

FIRST REGULAR SESSION

SENATE BILL NO. 643

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CLEMENS.

Read 1st time February 28, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

2331S.021

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to managed environment livestock operation tax credits, with an expiration date.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new
2 section, to be known as section 135.633, to read as follows:

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

2 (1) "Authority", the Missouri agricultural and small business
3 development authority;

4 (2) "Eligible expenses", the actual cost to a producer of
5 implementing odor abatement best management practices and systems
6 necessary to achieve MELO accreditation from the department of
7 agriculture. Eligible expenses includes the actual cost to a producer of
8 implementing odor abatement best management practices and systems
9 necessary to meet preferred environmental practices. All eligible
10 expenses shall be less any federal or other state incentives;

11 (3) "MELO", managed environment livestock operation;

12 (4) "Odor abatement best management practices", best
13 management practices as established by the department of natural
14 resources and the department of agriculture;

15 (5) "Preferred environmental practice", those odor abatement
16 best management practices which exceed the criteria for MELO
17 accreditation;

18 (6) "Producer", a person, partnership, corporation, trust, or
19 limited liability company who is a Missouri resident and whose primary
20 purpose is agriculture production;

21 (7) "Tax credit", a credit against the tax otherwise due under
22 chapter 143, RSMo, excluding withholding tax imposed by sections
23 143.191 to 143.265, RSMo, or otherwise due under chapter 147, 148, or
24 153, RSMo;

25 (8) "Taxpayer", any individual or entity subject to the tax
26 imposed in chapter 143, RSMo, excluding withholding tax imposed by
27 sections 143.191 to 143.265, RSMo, or the tax imposed in chapter 147,
28 148, or 153, RSMo.

29 2. For all taxable years beginning on or after January 1, 2007, a
30 taxpayer shall be allowed a tax credit against the tax otherwise due
31 under chapter 143, RSMo, other than taxes withheld under sections
32 143.191 to 143.265, RSMo, or chapter 147, 148, or 153, RSMo, for the
33 eligible costs incurred to achieve MELO accreditation and preferred
34 environmental practices. The maximum cumulative tax credit amount
35 per taxpayer shall be equal to:

36 (1) The lesser of fifty percent of such eligible expenses incurred
37 to achieve MELO accreditation from the department of agriculture, or
38 fifty thousand dollars; or

39 (2) The lesser of seventy-five percent of such eligible expenses
40 incurred to meet preferred environmental practices, or seventy-five
41 thousand dollars.

42 3. If the amount of the tax credit issued exceeds the amount of
43 the taxpayer's state tax liability for the tax year for which the credit is
44 claimed, the difference shall not be refundable but may be carried back
45 to any of the taxpayer's three prior taxable years and carried forward
46 to any of the taxpayer's five subsequent taxable years. Tax credits
47 granted under this section may be transferred, sold, or
48 assigned. Whenever a certificate of tax credit is assigned, transferred,
49 sold, or otherwise conveyed, a notarized endorsement shall be filed
50 with the authority specifying the name and address of the new owner
51 of the tax credit or the value of the credit. The cumulative amount of
52 tax credits which may be issued under this section in any per fiscal
53 year shall not exceed three million dollars.

54 4. A producer shall submit to the authority an application for tax
55 credit allocation before any eligible expenses are expended. The
56 authority may promulgate rules establishing eligibility under this
57 section, taking into consideration:

58 (1) The potential for significant odor reduction;

59 (2) The producer's ability to provide funding for the
60 implementation of best management odor abatement projects;

61 (3) The implementation of proven odor abatement technologies;
62 and

63 (4) Such other factors as the authority may establish.

64 5. Upon approval of the application submitted by a producer, the
65 authority shall issue such producer a tax credit certificate in an
66 amount determined by the authority in accordance with this
67 section. The authority may impose a one-time application fee of one-
68 fourth of one percent of the tax credit award which shall be collected
69 at the time of the tax credit issuance.

70 6. Only if less than ninety percent of tax credits offered to
71 producers for eligible expenses incurred to achieve MELO accreditation
72 have been issued as of March first in any fiscal year, such unissued
73 portion of tax credits may be offered to producers for eligible expenses
74 incurred to meet preferred environmental practices.

75 7. If less than ten percent of tax credits offered to producers for
76 eligible expenses incurred to meet preferred environmental practices
77 have been issued as of March first in any fiscal year, such unissued
78 portion of tax credits may be offered to producers for eligible expenses
79 incurred to achieve MELO accreditation.

80 8. Tax credits authorized under this section shall not be issued
81 after the thirtieth day of June for each tax year.

82 9. The authority and the department of revenue may promulgate
83 rules for the implementation of this section. Any rule or portion of a
84 rule, as that term is defined in section 536.010, RSMo, that is created
85 under the authority delegated in this section shall become effective
86 only if it complies with and is subject to all of the provisions of chapter
87 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
88 chapter 536, RSMo, are nonseverable and if any of the powers vested
89 with the general assembly pursuant to chapter 536, RSMo, to review, to
90 delay the effective date, or to disapprove and annul a rule are
91 subsequently held unconstitutional, then the grant of rulemaking
92 authority and any rule proposed or adopted after August 28, 2007, shall
93 be invalid and void.

94 10. The provisions of this section shall expire on June 30, 2012.