

# SENATE BILL NO. 179

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

0800S.01I

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapters 143 and 148, RSMo, by adding thereto two new sections relating to a tax deduction for financial institutions that provide loans in rural areas.

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

Section A. Chapters 143 and 148, RSMo, are amended by  
2 adding thereto two new sections, to be known as sections  
3 143.1121 and 148.731, to read as follows:

**143.1121. 1. This section and section 148.731 shall  
2 be known as the "Missouri Rural Credit Opportunity Act".**

**3 2. As used in this section, the following terms mean:**

**4 (1) "Deduction", an amount subtracted from a qualified  
5 taxpayer's Missouri taxable income for a given tax year;**

**6 (2) "Qualified agricultural real estate loans", loans  
7 made after the effective date of this section on Missouri  
8 real property that is substantially used for production of  
9 one or more agricultural products and that:**

**10 (a) Have maturities of no less than five years and no  
11 more than forty years;**

**12 (b) Are secured by a first lien interest in real  
13 property, except that the loans may be secured by a second  
14 lien if the institution also holds the first lien on the  
15 property; and**

**16 (c) Have an outstanding loan balance when made that is  
17 less than eighty-five percent of the appraised value of the  
18 real property, except that loans for which private mortgage**

19 insurance is obtained may exceed eighty-five percent of the  
20 appraised value of the real property to the extent the loan  
21 amount in excess of eighty-five percent is covered by such  
22 insurance;

23 (3) "Qualified interest income amount", the amount of  
24 interest income received by a qualified taxpayer in a given  
25 tax year from qualified agricultural real estate loans  
26 attributed to Missouri and from qualified rural single-  
27 family residence loans attributed to Missouri;

28 (4) "Qualified rural single-family residence", a  
29 residence that is:

30 (a) The principal residence of the occupant;

31 (b) Located in Missouri in a rural area as defined by  
32 the United States Department of Agriculture that is not  
33 within a metropolitan statistical area and has two thousand  
34 five hundred or fewer inhabitants as determined by the most  
35 recent decennial census; and

36 (c) Purchased or improved with the proceeds of a loan;

37 (5) "Qualified taxpayer", a national banking  
38 association, state bank, trust company, or savings and loan  
39 association with an income tax liability under this chapter,  
40 excluding the withholding tax imposed by sections 143.191 to  
41 143.265.

42 3. For all tax years beginning on and after January 1,  
43 2024, in addition to all other deductions and modifications  
44 allowed by law, a qualified taxpayer shall be allowed a  
45 deduction in an amount equal to the qualified taxpayer's  
46 total qualified interest income amount.

47 4. The department of revenue may promulgate all  
48 necessary rules and regulations for the administration of  
49 this section. Any rule or portion of a rule, as that term  
50 is defined in section 536.010, that is created under the

51 authority delegated in this section shall become effective  
52 only if it complies with and is subject to all of the  
53 provisions of chapter 536 and, if applicable, section  
54 536.028. This section and chapter 536 are nonseverable, and  
55 if any of the powers vested with the general assembly  
56 pursuant to chapter 536 to review, to delay the effective  
57 date, or to disapprove and annul a rule are subsequently  
58 held unconstitutional, then the grant of rulemaking  
59 authority and any rule proposed or adopted after August 28,  
60 2023, shall be invalid and void.

61 5. Under section 23.253 of the Missouri sunset act:

62 (1) The provisions of the new program authorized under  
63 this section shall automatically sunset eight years after  
64 the effective date of this section unless reauthorized by an  
65 act of the general assembly;

66 (2) If such program is reauthorized, the program  
67 authorized under this section shall automatically sunset  
68 twelve years after the effective date of the reauthorization  
69 of this section; and

70 (3) This section shall terminate on September first of  
71 the calendar year immediately following the calendar year in  
72 which the program authorized under this section is sunset.  
73 The termination of the program as described in this  
74 subsection shall not be construed to preclude any qualified  
75 taxpayer who claims any benefit under any program that is  
76 sunset under this subsection from claiming such benefit for  
77 all allowable activities related to such claim that were  
78 completed before the program was sunset, or to eliminate any  
79 responsibility of the department to verify the continued  
80 eligibility of qualified individuals receiving tax credits  
81 and to enforce other requirements of law that applied before  
82 the program was sunset.

148.731. 1. This section and section 143.1121 shall  
2 be known as the "Missouri Rural Credit Opportunity Act".

3 2. As used in this section, the following terms shall  
4 mean:

5 (1) "Deduction", an amount subtracted from a qualified  
6 taxpayer's gross income under this chapter for a given tax  
7 year;

8 (2) "Qualified agricultural real estate loans", loans  
9 made after the effective date of this section on Missouri  
10 real property that is substantially used for production of  
11 one or more agricultural products and that:

12 (a) Have maturities of no less than five years and no  
13 more than forty years;

14 (b) Are secured by a first lien interest in real  
15 property, except that the loans may be secured by a second  
16 lien if the institution also holds the first lien on the  
17 property; and

18 (c) Have an outstanding loan balance when made that is  
19 less than eighty-five percent of the appraised value of the  
20 real property, except that loans for which private mortgage  
21 insurance is obtained may exceed eighty-five percent of the  
22 appraised value of the real property to the extent the loan  
23 amount in excess of eighty-five percent is covered by such  
24 insurance;

25 (3) "Qualified interest income amount", the amount of  
26 interest income received by a qualified taxpayer in a given  
27 tax year from qualified agricultural real estate loans  
28 attributed to Missouri and from qualified rural single-  
29 family residence loans attributed to Missouri;

30 (4) "Qualified rural single-family residence", a  
31 residence that is:

32 (a) The principal residence of the occupant;

33           (b) Located in Missouri in a rural area as defined by  
34 the United States Department of Agriculture that is not  
35 within a metropolitan statistical area and has two thousand  
36 five hundred or fewer inhabitants as determined by the most  
37 recent decennial census; and

38           (c) Purchased or improved with the proceeds of a loan;

39           (5) "Qualified taxpayer", a national banking  
40 association, state bank, trust company, or savings and loan  
41 association with a tax liability under this chapter.

42           3. For all tax years beginning on or after January 1,  
43 2024, in addition to all other deductions and modifications  
44 allowed by law, a qualified taxpayer shall be allowed a  
45 deduction in an amount equal to the qualified taxpayer's  
46 total qualified interest income amount.

47           4. The department of revenue may promulgate all  
48 necessary rules and regulations for the administration of  
49 this section. Any rule or portion of a rule, as that term  
50 is defined in section 536.010, that is created under the  
51 authority delegated in this section shall become effective  
52 only if it complies with and is subject to all of the  
53 provisions of chapter 536 and, if applicable, section  
54 536.028. This section and chapter 536 are nonseverable, and  
55 if any of the powers vested with the general assembly  
56 pursuant to chapter 536 to review, to delay the effective  
57 date, or to disapprove and annul a rule are subsequently  
58 held unconstitutional, then the grant of rulemaking  
59 authority and any rule proposed or adopted after August 28,  
60 2023, shall be invalid and void.

61           5. Under section 23.253 of the Missouri sunset act:

62           (1) The provisions of the new program authorized under  
63 this section shall automatically sunset eight years after

64 the effective date of this section unless reauthorized by an  
65 act of the general assembly;

66 (2) If such program is reauthorized, the program  
67 authorized under this section shall automatically sunset  
68 twelve years after the effective date of the reauthorization  
69 of this section; and

70 (3) This section shall terminate on September first of  
71 the calendar year immediately following the calendar year in  
72 which the program authorized under this section is sunset.  
73 The termination of the program as described in this  
74 subsection shall not be construed to preclude any qualified  
75 taxpayer who claims any benefit under any program that is  
76 sunset under this subsection from claiming such benefit for  
77 all allowable activities related to such claim that were  
78 completed before the program was sunset, or to eliminate any  
79 responsibility of the department to verify the continued  
80 eligibility of qualified individuals receiving tax credits  
81 and to enforce other requirements of law that applied before  
82 the program was sunset.

✓