shall become effective only if it
162 complies with and is subject to all of the provisions of
163 chapter 536 and, if applicable, section 536.028. This
164 section and chapter 536 are nonseverable and if any of the
165 powers vested with the general assembly pursuant to chapter
166 536 to review, to delay the effective date, or to disapprove
167 and annul a rule are subsequently held unconstitutional,
168 then the grant of rulemaking authority and any rule proposed
169 or adopted after August 28, 2024, shall be invalid and void.

170 11. Pursuant to section 23.253 of the Missouri sunset
171 act:

172 (1) The program authorized under this section shall
173 expire on December 31, 2030, unless reauthorized by the
174 general assembly;

175 (2) If such program is reauthorized, the program
176 authorized under this section shall automatically sunset six
177 years after the effective date of the reauthorization of
178 this section;

179 (3) This section shall terminate on September first of
180 the calendar year immediately following the calendar year in
181 which the program authorized under this section is sunset;
182 and

183 (4) The provisions of this subsection shall not be
184 construed to limit or in any way impair the department of
185 revenue's ability to redeem tax credits authorized on or
186 before the date the program authorized pursuant to this
187 section expires or a taxpayer's ability to redeem such tax
188 credits.

620.3500. Sections 620.3500 to 620.3530 shall be known
2 and may be cited as the "Missouri Rural Access to Capital
3 Act".

620.3505. As used in sections 620.3500 to 620.3530,
2 the following terms shall mean:

3 (1) "Affiliate", an entity that directly, or
4 indirectly through one or more intermediaries, controls or
5 is controlled by or is under common control with another
6 entity. An entity is controlled by another entity if the
7 controlling entity holds, directly or indirectly, the
8 majority voting or ownership interest in the controlled
9 entity or has control over day-to-day operations of the
10 controlled entity by contract or by law;

11 (2) "Affiliate capital", capital raised by a rural
12 investor directly or indirectly from sources, including
13 leverage sources, directors, members, employees, officers,
14 and affiliates of the rural investor, other than the amount
15 invested by the allocatee claiming the tax credits in
16 exchange for such allocation of tax credits;

17 (3) "Agribusiness", a business that produces or
18 provides any goods or services produced in this state that
19 are normally used by farmers, ranchers, or producers and
20 harvesters of aquatic products in their business operations,
21 or to improve the welfare or livelihood of such persons; or
22 is involved in the processing and marketing of agricultural
23 products, farm supplies, and input suppliers; or is engaged
24 in agribusiness as defined by the United States Department
25 of Agriculture; or if not engaged in such industries, the
26 department determines that such investment will be
27 beneficial to the rural area and the economic growth of the
28 state;

29 (4) "Applicable percentage", zero percent for the
30 initial credit allowance date and the second credit
31 allowance date and fifteen percent for the next four credit
32 allowance dates;

33 (5) "Base employment", the total number of qualified
34 employees receiving taxable wages from an eligible business
35 in the tax year preceding the date of the initial capital
36 investment;

37 (6) "Base payroll", the total amount of taxable wages
38 paid by an eligible business to qualified employees in the
39 tax year preceding the date of the initial capital
40 investment;

41 (7) "Base revenue", the total net revenue earned by an
42 eligible business in the tax year preceding the date of the
43 initial capital investment;

44 (8) "Base taxable sales", the taxable sales of an
45 eligible business in the tax year preceding the date of the
46 initial investment;

47 (9) "Capital investment", any equity investment in a
48 rural fund by a rural investor that:

49 (a) Is acquired after the effective date of sections
50 620.3500 to 620.3530 at its original issuance solely in
51 exchange for cash;

52 (b) Has one hundred percent of its cash purchase price
53 used by the rural fund to make qualified investments in
54 eligible businesses located in this state by the third
55 credit allowance date; and

56 (c) Is designated by the rural fund as a capital
57 investment under sections 620.3500 to 620.3530 and is
58 certified by the department under the provisions of section
59 620.3510. This shall include any capital investment that
60 does not meet the provisions of subdivision (1) of

61 subsection 1 of section 620.3510 if such investment was a
62 capital investment in the hands of a prior holder;

63 (10) "Credit allowance date", the anniversary of the
64 initial credit allowance date;

65 (11) "Department", the Missouri department of economic
66 development;

67 (12) "Eligible business", a business that, at the time
68 of the initial qualified investment in the business:

69 (a) Has fewer than two hundred fifty employees;

70 (b) Has its principal business operations in this
71 state;

72 (c) Is not an alien, foreign entity or foreign-owned
73 entity, or a foreign government; and

74 (d) Is engaged in North American Industry
75 Classification System (NAICS) Sector 11, 21, 22, 31-33, 48-
76 49, 62, or 811, or if not engaged in such industries, the
77 department determines that such investment will be
78 beneficial to the rural area and economic growth of the
79 state.

80 Any business that is classified as an eligible business at
81 the time of the initial investment in such business by a
82 rural fund shall remain classified as an eligible business
83 and may receive follow-on investments from any rural fund,
84 and such follow-on investments shall be qualified
85 investments even though such business may not meet paragraph
86 (a) of this subdivision at the time of such investments;

87 (13) "Full-time employee", an employee of an eligible
88 business who is scheduled to work an average of at least
89 thirty-five hours per week for a twelve-month period;

90 (14) "Initial credit allowance date", the date on
91 which the department certifies a rural fund's capital
92 investment;

93 (15) "Leverage source", third-party capital raised as
94 debt from a depository institution;

95 (16) "Maintained job", the number of qualified
96 employees at an eligible business at or below base
97 employment;

98 (17) "Maintained payroll", the total taxable wages
99 paid by an eligible business to qualified employees at or
100 below base payroll;

101 (18) "Maintained revenue", the total revenue earned by
102 an eligible business at or below base revenue;

103 (19) "Maintained taxable sales", the total taxable
104 sales of an eligible business at or below base taxable sales;

105 (20) "New jobs", the number of qualified employees at
106 an eligible business less the eligible business's base
107 employment;

108 (21) "New payroll", the amount of taxable wages paid
109 to qualified employees at an eligible business less the
110 eligible business's base payroll;

111 (22) "New revenue", the total revenue earned by an
112 eligible business less the eligible business's base revenue;

113 (23) "New taxable sales", the total taxable sales of
114 an eligible business less the eligible business's base
115 taxable sales;

116 (24) "Principal business operations", the location
117 where at least sixty percent of a business's employees work
118 or where employees who are paid at least sixty percent of
119 such business's payroll work. A business that has agreed to
120 relocate employees using the proceeds of a qualified
121 investment to establish its principal business operations in

122 a new location shall be deemed to have its principal
123 business operations in such new location if it satisfies the
124 requirements of this subdivision no later than one hundred
125 eighty days after receiving a qualified investment;

126 (25) "Purchase price", the amount paid to a rural fund
127 that issues a capital investment, which shall not exceed the
128 amount of capital investment authority certified under the
129 provisions of section 620.3510;

130 (26) "Qualified employee", an employee of an eligible
131 business who is scheduled to work an average of at least
132 thirty-five hours per week for a twelve-month period or
133 meets the customary practices accepted by that industry as
134 full time;

135 (27) "Qualified investment", any investment in an
136 eligible business or any loan to an eligible business with a
137 stated maturity date of at least one year after the date of
138 issuance, excluding revolving lines of credit and senior
139 secured debt unless the chief executive or similar officer
140 of the eligible business certifies that the eligible
141 business sought and was denied similar financing from a
142 depository institution, by a rural fund; provided, however
143 that with respect to any one eligible business, the maximum
144 amount of investments made in such business by one or more
145 rural funds, on a collective basis with all of the
146 business's affiliates, with the proceeds of capital
147 investments shall be the greater of twenty percent of the
148 rural fund's capital investment authority or six million
149 five hundred thousand dollars, exclusive of investments made
150 with repaid or redeemed investments or interest or profits
151 realized thereon;

152 (28) "Rural area", any area of this state that is set
153 out in the United States Department of Agriculture census

154 places map as published by the United States Department of
155 Agriculture with a census place population of fewer than
156 fifty thousand inhabitants;

157 (29) "Rural fund", an entity certified by the
158 department under the provisions of section 620.3510;

159 (30) "Rural investor", an entity that makes a capital
160 investment in a rural fund, provided that such entity is not
161 an alien, foreign entity or foreign-owned entity, or a
162 foreign government;

163 (31) "Senior secured debt", any loan that is secured
164 by a first mortgage on real estate with a loan-to-value
165 ratio of less than eighty percent;

166 (32) "State sharing ratio", the ratio determined by
167 taking the sum of the actual and projected direct and
168 indirect state and local tax revenue projected over a period
169 of at least ten subsequent years, as shown on the most
170 recent revenue impact assessment submitted by the rural fund
171 as required in subdivision (5) of subsection 1 of section
172 620.3530, divided by the amount of tax credit equity
173 contributed by the investors of the rural investor in
174 exchange for the tax credits authorized under sections
175 620.3500 to 620.3530;

176 (33) "State tax liability", any liability incurred by
177 any entity subject to the state income tax imposed under
178 chapter 143, excluding withholding tax imposed under
179 sections 143.191 to 143.265, or an insurance company paying
180 an annual tax on its gross premium receipts, including
181 retaliatory tax, or other financial institution paying taxes
182 to the state or any political subdivision of the state under
183 the provisions of chapter 148, or an express company that
184 pays an annual tax on its gross receipts in this state;

185 (34) "Taxable sales", taxable sales as reported to the
186 Missouri department of revenue, calculated as set forth in
187 sections 144.010 to 144.525;

188 (35) "Third-party capital", the difference between the
189 rural fund's capital investment and the sum of the amount
190 invested by the allocatee claiming the tax credits and the
191 affiliate capital.

 620.3510. 1. A rural fund that seeks to have an
2 equity investment certified as a capital investment eligible
3 for credits authorized under the provisions of sections
4 620.3500 to 620.3530 shall apply to the department. The
5 department shall begin accepting applications within ninety
6 days of the effective date of sections 620.3500 to
7 620.3530. The application shall include:

8 (1) The amount of capital investment requested;

9 (2) A copy of the applicant's, or an affiliate of the
10 applicant's, license as a rural business investment company
11 under 7 U.S.C. Section 2009cc or as a small business
12 investment company under 15 U.S.C. Section 681 and a
13 certificate executed by an executive officer of the
14 applicant attesting that such license remains in effect and
15 has not been revoked;

16 (3) Evidence that, as of the date the application is
17 submitted, the applicant or affiliates of the applicant have
18 invested:

19 (a) At least one hundred million dollars in nonpublic
20 companies located in counties within the United States with
21 a population of fewer than fifty thousand according to the
22 2020 decennial census of the United States; and

23 (b) At least thirty million dollars in nonpublic
24 companies located in Missouri;

25 (4) A business plan that includes a revenue impact
26 assessment projecting state and local tax revenue to be
27 generated by the applicant's proposed qualified investments,
28 prepared by a nationally recognized, third-party,
29 independent economic forecasting firm engaged by the
30 applicant, using a dynamic economic forecasting model that
31 analyzes the applicant's business plan in yearly increments
32 over the ten years following the date the application is
33 submitted to the department. Such plan shall include an
34 estimate of the new and maintained jobs, new and maintained
35 payroll, new and maintained revenue, and new and maintained
36 taxable sales in this state as a result of the applicant's
37 qualified investments; and

38 (5) A nonrefundable application fee of five thousand
39 dollars payable to the department.

40 2. Within sixty days after the receipt of a completed
41 application, the department shall approve or deny the
42 application in full or in part. The department shall deny
43 the application if:

44 (1) The applicant does not satisfy all of the criteria
45 provided under subsection 1 of this section;

46 (2) The revenue impact assessment submitted with the
47 application does not demonstrate that the applicant's
48 business plan will result in a positive fiscal impact on
49 this state over a ten-year period that exceeds the
50 cumulative amount of tax credits that would be issued to the
51 applicant if the application were approved; or

52 (3) The department has already approved the maximum
53 amount of capital investment authority under section
54 620.3515.

55 3. If the department denies any part of an
56 application, it shall inform the applicant of the grounds

57 for such denial. If the applicant provides any additional
58 information required by the department or otherwise
59 completes its application within fifteen days of the notice
60 of denial, the application shall be considered complete as
61 of the original date of resubmission. If the applicant
62 fails to provide the information or fails to complete its
63 application within the fifteen-day period, the application
64 shall remain denied and shall be resubmitted in full with a
65 new submission date and a new application fee.

66 4. Upon approval of an application, the department
67 shall certify the proposed equity investment as a capital
68 investment eligible for credits under sections 620.3500 to
69 620.3530, subject to the limitations contained in section
70 620.3515. The department shall provide written notice of
71 the certification to the applicant, which shall include the
72 amount of the applicant's capital investment authority. The
73 department shall certify capital investments in the order
74 that the applications are received by the department.
75 Applications received on the same day shall be deemed to
76 have been received simultaneously. For applications that
77 are complete and received on the same day, the department
78 shall certify applications in proportionate percentages
79 based upon the ratio of the amount of capital investment
80 authority requested in an application to the total amount of
81 capital investment authority requested in all applications.

620.3515. 1. The department shall certify capital
2 investment authority under the provisions of sections
3 620.3500 to 620.3530 in amounts that would authorize not
4 more than sixteen million dollars in state tax credits to be
5 claimed against state tax liability in any calendar year,
6 excluding any credit amounts carried forward as provided
7 under subsection 1 of section 620.3520. Within ninety days

8 of the applicant receiving notice of certification the rural
9 fund shall issue the capital investment to, and receive cash
10 in the amount of the certified amount from, a rural
11 investor. At least ten percent of the rural investor's
12 capital investment shall be composed of affiliate capital.
13 The rural fund shall provide the department with evidence of
14 the receipt of the cash investment within ninety-five days
15 of the applicant receiving notice of certification. Such
16 evidence shall include details of the third-party capital
17 raised, including from any leverage source.

18 2. If a rural fund does not receive the cash
19 investment and issue the capital investment within such time
20 period following receipt of the certification notice, the
21 certification shall lapse and the rural fund shall not issue
22 the capital investment without reapplying to the department
23 for certification. Lapsed certifications shall revert to
24 the department and shall be reissued pro rata to applicants
25 whose capital investment allocations were reduced during the
26 immediately preceding application cycle in accordance with
27 the application process provided under subsection 4 of
28 section 620.3510. Any lapsed certification not reissued
29 within the same calendar year as the lapsed certification
30 was issued shall not be reissued.

31 3. A rural fund, before making a qualified investment,
32 may request from the department a written opinion as to
33 whether the business in which it proposes to invest is an
34 eligible business. Such request shall be on a form
35 developed by the department to be completed by the eligible
36 business and the rural fund. If the department fails to
37 notify the rural fund of its determination by the twentieth
38 business day following its receipt of the completed form and
39 all information necessary to form its opinion, the business

40 in which the rural fund proposes to invest shall be deemed
41 an eligible business.

620.3520. 1. Upon making a capital investment in a
2 rural fund, a rural investor shall have a vested right to
3 earn a tax credit that will be issued by the department that
4 may be used against such entity's state tax liability that
5 may be utilized on each credit allowance date of such
6 capital investment in an amount equal to the applicable
7 percentage for such credit allowance date multiplied by the
8 purchase price paid to the rural fund for the capital
9 investment. The amount of the credit claimed by a rural
10 investor shall not exceed the amount of such entity's state
11 tax liability for the tax year for which the credit is
12 claimed. Any amount of credit that a rural investor is
13 prohibited from claiming in a tax year as a result of this
14 section may be carried forward for use in any of the five
15 subsequent tax years but shall not be carried back to prior
16 tax years. A rural investor claiming a credit under the
17 provisions of sections 620.3500 to 620.3530 shall not incur
18 any additional tax that may arise as a result of claiming
19 such credit.

20 2. No credit claimed under the provisions of sections
21 620.3500 to 620.3530 shall be refundable or sellable on the
22 open market. Credits earned by or allocated to a
23 partnership, limited liability company, or S-corporation may
24 be allocated to the partners, members, or shareholders of
25 such entity for their direct use in accordance with the
26 provisions of any agreement among such partners, members, or
27 shareholders, and a rural fund shall notify the department
28 of the names of the entities that are eligible to utilize
29 credits pursuant to an allocation of credits or a change in
30 allocation of credits, or due to a transfer of a capital

31 investment upon such allocation, change, or transfer. Such
32 allocation shall not be considered a sale for the purposes
33 of this section.

34 3. The department may recapture credits from a
35 taxpayer that claimed a credit authorized under this section
36 if:

37 (1) A rural fund does not invest sixty percent of its
38 capital investment authority in qualified investments in
39 this state within two years of the credit allowance date,
40 and one hundred percent of its capital investment authority
41 in qualified investments in this state within three years of
42 the credit allowance date, provided that at least seventy
43 percent of such initial qualified investments shall be made
44 in eligible businesses located in rural areas or eligible
45 businesses that are also agribusinesses. In no event shall
46 more than thirty percent of such initial qualified
47 investments be made in eligible businesses located outside
48 of a rural area;

49 (2) A rural fund fails to maintain qualified
50 investments equal to ninety percent of its capital
51 investment authority from the third until the sixth credit
52 allowance date with seventy percent of such investments
53 maintained in eligible businesses located in rural areas or
54 eligible businesses that are also agribusinesses, provided
55 that in no event shall more than thirty percent of such
56 qualified investments be made in eligible businesses located
57 outside of a rural area. For each year the rural fund fails
58 to maintain such investments, the department may recapture
59 an amount of such year's allowed credits equal to the
60 percentage difference between ninety percent of a rural
61 fund's capital investment authority and the actual amount of
62 qualified investments maintained for such year. For the

63 purposes of this subdivision, a qualified investment is
64 considered maintained even if the qualified investment was
65 sold or repaid so long as the rural fund reinvests an amount
66 equal to the capital returned or recovered by the rural fund
67 from the original investment, exclusive of any profits
68 realized, in other qualified investments in this state
69 within twelve months of the receipt of such capital.
70 Amounts received periodically by a rural fund shall be
71 treated as continually invested in qualified investments if
72 the amounts are reinvested in one or more qualified
73 investments by the end of the following calendar year. A
74 rural fund shall not be required to reinvest capital
75 returned from qualified investments after the fifth credit
76 allowance date, and such qualified investments shall be
77 considered held continuously by the rural fund through the
78 sixth credit allowance date;

79 (3) A rural fund, before exiting the program in
80 accordance with sections 620.3500 to 620.3530 or prior to
81 thirty days after the sixth credit allowance date, whichever
82 is earlier, makes a distribution or payment that results in
83 the rural fund having less than one hundred percent of its
84 capital investment authority invested in qualified
85 investments in this state or held in cash or other
86 marketable securities, provided a rural fund shall be
87 permitted to make distributions in amounts necessary for the
88 principal and interest payments due to the leverage source;
89 or

90 (4) A rural fund violates the provisions of section
91 620.3525, in which case the department may recapture an
92 amount equal to the amount of the rural fund's capital
93 investment authority found to be in violation of such
94 provisions.

95 For the purposes of meeting and maintaining the objectives
96 established for investment in subdivisions (1) and (2) of
97 this subsection, a rural fund's qualified investments shall
98 be multiplied by a factor of one and one-quarter in counties
99 with fewer than thirty thousand in population and more than
100 thirteen thousand in population and shall be multiplied by a
101 factor of one and one-half in counties with a population of
102 thirteen thousand or fewer according to the most recent
103 decennial census.

104 4. No recapture shall occur until a rural fund has
105 been given notice of noncompliance and afforded six months
106 from the date of such notice to cure the noncompliance.

620.3525. No eligible business that receives a
2 qualified investment under the provisions of sections
3 620.3500 to 620.3530, or any affiliates of such eligible
4 businesses, shall directly or indirectly:

5 (1) Own or have the right to acquire an ownership
6 interest in a rural fund or member or affiliate of a rural
7 fund including, but not limited to, a holder of a capital
8 investment issued by the rural fund; or

9 (2) Loan to or invest in a rural fund or member or
10 affiliate of a rural fund, including, but not limited to, a
11 holder of a capital investment issued by a rural fund, where
12 the proceeds of such loan or investment are directly or
13 indirectly used to fund or refinance the purchase of a
14 capital investment under sections 620.3500 to 620.3530.

620.3530. 1. Rural funds shall submit a report to the
2 department within the first fifteen business days after the
3 second and third credit allowance date. The report
4 following the second credit allowance date shall provide
5 documentation as to the investment of sixty percent of the
6 purchase price of such capital investment in qualified

7 investments. The report following the third credit
8 allowance date shall provide documentation as to the
9 investment of one hundred percent of the purchase price of
10 such capital investment in qualified investments. For all
11 subsequent years, rural funds shall submit an annual report
12 to the department within ninety days of the beginning of the
13 calendar year during the compliance period. Unless
14 previously reported pursuant to this subsection, such
15 reports shall also include:

16 (1) The name and location of each eligible business
17 receiving a qualified investment;

18 (2) Bank statements of such rural fund evidencing each
19 qualified investment;

20 (3) A copy of the written opinion of the department,
21 as provided in subsection 3 of section 620.3515, or evidence
22 that such business was an eligible business at the time of
23 such qualified investment, as applicable;

24 (4) The total number of new jobs, maintained jobs, new
25 payroll, maintained payroll, new revenue, and maintained
26 revenue by each eligible business receiving a qualified
27 investment from a rural fund;

28 (5) A revenue impact assessment projecting state and
29 local tax revenue actually generated and projected to be
30 generated from a rural fund's qualified investments,
31 prepared by a nationally recognized, third-party,
32 independent firm engaged by the rural fund, using a dynamic
33 forecasting model that projects the direct and indirect
34 state and local tax revenue for a period of not less than
35 ten years; and

36 (6) Such other information as required by the
37 department.

38 2. The program authorized under sections 620.3500 to
39 620.3530 shall be considered a business recruitment tax
40 credit under subdivision (4) of subsection 2 of section
41 135.800, and any rural fund approved under this program
42 shall be subject to the provisions of sections 135.800 to
43 135.830.

44 3. On or after the sixth anniversary of the initial
45 credit allowance date, a rural fund may apply to the
46 department to exit the program and no longer be subject to
47 regulation under the provisions of sections 620.3500 to
48 620.3530. Such request shall be on a form developed by the
49 department to be completed by the rural fund. The
50 department shall respond to the exit application within
51 thirty days of receipt of the completed form. In the
52 department's evaluation of the exit application, the fact
53 that no credits have been recaptured and that the rural fund
54 has not received a notice of recapture that has not been
55 cured under subsection 4 of section 620.3520 shall be
56 sufficient evidence to prove that the rural fund is eligible
57 for exit. The department shall not unreasonably deny,
58 delay, or withhold its determination of an exit application
59 submitted under this subsection. If the exit application is
60 denied, the notice shall include the reasons for such
61 determination.

62 4. Upon exit from the program in accordance with
63 subsection 3 of this section, in the event the state sharing
64 ratio is less than one, the state shall receive a share of
65 distributions made with respect to the capital investment
66 raised by the rural fund equal to one minus the state
67 sharing ratio multiplied by the amount of tax credit equity
68 contributed by the investors of the rural investor in
69 exchange for the tax credits authorized under sections

70 620.3500 to 620.3530, provided that the rural fund may make
71 distributions to make payments on the leverage source in an
72 amount not to exceed principal and interest owed on the
73 leverage source. A rural fund shall be credited against any
74 amounts due to the state pursuant to this subsection an
75 amount equal to the sum of any tax credits recaptured under
76 subsection 3 of section 620.3520 plus any unreturned
77 principal of a qualified investment that the rural fund
78 reasonably determines is not likely to be repaid.

79 5. Pursuant to section 23.253 of the Missouri sunset
80 act:

81 (1) The program authorized under sections 620.3500 to
82 620.3530 shall expire on August 28, 2030, unless
83 reauthorized by the general assembly;

84 (2) Sections 620.3500 to 620.3530 shall terminate on
85 September first of the calendar year immediately following
86 the calendar year in which the program authorized under
87 sections 620.3500 to 620.3530 is sunset; and

88 (3) If such program is reauthorized, the program
89 authorized under sections 620.3500 to 620.3530 shall
90 automatically sunset six years after the effective date of
91 the reauthorization of sections 620.3500 to 620.3530; and

92 (4) Nothing in this subsection shall preclude a rural
93 fund that has received certified capital investment
94 authority from the department prior to the expiration of
95 sections 620.3500 to 620.3530 from issuing the capital
96 investment pursuant to that authority in accordance with
97 sections 620.3500 to 620.3530.

98 6. The department may adopt such rules, statements of
99 policy, procedures, forms, and guidelines as may be
100 necessary to carry out the provisions of sections 620.3500
101 to 620.3530. Any rule or portion of a rule, as that term is

102 defined in section 536.010, that is created under the
103 authority delegated in this section shall become effective
104 only if it complies with and is subject to all of the
105 provisions of chapter 536 and, if applicable, section
106 536.028. This section and chapter 536 are nonseverable and
107 if any of the powers vested with the general assembly
108 pursuant to chapter 536 to review, to delay the effective
109 date, or to disapprove and annul a rule are subsequently
110 held unconstitutional, then the grant of rulemaking
111 authority and any rule proposed or adopted after August 28,
112 2024, shall be invalid and void.

✓