

SENATE BILL NO. 459

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

1711S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for the relocation of jobs to Missouri.

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

Section A. Chapter 135, RSMo, is amended by adding thereto
2 one new section, to be known as section 135.040, to read as
3 follows:

135.040. 1. This section shall be known and may be
2 cited as the "Bring MO Jobs Home Act".

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

5 (1) "Business unit":

6 (a) Any trade or business; and

7 (b) Any line of business or function unit which is
8 part of any trade or business;

9 (2) "Department", the Missouri department of economic
10 development;

11 (3) "Eligible expenses":

12 (a) Any expenses for which a deduction is allowed to
13 the taxpayer pursuant to 26 U.S.C. Section 162, as amended;

14 and

15 (b) Permit and license fees, lease brokerage fees,
16 equipment installation costs, and other similar expenses;

17 (4) "Eligible insourcing expenses":

18 (a) Eligible expenses paid or incurred by the taxpayer
19 in connection with the elimination of any business unit of
20 the taxpayer, or of any member of any expanded affiliated
21 group in which the taxpayer is also a member, located in the
22 People's Republic of China or the Russian Federation; and

23 (b) Eligible expenses paid or incurred by the taxpayer
24 in connection with the establishment of any business unit of
25 the taxpayer, or of any member of any expanded affiliated
26 group in which the taxpayer is also a member, located within
27 the state of Missouri if such establishment constitutes the
28 relocation of the business unit so eliminated.

29 For the purposes of this subdivision, expenses shall be
30 eligible if such elimination of the business unit in the
31 People's Republic of China or the Russian Federation occurs
32 in a different tax year from the establishment of the
33 business unit in Missouri. For the purposes of this
34 subdivision, the People's Republic of China shall not
35 include the Republic of China;

36 (5) "Expanded affiliated group", an affiliated group
37 as defined pursuant to 26 U.S.C. Section 1504(a), as
38 amended, except to be determined without regard to 26 U.S.C.
39 Section 1504(b)(3), as amended, and determined by
40 substituting "at least eighty percent" with "more than fifty
41 percent" each place the phrase appears in 26 U.S.C. Section
42 1504(a), as amended. A partnership or any other entity
43 other than a corporation shall be treated as a member of an
44 expanded affiliated group if such entity is controlled by
45 members of such group including any entity treated as a
46 member of such group by reason of this subdivision;

47 (6) "Full-time equivalent employee", a number of
48 employees equal to the number determined by dividing the

49 total number of hours of service for which wages were paid
50 by the employer to employees during the tax year, by two
51 thousand eighty;

52 (7) "Insourcing plan", a written plan to carry out the
53 establishment of a business unit in Missouri;

54 (8) "Tax credit", a credit against the tax otherwise
55 due pursuant to chapter 143, excluding withholding tax
56 imposed pursuant to sections 143.191 to 143.265, or chapter
57 148;

58 (9) "Taxpayer", any individual, firm, partner in a
59 firm, corporation, partnership, shareholder in an S
60 corporation, or member of a limited liability company
61 subject to the income tax imposed pursuant to chapter 143.

62 3. For all tax years beginning on or after January 1,
63 2023, a taxpayer shall be allowed a tax credit equal to
64 sixty percent of the taxpayer's eligible insourcing
65 expenses, or seventy-five percent of the taxpayer's eligible
66 insourcing expenses if the taxpayer is a manufacturer of
67 medical supplies or electronic chips, incurred in the tax
68 year chosen under subsection 5 of this section. The amount
69 of the tax credit claimed shall not exceed the taxpayer's
70 state tax liability. Any amount of the tax credit that
71 cannot be claimed in the tax year may be carried over to the
72 next five succeeding taxable years until the full tax credit
73 has been claimed.

74 4. No tax credit shall be allowed pursuant to this
75 section until the department determines that the number of
76 full-time equivalent employees of the taxpayer in the tax
77 year the tax credit is claimed exceeds the number of full-
78 time equivalent employees of the taxpayer in the tax year
79 prior to the taxpayer incurring any eligible insourcing
80 expenses.

81 5. The calculation of the amount of tax credits
82 authorized pursuant to this section shall include only
83 eligible insourcing expenses that occur in the tax year such
84 expenses are paid or incurred and:

- 85 (1) The taxpayer's insourcing plan is completed, or
86 (2) The first tax year after the taxpayer's insourcing
87 plan is completed.

88 6. Notwithstanding any other provision of law to the
89 contrary, no tax credit shall be allowed for any expenses
90 incurred due to dissolving a business unit in Missouri and
91 relocating such business unit to another state.

92 7. The total amount of tax credits authorized pursuant
93 to this section shall not exceed ten million dollars in any
94 calendar year. In the event that more than ten million
95 dollars in tax credits are claimed in a taxable year, tax
96 credits shall be issued on a first-come, first-served basis.

97 8. A taxpayer who receives a tax credit pursuant to
98 the provisions of this section shall be ineligible to
99 receive incentives under the provisions of any other state
100 tax incentive program for the same expenses incurred.

101 9. Any taxpayer allowed a tax credit pursuant to this
102 section who, within ten years of receiving such tax credit,
103 eliminates the business unit for which the tax credit was
104 allowed shall repay the amount of tax savings realized from
105 the tax credit to the state, prorated by the number of years
106 the business unit was in this state.

107 10. The department of economic development and the
108 department of revenue shall promulgate rules to implement
109 the provisions of this section. Any rule or portion of a
110 rule, as that term is defined in section 536.010, that is
111 created under the authority delegated in this section shall
112 become effective only if it complies with and is subject to

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

121 11. Pursuant to section 23.253 of the Missouri Sunset
122 Act:

123 (1) The provisions of the program authorized under
124 this section shall automatically sunset on August 28, 2029,
125 unless reauthorized by an act of the general assembly;

126 (2) If such program is reauthorized, the program
127 authorized under this section shall automatically sunset
128 twelve years after the effective date of the reauthorization
129 of this section;

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

134 (4) The provisions of this subsection shall not be
135 construed to limit or in any way impair the department of
136 revenue's ability to redeem tax credits authorized on or
137 before the date the program authorized pursuant to this
138 section expires, or a taxpayer's ability to redeem such tax
139 credits.

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