

FIRST REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 94, 52, 57, 58 & 67

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

0360S.03P

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 135.750, RSMo, and to enact in lieu thereof two new sections relating to tax credits for the production of certain entertainment, with an effective date for a certain section.

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

Section A. Section 135.750, RSMo, is repealed and two new
2 sections enacted in lieu thereof, to be known as sections
3 135.750 and 135.753, to read as follows:

135.750. 1. **This section shall be known and may be
2 referred to as the "Show MO Act".**

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

4 (1) ["Highly compensated individual", any individual
5 who receives compensation in excess of one million dollars
6 in connection with a single qualified film production
7 project] "Above-the-line individual", any individual hired
8 or credited on screen for a qualified motion media
9 production project as any type of producer, principal cast
10 that is at a screen actors guild schedule f and above
11 payment rate, screenwriter, and the director;

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

12 (2) "Qualified **[film] motion media** production
13 project", any film[, video, commercial, or television
14 **production]** or **series production, including videos,**
15 **commercials, video games, webisodes, music videos, content-**
16 **based mobile applications, virtual reality, augmented**
17 **reality, multi-media, and new media, as well as standalone**
18 **visual effects and post-production for such motion media**
19 **production project,** as approved by the department of
20 economic development and the office of the Missouri film
21 commission, **that features a statement and logo designated by**
22 **the department of economic development in the credits of the**
23 **completed production indicating that the project was filmed**
24 **in Missouri and** that is under thirty minutes in length with
25 **[an] expected [in-state expenditure budget] qualifying**
26 **expenses** in excess of fifty thousand dollars[,] or **[that]** is
27 over thirty minutes in length with **[an] expected [in-state**
28 **expenditure budget] qualifying expenses** in excess of one
29 hundred thousand dollars. Regardless of the production
30 costs, "qualified **[film production] motion media** project"
31 shall not include any:

- 32 (a) News or current events programming;
- 33 (b) Talk show;
- 34 (c) Production produced primarily for industrial,
35 corporate, or institutional purposes, and for internal use;
- 36 (d) Sports event or sports program;
- 37 (e) Gala presentation or awards show;
- 38 (f) Infomercial or any production that directly
39 solicits funds;
- 40 (g) Political ad;
- 41 (h) Production that is considered obscene, as defined
42 in section 573.010;

43 (3) "Qualifying expenses", the sum of the total amount
44 spent in this state for the following by a production
45 company in connection with a qualified **[film] motion media**
46 production project:

47 (a) Goods and services leased or purchased by the
48 production company. For goods with a purchase price of
49 twenty-five thousand dollars or more, the amount included in
50 qualifying expenses shall be the purchase price less the
51 fair market value of the goods at the time the production is
52 completed;

53 (b) Compensation and wages paid by the production
54 company on which the production company remitted withholding
55 payments to the department of revenue under chapter 143.
56 For purposes of this section, compensation and wages **[shall**
57 **not include any amounts paid to a highly compensated**
58 **individual]** **paid to all above-the-line individuals shall be**
59 **limited to twenty-five percent of the overall qualifying**
60 **expenses;**

61 (4) "Tax credit", a credit against the tax otherwise
62 due under chapter 143, excluding withholding tax imposed by
63 sections 143.191 to 143.265, or otherwise due under chapter
64 148;

65 (5) "Taxpayer", any individual, partnership, or
66 corporation as described in section 143.441, 143.471, or
67 section 148.370 that is subject to the tax imposed in
68 chapter 143, excluding withholding tax imposed by sections
69 143.191 to 143.265, or the tax imposed in chapter 148 or any
70 charitable organization which is exempt from federal income
71 tax and whose Missouri unrelated business taxable income, if
72 any, would be subject to the state income tax imposed under
73 chapter 143.

74 [2. For all taxable years beginning on or after
75 January 1, 1999, but ending on or before December 31, 2007,
76 a taxpayer shall be granted a tax credit for up to fifty
77 percent of the amount of investment in production or
78 production-related activities in any film production project
79 with an expected in-state expenditure budget in excess of
80 three hundred thousand dollars. For all taxable years
81 beginning on or after January 1, 2008, a taxpayer shall be
82 allowed a tax credit for up to thirty-five percent of the
83 amount of qualifying expenses in a qualified film production
84 project. Each film production company shall be limited to
85 one qualified film production project per year.]

86 3. (1) For all tax years beginning on or after
87 January 1, 2023, a taxpayer shall be allowed a tax credit
88 equal to twenty percent of qualifying expenses.

89 (2) An additional five percent may be earned for
90 qualifying expenses if at least fifty percent of the
91 qualified motion media production project is filmed in
92 Missouri.

93 (3) An additional five percent may be earned for
94 qualifying expenses if at least fifteen percent of the
95 qualified motion media production project that is filmed in
96 Missouri takes place in a rural or blighted area in Missouri.

97 (4) An additional five percent may be earned for
98 qualifying expenses if at least three departments of the
99 qualified motion media production hire a Missouri resident
100 ready to advance to the next level in a specialized craft
101 position or learn a new skillset.

102 (5) An additional five percent may be earned for
103 qualifying expenses if the department of economic
104 development determines that the script of the qualified
105 motion media production project positively markets a city or

106 region of the state, the entire state, or a tourist
107 attraction located in the state, and the qualified motion
108 media production provides no less than five high resolution
109 photographs containing cast with the rights cleared for
110 promotional use by the Missouri film commission, accompanied
111 by a list with the title of production, location, names, and
112 titles of the individuals shown in the photography and
113 photographer credit.

114 (6) The total dollar amount of tax credits authorized
115 pursuant to subdivision (1) of this subsection shall be
116 increased by ten percent for qualified film production
117 projects located in a county of the second, third, or fourth
118 class.

119 (7) Activities qualifying a taxpayer for the tax
120 credit pursuant to this subsection shall be approved by the
121 office of the Missouri film commission and the department of
122 economic development.

123 4. A qualified motion media production project shall
124 not be eligible for tax credits pursuant to this section
125 unless such project employs at least the following number of
126 Missouri registered apprentices or veterans residing in
127 Missouri with transferable skills:

128 (1) If the qualifying expenses are less than five
129 million dollars, two;

130 (2) If the qualifying expenses are at least five
131 million dollars but less than ten million dollars, three;

132 (3) If the qualifying expenses are at least ten
133 million dollars but less than fifteen million dollars, six;
134 or

135 (4) If the qualifying expenses are at least fifteen
136 million dollars, eight.

137 [3.] 5. Taxpayers shall apply for the [film] **motion**
138 **media** production tax credit by submitting an application to
139 the department of economic development, on a form provided
140 by the department. As part of the application, the expected
141 [in-state expenditures] **qualifying expenses** of the qualified
142 [film] **motion media** production project shall be documented.
143 In addition, the application shall include an economic
144 impact statement, showing the economic impact from the
145 activities of the [film] **qualified motion media** production
146 project. Such economic impact statement shall indicate the
147 impact on the region of the state in which the [film]
148 **qualified motion media** production or production-related
149 activities are located and on the state as a whole. **Final**
150 **applications shall be accompanied by a report by a certified**
151 **public accountant licensed by the state of Missouri,**
152 **prepared at the expense of the applicant, attesting that the**
153 **amounts in the final application are qualifying expenses.**

154 [4.] 6. [For all taxable years ending on or before
155 December 31, 2007, tax credits certified pursuant to
156 subsection 2 of this section shall not exceed one million
157 dollars per taxpayer per year, and shall not exceed a total
158 for all tax credits certified of one million five hundred
159 thousand dollars per year.] For all [taxable] **tax** years
160 beginning on or after January 1, [2008] **2023, the total**
161 **amount of** tax credits [certified under subsection 1 of]
162 **authorized by** this section **for film production** shall not
163 exceed a total [for all tax credits certified] of [four]
164 **eight** million [five hundred thousand] dollars per year, **and**
165 **the total amount of all tax credits authorized by this**
166 **section for series production shall not exceed a total of**
167 **eight million dollars per year.** Taxpayers may carry forward
168 unused credits for up to five tax periods, provided all such

169 credits shall be claimed within ten tax periods following
170 the tax period in which the **[film] qualified motion media**
171 production or production-related activities for which the
172 credits are certified by the department occurred.

173 **[5.] 7.** Notwithstanding any provision of law to the
174 contrary, any taxpayer may sell, assign, exchange, convey or
175 otherwise transfer tax credits allowed in subsection **[2] 3**
176 of this section. The taxpayer acquiring the tax credits may
177 use the acquired credits to offset the tax liabilities
178 otherwise imposed by chapter 143, excluding withholding tax
179 imposed by sections 143.191 to 143.265, or chapter 148.
180 Unused acquired credits may be carried forward for up to
181 five tax periods, provided all such credits shall be claimed
182 within ten tax periods following the tax period in which the
183 **[film] qualified motion media** production or production-
184 related activities for which the credits are certified by
185 the department occurred.

186 **8. The tax credit authorized by this section shall be**
187 **considered a business recruitment tax credit, as defined in**
188 **section 135.800, and shall be subject to the provisions of**
189 **sections 135.800 to 135.830.**

190 **9. The department of economic development may adopt**
191 **such rules, statements of policy, procedures, forms, and**
192 **guidelines as may be necessary to implement the provisions**
193 **of this section. Any rule or portion of a rule, as that**
194 **term is defined in section 536.010, that is created under**
195 **the authority delegated in this section shall become**
196 **effective only if it complies with and is subject to all of**
197 **the provisions of chapter 536 and, if applicable, section**
198 **536.028. This section and chapter 536 are nonseverable and**
199 **if any of the powers vested with the general assembly**
200 **pursuant to chapter 536 to review, to delay the effective**

201 date, or to disapprove and annul a rule are subsequently
202 held unconstitutional, then the grant of rulemaking
203 authority and any rule proposed or adopted after August 28,
204 2023, shall be invalid and void.

205 [6.] 10. Under section 23.253 of the Missouri sunset
206 act:

207 (1) The provisions of the [new] program authorized
208 under this section shall automatically sunset [six years
209 after November 28, 2007] on December 31, 2029, unless
210 reauthorized by an act of the general assembly; and

211 (2) If such program is reauthorized, the program
212 authorized under this section shall automatically sunset on
213 December thirty-first, twelve years after the effective date
214 of the reauthorization of this section; and

215 (3) This section shall terminate on September first of
216 the calendar year immediately following the calendar year in
217 which the program authorized under this section is sunset;
218 and

219 (4) The provisions of this subsection shall not be
220 construed to limit or in any way impair the department's
221 ability to redeem tax credits authorized on or before the
222 date the program authorized pursuant to this section
223 expires, or a taxpayer's ability to redeem such tax credits.

224 11. (1) Notwithstanding the provisions of subsection
225 10 of this section to the contrary, the provisions of this
226 section shall automatically terminate and expire one year
227 after the department of economic development determines that
228 all other state and local governments in the United States
229 of America have terminated or let lapse their tax credit or
230 other governmental incentive program for the film production
231 industry, regardless of whether such credits or programs are
232 now in effect or first commence after the effective date of

233 this section. The department of economic development shall
234 notify the revisor of statutes upon the department's
235 determination that the tax credit authorized by this section
236 shall terminate pursuant to this subsection.

237 (2) The provisions of this subsection shall not be
238 construed to limit or in any way impair the ability of any
239 taxpayer that has met the requirements in this section prior
240 to the termination of this section to participate in the
241 program authorized under this section. The provisions of
242 this section shall not be construed to limit or in any way
243 impair the department of revenue's ability to redeem tax
244 credits qualified for on or before the date the program
245 authorized pursuant to this section expires.

135.753. 1. This section shall be known and may be
2 cited as the "Entertainment Industry Jobs Act".

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

5 (1) "Base investment", the aggregate funds actually
6 invested and expended by a Missouri taxpayer as a rehearsal
7 expense or tour expense pursuant to this section;

8 (2) "Concert", a ticketed live performance of music in
9 the physical presence of at least one thousand individuals
10 who view the performance live. For the purposes of this
11 subdivision, "ticketed" shall mean a concert where
12 individual tickets for attendance are offered for sale to
13 the public;

14 (3) "Concert tour equipment", stage, set, scenery,
15 design elements, automation, rigging, trusses, spotlights,
16 lighting, sound equipment, video equipment, special effects,
17 cases, communication devices, power distribution equipment,
18 backline and other miscellaneous equipment, or supplies used
19 during a concert or rehearsal;

20 (4) "Department", the Missouri department of economic
21 development;

22 (5) "Expense", any expense, expenditure, cost, charge,
23 or other disbursement or spending of funds;

24 (6) "Facility", a site with one or more studios.
25 Multiple studios at a single location shall not be
26 considered separate facilities. A site may include one or
27 more buildings on the same property or properties within a
28 five-mile radius, provided that the properties' purpose and
29 operations are interrelated and are owned or operated by the
30 same owner or operator, as applicable;

31 (7) "Facility full-time equivalent employee", an
32 employee that is scheduled to work an average of at least
33 thirty-five hours per week and is located at the qualified
34 rehearsal facility, or a combination of two or more
35 employees that combined work an average of at least thirty-
36 five hours per week and are located at the qualified
37 rehearsal facility. An employee shall be considered to be
38 located at the qualified rehearsal facility if such employee
39 spends fifty percent or more of the employee's work time at
40 the qualified rehearsal facility or at a nearby location
41 serving the qualified rehearsal facility, including a
42 warehouse, located in Missouri and owned by the same owner
43 or operator, as applicable, of the qualified rehearsal
44 facility. An employee that spends less than fifty percent
45 of the employee's work time at the qualified rehearsal
46 facility or nearby location shall be considered to be
47 located at a qualified rehearsal facility if the employee
48 receives his or her directions and control from the
49 qualified rehearsal facility and is on the qualified
50 rehearsal facility's payroll;

51 (8) "Minimum rehearsal and tour requirements", the
52 occurrence of all of the following during a rehearsal or
53 tour:

54 (a) The purchase or rental of concert tour equipment,
55 related services, or both, in an amount of at least one
56 million dollars from a Missouri vendor for use in the
57 rehearsal, on the tour, or both;

58 (b) A rehearsal at a qualified rehearsal facility for
59 a minimum of ten days; and

60 (c) The holding of at least two concerts in the state
61 of Missouri;

62 (9) "Missouri vendor", an individual or entity located
63 in and maintaining a place of business in this state. Only
64 transactions made through a Missouri location of a Missouri
65 vendor shall constitute a transaction with a Missouri vendor
66 for the purposes of this section;

67 (10) "Nonresident", the same meaning as defined
68 pursuant to section 143.101;

69 (11) "Pass-through entity", any incorporated or
70 unincorporated entity that has or elects pass-through
71 taxation under federal law, including, without limitation, a
72 partnership, S corporation, or unincorporated entity with or
73 that elects pass-through taxation;

74 (12) "Qualified rehearsal facility", a facility
75 primarily used for rehearsals located in this state and
76 which meets all of the following criteria:

77 (a) Has a minimum of twelve thousand five hundred
78 square feet of column-free, unobstructed floor space in at
79 least one rehearsal studio in the facility;

80 (b) Has had a minimum of eight million dollars
81 invested in the facility in land or structure, or a
82 combination of land and structure;

83 (c) Has a permanent grid system with a capacity of a
84 minimum of five hundred thousand pounds in at least one
85 rehearsal studio in the facility;

86 (d) Has a height from floor to permanent grid of a
87 minimum of fifty feet in at least one rehearsal studio in
88 the facility;

89 (e) Has at least one sliding or roll-up access door
90 with a minimum height of fourteen feet in the facility;

91 (f) Has a security system which includes seven-days-a-
92 week security cameras and the use of access control
93 identification badges;

94 (g) Has a service area with production offices,
95 catering, and dressing rooms with a minimum of five thousand
96 square feet; and

97 (h) Is owned or operated by an entity that employs, on
98 average on an annual basis, at least eighty facility full-
99 time equivalent employees;

100 A qualified rehearsal facility shall not include a facility
101 at which concerts are regularly held;

102 (13) "Resident", the same meaning as defined pursuant
103 to section 143.101;

104 (14) "Rehearsal", an event or series of events which
105 occur in preparation for a tour prior to the start of the
106 tour or during a tour when additional preparation may be
107 needed;

108 (15) "Rehearsal expenses", includes all of the
109 following when incurred or when such expenses will be
110 incurred during a rehearsal:

111 (a) Total aggregate payroll;

112 (b) Payment to a personal service corporation
113 representing individual talent;

114 (c) Payment to a pass-through entity representing
115 individual talent;

116 (d) Expenses related to construction, operations,
117 editing, photography, staging, lighting, wardrobe, and
118 accessories;

119 (e) The leasing of vehicles from a Missouri vendor;

120 (f) The transportation of people or concert tour
121 equipment to or from a train station, bus depot, airport, or
122 other transportation location, or from a residence or
123 business entity;

124 (g) Insurance coverage for an entire tour if the
125 insurance coverage is purchased or will be purchased through
126 an insurance agent that is a Missouri vendor;

127 (h) Food and lodging from a Missouri vendor;

128 (i) The purchase or rental of concert tour equipment
129 from a Missouri vendor;

130 (j) The rental of a qualified rehearsal facility; and

131 (k) Emergency or medical support services required to
132 conduct a rehearsal;

133 (16) "Total aggregate payroll", the total sum expended
134 on salaries paid to resident employees, regardless of
135 whether such resident is working within or outside of this
136 state, or nonresident employees working within this state in
137 one or more tours or rehearsals, including, without
138 limitation, payments to a loan-out company. For the purposes
139 of this subdivision:

140 (a) With respect to a single employee, the portion of
141 any salary which exceeds two million dollars in the
142 aggregate for a single tour shall not be included when
143 calculating total aggregate payroll;

144 (b) All payments to a single employee and any legal
145 entity in which the employee has any direct or indirect

146 ownership interest shall be considered as having been paid
147 to the employee and shall be aggregated regardless of the
148 means of payment or distribution; and

149 (c) Total aggregate payroll shall include payments to
150 a loan-out company that has met its withholding tax
151 obligations as provided in this paragraph. The taxpayer
152 claiming the credit authorized pursuant to this section
153 shall withhold Missouri income tax at the rate imposed
154 pursuant to section 143.071 on all payments to loan-out
155 companies for services performed in Missouri. Any amounts
156 so withheld shall be deemed to have been withheld by the
157 loan-out company on wages paid to its employees for services
158 performed in Missouri, notwithstanding any exclusions under
159 Missouri law for short-term employment of nonresident
160 workers, out-of-state businesses, or otherwise. The amounts
161 so withheld shall be allocated to the loan-out company's
162 employees based on the payments made to the loan-out
163 company's employees for services performed in Missouri. For
164 the purposes of this section, loan-out company nonresident
165 employees performing services in Missouri shall be
166 considered taxable nonresidents and the loan-out company
167 shall be subject to income taxation in the taxable year in
168 which the loan-out company's employees perform services in
169 Missouri, notwithstanding any other provisions of chapter
170 143. Such withholding liability shall be subject to
171 penalties and interest in the same manner as the employee
172 withholding taxes imposed under chapter 143 and the
173 department of revenue shall provide by regulation the manner
174 in which such liability shall be assessed and collected.

175 (17) "Tour", a series of concerts or other
176 performances performed or to be performed by a musical or

177 other live performer, including at least one rehearsal, in
178 one or more locations over multiple days;

179 (18) "Tour expenses", expenses incurred or which will
180 be incurred during a tour including venues located in this
181 state, including:

182 (a) Total aggregate payroll;

183 (b) The transportation of people or concert tour
184 equipment to or from a train station, bus depot, airport, or
185 other transportation location, or from a residence or
186 business entity located in this state, or which is purchased
187 or will be purchased from a Missouri vendor;

188 (c) The leasing of vehicles provided by a Missouri
189 vendor;

190 (d) The purchasing or rental of facilities and
191 equipment from or through a Missouri vendor;

192 (e) Food and lodging which is incurred or will be
193 incurred from a Missouri vendor;

194 (f) Marketing or advertising a tour at venues located
195 within this state;

196 (g) Merchandise which is purchased or will be
197 purchased from a Missouri vendor and used on the tour;

198 (h) Payments made or that will be made to a personal
199 service corporation representing individual talent if income
200 tax will be paid or accrued on the net income of the
201 corporation for the taxable year pursuant to chapter 143; and

202 (i) Payments made or that will be made to a pass-
203 through entity representing individual talent for which
204 withholding tax will be withheld by the pass-through entity
205 on the payment as required pursuant to chapter 143;

206 "Tour expenses" shall not include development expenses,
207 including the writing of music or lyrics, or any expenses
208 claimed by a taxpayer as rehearsal expenses.

209 3. (1) For all tax years beginning on or after
210 January 1, 2024, a taxpayer shall be allowed a tax credit
211 for rehearsal expenses and tour expenses incurred by the
212 taxpayer. The amount of the tax credit shall be equal to
213 thirty percent of the taxpayer's base investment, subject to
214 the limitations provided in subsection 6 of this section.
215 No tax credit shall be authorized for rehearsal expenses or
216 tour expenses related to a rehearsal or tour that does not
217 meet the minimum rehearsal and tour requirements.

218 (2) Tax credits issued pursuant to this section shall
219 not be refundable. Any amount of tax credit that exceeds
220 the tax liability for a taxpayer's tax year may be carried
221 forward to any of the taxpayer's five subsequent taxable
222 years.

223 4. (1) Tax credits authorized pursuant to this
224 section may be transferred or sold in whole or in part by
225 the taxpayer that claimed the tax credit, provided that the
226 tax credit is transferred or sold to another Missouri
227 taxpayer.

228 (2) A transferor may make one or more transfers or
229 sales of tax credits claimed in a taxable year, and such
230 transfers or sales may involve one or more transferees.

231 (3) A transferor shall submit to the department and to
232 the department of revenue a written notification of any
233 transfer or sale of tax credits within thirty days after the
234 transfer or sale of such tax credits. Such notification
235 shall include the amount of the transferor's unredeemed tax
236 credits prior to transfer, the tax credit identifying
237 certificate number or other relevant identifying

238 information, the remaining amount of unredeemed tax credits
239 after transfer, all tax identification numbers for each
240 transferee, the date of transfer, the amount transferred,
241 and any other information required by the department or the
242 department of revenue.

243 (4) The transfer or sale of a tax credit authorized
244 pursuant to this section shall not extend the time in which
245 such tax credit may be redeemed. The carry-forward period
246 for a tax credit that is transferred or sold shall begin on
247 the date on which the tax credit was originally issued.

248 (5) A transferee shall have only such rights to claim
249 and redeem the tax credits that were available to such
250 transferor at the time of the transfer, except for the
251 transfer use of the tax credit authorized in subdivision (1)
252 of this subsection. To the extent that such transferor did
253 not have rights to claim or redeem the tax credit at the
254 time of the transfer, the department of revenue shall either
255 disallow the tax credit claimed by the transferee or
256 recapture the tax credit from the transferee. The
257 transferee's recourse shall be against such transferor.

258 (6) Tax credits shall not be transferred or sold for
259 less than sixty percent of the value of such tax credits.

260 (7) A taxpayer failing to comply with the provisions
261 of this subsection shall not be able to redeem a tax credit
262 until such taxpayer is in full compliance.

263 5. The tax credits authorized pursuant to this section
264 shall be subject to the following conditions and limitations:

265 (1) The tax credit may be taken beginning with the
266 taxable year in which the taxpayer earning the tax credit
267 has met the requirements provided pursuant to this section.
268 For each year in which such taxpayer either claims or
269 transfers the tax credit, the taxpayer shall attach a

270 schedule to the taxpayer's Missouri income tax return which
271 shall include the following information:

272 (a) A description of the qualifying activities and
273 expenses;

274 (b) A detailed listing of the employee names, Social
275 Security numbers, and Missouri wages when salaries are
276 included in the base investment;

277 (c) The amount of the tax credit claimed pursuant to
278 this section for the tax year;

279 (d) Any tax credit previously taken by the taxpayer
280 against Missouri income tax liabilities;

281 (e) The amount of the tax credit carried over from
282 prior years;

283 (f) The amount of the tax credit utilized by the
284 taxpayer claiming the tax credit in the current taxable
285 year; and

286 (g) The amount of the tax credit to be carried over to
287 subsequent tax years;

288 (2) In the initial tax year in which the taxpayer
289 claims the credit authorized pursuant to this section, the
290 taxpayer shall include a description of the qualifying
291 activities and expenses that demonstrates that the minimum
292 rehearsal and tour requirements are met; and

293 (3) Any taxpayer claiming, transferring, or selling a
294 tax credit pursuant to this section shall be required to
295 reimburse the department of revenue for any department-
296 initiated audits relating to the tax credit. The provisions
297 of this subdivision shall not apply to routine tax audits of
298 a taxpayer which may include the review of the tax credit
299 authorized pursuant to this section.

300 6. (1) The aggregate amount of tax credits that may
301 be authorized in a given fiscal year pursuant to this

302 section shall not exceed eight million dollars. If the
303 amount of tax credits applied for by taxpayers exceeds such
304 amount, the department may, at its discretion, authorize
305 additional tax credits in an amount not to exceed two
306 million dollars in such fiscal year, provided that the
307 maximum amount of tax credits that may be authorized during
308 the subsequent fiscal year shall be reduced by the amount of
309 additional tax credits that the department authorizes.

310 (2) Notwithstanding the provisions of subdivision (1)
311 of subsection 3 of this section to the contrary, the amount
312 of tax credits claimed by a taxpayer pursuant to this
313 section during a fiscal year shall not exceed the following
314 amounts:

315 (a) If a taxpayer's base investment is less than four
316 million dollars, the taxpayer shall not be awarded more than
317 one million dollars in tax credits in a fiscal year;

318 (b) If a taxpayer's base investment is at least four
319 million dollars but less than eight million dollars, the
320 taxpayer shall not be awarded more than two million dollars
321 in tax credits in a fiscal year; and

322 (c) If a taxpayer's base investment is at least eight
323 million dollars, the taxpayer shall not be awarded more than
324 three million dollars in tax credits in a fiscal year.

325 7. The department shall promulgate such rules and
326 regulations as are necessary to implement and administer the
327 provisions of this section. Any rule or portion of a rule,
328 as that term is defined in section 536.010, that is created
329 under the authority delegated in this section shall become
330 effective only if it complies with and is subject to all of
331 the provisions of chapter 536 and, if applicable, section
332 536.028. This section and chapter 536 are nonseverable and
333 if any of the powers vested with the general assembly

334 pursuant to chapter 536 to review, to delay the effective
335 date, or to disapprove and annul a rule are subsequently
336 held unconstitutional, then the grant of rulemaking
337 authority and any rule proposed or adopted after August 28,
338 2023, shall be invalid and void.

339 8. Pursuant to section 23.253 of the Missouri Sunset
340 Act:

341 (1) The program authorized pursuant to this section
342 shall automatically sunset on December 31, 2030, unless
343 reauthorized by an act of the general assembly;

344 (2) If such program is reauthorized, the program
345 authorized pursuant to this section shall automatically
346 sunset on December thirty-first, twelve years after the
347 effective date of the reauthorization;

348 (3) This section shall terminate on September first of
349 the calendar year immediately following the calendar year in
350 which the program authorized pursuant to this section is
351 sunset; and

352 (4) The provisions of this subsection shall not be
353 construed to limit or in any way impair the department's
354 ability to redeem tax credits authorized on or before the
355 date the program authorized pursuant to this section
356 expires, or a taxpayer's ability to redeem such tax credits.

357 9. (1) Notwithstanding the provisions of subsection 8
358 of this section, the provisions of this section shall
359 automatically terminate and expire ninety days after the
360 department determines that all other state and local
361 governments in the United States of America have terminated
362 or let lapse their tax credit or other governmental
363 incentive program for the music or performance entertainment
364 industries, regardless of whether such credits or programs
365 are now in effect or first commence after the effective date

366 of this section. The department shall notify the revisor of
367 statutes upon the department's determination that the tax
368 credit authorized by this section shall terminate pursuant
369 to this subsection.

370 (2) The provisions of this subsection shall not be
371 construed to limit or in any way impair the ability of any
372 taxpayer that has met the requirements in this section prior
373 to the termination of this section to participate in the
374 program authorized under this section. The provisions of
375 this section shall not be construed to limit or in any way
376 impair the department's ability to redeem tax credits
377 qualified for on or before the date the program authorized
378 pursuant to this section expires.

Section B. The enactment of section 135.753 of this
2 act shall become effective January 1, 2024.

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