

# SENATE BILL NO. 143

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BECK.

0214S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to tax credits for grocery stores.

*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 section, to be known as section 135.1620, to read as follows:

**135.1620. 1. As used in this section, the following terms mean:**

(1) "Department", the Missouri department of economic development;

(2) "Eligible expenses", expenses incurred in the construction or development of real property for the purpose of establishing a full-service grocery store in a food desert;

(3) "Food desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population are located at least one-half mile away from a full-service grocery store in urbanized areas or at least ten miles away in rural areas;

(4) "Full-service grocery store", a grocery store that provides a full complement of healthful fruits, vegetables, grains, meat, and dairy products along with household

19 items. Fresh fruits and vegetables shall be available for  
20 sale in quantities that are substantially similar to  
21 industry standards for facilities of similar size. A lack  
22 of availability of fresh fruits and vegetables in  
23 sufficient quantities due to a supply shortage, as  
24 determined by the department, shall not disqualify an entity  
25 from being a full-service grocery store otherwise eligible  
26 for tax credits pursuant to this section;

27 (5) "New location", a full-service grocery store  
28 facility located on a tract of real property within a food  
29 desert acquired by or leased to a taxpayer on or after  
30 January 1, 2024. A location shall be deemed to have been  
31 acquired by or leased to a taxpayer on or after January 1,  
32 2024, if the transfer of title to the taxpayer, the transfer  
33 of possession under a binding contract to transfer title to  
34 the taxpayer, or the commencement of the term of the lease  
35 to the taxpayer occurs on or after January 1, 2024, or if  
36 the commencement of the construction or installation of the  
37 facility by or on behalf of a taxpayer occurs on or after  
38 January 1, 2024;

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

45 (7) "Tax credit", a credit against the tax otherwise  
46 due under chapter 143, excluding withholding tax imposed  
47 under sections 143.191 to 143.265;

48 (8) "Taxpayer", any individual, partnership, or  
49 corporation as described under section 143.441 or 143.471  
50 that is subject to the tax imposed under chapter 143,

51 excluding withholding tax imposed under sections 143.191 to  
52 143.265, or any charitable organization that is exempt from  
53 federal income tax and whose Missouri unrelated business  
54 taxable income, if any, would be subject to the state income  
55 tax imposed under chapter 143;

56 (9) "Urbanized area", an urbanized area as designated  
57 by the United States Census Bureau.

58 2. For all tax years beginning on or after January 1,  
59 2024, a taxpayer shall be allowed to claim a tax credit  
60 against the taxpayer's state tax liability in an amount  
61 equal to fifty percent of the taxpayer's eligible expenses  
62 that are in excess of initial eligible expenses of:

63 (1) One million dollars if the full-service grocery  
64 store is established in a charter county, a county of the  
65 first classification, or a city not within a county; or

66 (2) Five hundred thousand dollars if the full-service  
67 grocery store is established in any other county.

68 3. (1) In order to claim a tax credit pursuant to  
69 this section, a taxpayer shall submit an application to the  
70 department, which shall include:

71 (a) All eligible expenses incurred by the taxpayer;

72 (b) The date of the commencement of construction of  
73 the full-service grocery store;

74 (c) The anticipated date of the commencement of  
75 operations of the full-service grocery store; and

76 (d) Any other information required by the department  
77 to implement the provisions of this section;

78 (2) The amount of the tax credit shall not exceed the  
79 amount of the taxpayer's state tax liability in the tax year  
80 for which the credit is claimed, and such taxpayer shall not  
81 be allowed to claim a tax credit in excess of two million  
82 five hundred thousand dollars per tax year. However, any

83 tax credit that cannot be claimed in the tax year the  
84 eligible expenses were incurred may be carried over to the  
85 next three succeeding tax years until the full credit is  
86 claimed.

87 4. The total amount of tax credits that may be  
88 authorized under this section shall not exceed twenty-five  
89 million dollars in any calendar year, which shall be  
90 authorized on a first-come, first-served basis.

91 5. Tax credits issued under the provisions of this  
92 section may be transferred, sold, or assigned.

93 6. (1) The issuance of tax credits authorized under  
94 this section shall cease and the department shall recoup  
95 from the taxpayer and deposit in the general revenue fund an  
96 amount equal to all credits previously issued to the  
97 taxpayer under this section, less any amounts previously  
98 repaid, increased by the amount of interest that would have  
99 been earned on the amount of such tax credits, in the event  
100 that the taxpayer:

101 (a) Fails to complete construction of a full-service  
102 grocery store within five years of the commencement of the  
103 project; or

104 (b) Fails to operate a full-service grocery store at  
105 the same new location for at least ten consecutive years.

106 (2) A taxpayer shall annually submit a report to the  
107 department, on a form to be developed by the department,  
108 indicating that the taxpayer is in compliance with the  
109 provisions of this section.

110 7. The department may promulgate rules to implement  
111 the provisions of this section. Any rule or portion of a  
112 rule, as that term is defined in section 536.010, that is  
113 created under the authority delegated in this section shall  
114 become effective only if it complies with and is subject to

115 all of the provisions of chapter 536 and, if applicable,  
116 section 536.028. This section and chapter 536 are  
117 nonseverable, and if any of the powers vested with the  
118 general assembly pursuant to chapter 536 to review, to delay  
119 the effective date, or to disapprove and annul a rule are  
120 subsequently held unconstitutional, then the grant of  
121 rulemaking authority and any rule proposed or adopted after  
122 August 28, 2023, shall be invalid and void.

123 8. Under section 23.253 of the Missouri sunset act:

124 (1) The program authorized under this section shall  
125 automatically sunset on December thirty-first, six years  
126 after the effective date of this section, unless  
127 reauthorized by an act of the general assembly;

128 (2) If such program is reauthorized, the program  
129 authorized under this section shall automatically sunset on  
130 December thirty-first, twelve years after the effective date  
131 of the reauthorization of this section;

132 (3) This section shall terminate on September first of  
133 the calendar year immediately following the calendar year in  
134 which the program authorized under this section is sunset;  
135 and

136 (4) Nothing in this subsection shall prevent a  
137 taxpayer from claiming a tax credit properly issued before  
138 the program was sunset in a tax year after the program is  
139 sunset.

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