

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/Senate Bill No. 145, Page 1, Section Title, Line 4,

2 by striking "the licensure of certain businesses" and
3 inserting in lieu thereof: "taxation"; and

4 Further amend said bill and page, section A, line 4, by
5 inserting after all of said line the following:

6 "32.115. 1. The department of revenue shall grant a
7 tax credit, to be applied in the following order until used,
8 against:

9 (1) The annual tax on gross premium receipts of
10 insurance companies in chapter 148;

11 (2) The tax on banks determined pursuant to
12 subdivision (2) of subsection 2 of section 148.030;

13 (3) The tax on banks determined in subdivision (1) of
14 subsection 2 of section 148.030;

15 (4) The tax on other financial institutions in chapter
16 148;

17 (5) The corporation franchise tax in chapter 147;

18 (6) The state income tax in chapter 143; and

19 (7) The annual tax on gross receipts of express
20 companies in chapter 153.

21 2. For proposals approved pursuant to section 32.110:

22 (1) The amount of the tax credit shall not exceed
23 [fifty] seventy percent of the total amount contributed
24 during the taxable year by the business firm or, in the case
25 of a financial institution, where applicable, during the

26 relevant income period in programs approved pursuant to
27 section 32.110;

28 (2) Except as provided in subsection 2 or 5 of this
29 section, a tax credit of up to seventy percent may be
30 allowed for contributions to programs where activities fall
31 within the scope of special program priorities as defined
32 with the approval of the governor in regulations promulgated
33 by the director of the department of economic development;

34 (3) Except as provided in subsection 2 or 5 of this
35 section, the tax credit allowed for contributions to
36 programs located in any community shall be equal to seventy
37 percent of the total amount contributed where such community
38 is a city, town or village which has fifteen thousand or
39 less inhabitants as of the last decennial census and is
40 located in a county which is either located in:

41 (a) An area that is not part of a standard
42 metropolitan statistical area;

43 (b) A standard metropolitan statistical area but such
44 county has only one city, town or village which has more
45 than fifteen thousand inhabitants; or

46 (c) A standard metropolitan statistical area and a
47 substantial number of persons in such county derive their
48 income from agriculture.

49 Such community may also be in an unincorporated area in such
50 county as provided in subdivision (1), (2) or (3) of this
51 subsection. Except in no case shall the total economic
52 benefit of the combined federal and state tax savings to the
53 taxpayer exceed the amount contributed by the taxpayer
54 during the tax year;

55 (4) Such tax credit allocation, equal to seventy
56 percent of the total amount contributed, shall not exceed
57 four million dollars in fiscal year 1999 and six million
58 dollars in fiscal year 2000 and any subsequent fiscal year.

59 When the maximum dollar limit on the seventy percent tax
60 credit allocation is committed, the tax credit allocation
61 for such programs shall then be equal to fifty percent
62 credit of the total amount contributed. Regulations
63 establishing special program priorities are to be
64 promulgated during the first month of each fiscal year and
65 at such times during the year as the public interest
66 dictates. Such credit shall not exceed two hundred and
67 fifty thousand dollars annually except as provided in
68 subdivision (5) of this subsection. No tax credit shall be
69 approved for any bank, bank and trust company, insurance
70 company, trust company, national bank, savings association,
71 or building and loan association for activities that are a
72 part of its normal course of business. Any tax credit not
73 used in the period the contribution was made may be carried
74 over the next five succeeding calendar or fiscal years until
75 the full credit has been claimed. Except as otherwise
76 provided for proposals approved pursuant to section 32.111,
77 32.112 or 32.117, in no event shall the total amount of all
78 other tax credits allowed pursuant to sections 32.100 to
79 32.125 exceed thirty-two million dollars in any one fiscal
80 year, of which six million shall be credits allowed pursuant
81 to section 135.460. If six million dollars in credits are
82 not approved, then the remaining credits may be used for
83 programs approved pursuant to sections 32.100 to 32.125;

84 (5) The credit may exceed two hundred fifty thousand
85 dollars annually and shall not be limited if community
86 services, crime prevention, education, job training,
87 physical revitalization or economic development, as defined
88 by section 32.105, is rendered in an area defined by federal
89 or state law as an impoverished, economically distressed, or
90 blighted area or as a neighborhood experiencing problems
91 endangering its existence as a viable and stable

92 neighborhood, or if the community services, crime
93 prevention, education, job training, physical revitalization
94 or economic development is limited to impoverished persons.

95 3. For proposals approved pursuant to section 32.111:

96 (1) The amount of the tax credit shall not exceed
97 ~~[fifty-five]~~ seventy percent of the total amount invested in
98 affordable housing assistance activities or market rate
99 housing in distressed communities as defined in section
100 135.530 by a business firm. Whenever such investment is
101 made in the form of an equity investment or a loan, as
102 opposed to a donation alone, tax credits may be claimed only
103 where the loan or equity investment is accompanied by a
104 donation which is eligible for federal income tax charitable
105 deduction, and where the total value of the tax credits
106 herein plus the value of the federal income tax charitable
107 deduction is less than or equal to the value of the
108 donation. Any tax credit not used in the period for which
109 the credit was approved may be carried over the next ten
110 succeeding calendar or fiscal years until the full credit
111 has been allowed. If the affordable housing units or market
112 rate housing units in distressed communities for which a tax
113 is claimed are within a larger structure, parts of which are
114 not the subject of a tax credit claim, then expenditures
115 applicable to the entire structure shall be reduced on a
116 prorated basis in proportion to the ratio of the number of
117 square feet devoted to the affordable housing units or
118 market rate housing units in distressed communities, for
119 purposes of determining the amount of the tax credit. The
120 total amount of tax credit granted for programs approved
121 pursuant to section 32.111 for the fiscal year beginning
122 July 1, 1991, shall not exceed two million dollars, to be
123 increased by no more than two million dollars each

124 succeeding fiscal year, until the total tax credits that may
125 be approved reaches ten million dollars in any fiscal year;

126 (2) For any year during the compliance period
127 indicated in the land use restriction agreement, the owner
128 of the affordable housing rental units for which a credit is
129 being claimed shall certify to the commission that all
130 tenants renting claimed units are income eligible for
131 affordable housing units and that the rentals for each
132 claimed unit are in compliance with the provisions of
133 sections 32.100 to 32.125. The commission is authorized, in
134 its discretion, to audit the records and accounts of the
135 owner to verify such certification;

136 (3) In the case of owner-occupied affordable housing
137 units, the qualifying owner occupant shall, before the end
138 of the first year in which credits are claimed, certify to
139 the commission that the occupant is income eligible during
140 the preceding two years, and at the time of the initial
141 purchase contract, but not thereafter. The qualifying owner
142 occupant shall further certify to the commission, before the
143 end of the first year in which credits are claimed, that
144 during the compliance period indicated in the land use
145 restriction agreement, the cost of the affordable housing
146 unit to the occupant for the claimed unit can reasonably be
147 projected to be in compliance with the provisions of
148 sections 32.100 to 32.125. Any succeeding owner occupant
149 acquiring the affordable housing unit during the compliance
150 period indicated in the land use restriction agreement shall
151 make the same certification;

152 (4) If at any time during the compliance period the
153 commission determines a project for which a proposal has
154 been approved is not in compliance with the applicable
155 provisions of sections 32.100 to 32.125 or rules promulgated
156 therefor, the commission may within one hundred fifty days

157 of notice to the owner either seek injunctive enforcement
158 action against the owner, or seek legal damages against the
159 owner representing the value of the tax credits, or
160 foreclose on the lien in the land use restriction agreement,
161 selling the project at a public sale, and paying to the
162 owner the proceeds of the sale, less the costs of the sale
163 and less the value of all tax credits allowed herein. The
164 commission shall remit to the director of revenue the
165 portion of the legal damages collected or the sale proceeds
166 representing the value of the tax credits. However, except
167 in the event of intentional fraud by the taxpayer, the
168 proposal's certificate of eligibility for tax credits shall
169 not be revoked.

170 4. For proposals approved pursuant to section 32.112,
171 the amount of the tax credit shall not exceed [fifty-five]
172 seventy percent of the total amount contributed to a
173 neighborhood organization by business firms. Any tax credit
174 not used in the period for which the credit was approved may
175 be carried over the next ten succeeding calendar or fiscal
176 years until the full credit has been allowed. The total
177 amount of tax credit granted for programs approved pursuant
178 to section 32.112 shall not exceed one million dollars for
179 each fiscal year.

180 5. The total amount of tax credits used for market
181 rate housing in distressed communities pursuant to sections
182 32.100 to 32.125 shall not exceed thirty percent of the
183 total amount of all tax credits authorized pursuant to
184 sections 32.111 and 32.112."; and

185 Further amend said bill, page 3, section 92.045, line
186 36, by inserting after all of said line the following:

187 "135.460. 1. This section and sections 620.1100 and
188 620.1103 shall be known and may be cited as the "Youth
189 Opportunities and Violence Prevention Act".

190 2. As used in this section, the term "taxpayer" shall
191 include corporations as defined in section 143.441 or
192 143.471, any charitable organization which is exempt from
193 federal income tax and whose Missouri unrelated business
194 taxable income, if any, would be subject to the state income
195 tax imposed under chapter 143, and individuals, individual
196 proprietorships and partnerships.

197 3. A taxpayer shall be allowed a tax credit against
198 the tax otherwise due pursuant to chapter 143, excluding
199 withholding tax imposed by sections 143.191 to 143.265,
200 chapter 147, chapter 148, or chapter 153 in an amount equal
201 to thirty percent for property contributions and [fifty]
202 seventy percent for monetary contributions of the amount
203 such taxpayer contributed to the programs described in
204 subsection 5 of this section, not to exceed two hundred
205 thousand dollars per taxable year, per taxpayer; except as
206 otherwise provided in subdivision (5) of subsection 5 of
207 this section. The department of economic development shall
208 prescribe the method for claiming the tax credits allowed in
209 this section. No rule or portion of a rule promulgated
210 under the authority of this section shall become effective
211 unless it has been promulgated pursuant to the provisions of
212 chapter 536. All rulemaking authority delegated prior to
213 June 27, 1997, is of no force and effect and repealed;
214 however, nothing in this section shall be interpreted to
215 repeal or affect the validity of any rule filed or adopted
216 prior to June 27, 1997, if such rule complied with the
217 provisions of chapter 536. The provisions of this section
218 and chapter 536 are nonseverable and if any of the powers
219 vested with the general assembly pursuant to chapter 536,
220 including the ability to review, to delay the effective
221 date, or to disapprove and annul a rule or portion of a
222 rule, are subsequently held unconstitutional, then the

223 purported grant of rulemaking authority and any rule so
224 proposed and contained in the order of rulemaking shall be
225 invalid and void.

226 4. The tax credits allowed by this section shall be
227 claimed by the taxpayer to offset the taxes that become due
228 in the taxpayer's tax period in which the contribution was
229 made. Any tax credit not used in such tax period may be
230 carried over the next five succeeding tax periods.

231 5. The tax credit allowed by this section may only be
232 claimed for monetary or property contributions to public or
233 private programs authorized to participate pursuant to this
234 section by the department of economic development and may be
235 claimed for the development, establishment, implementation,
236 operation, and expansion of the following activities and
237 programs:

238 (1) An adopt-a-school program. Components of the
239 adopt-a-school program shall include donations for school
240 activities, seminars, and functions; school-business
241 employment programs; and the donation of property and
242 equipment of the corporation to the school;

243 (2) Expansion of programs to encourage school dropouts
244 to reenter and complete high school or to complete a
245 graduate equivalency degree program;

246 (3) Employment programs. Such programs shall
247 initially, but not exclusively, target unemployed youth
248 living in poverty and youth living in areas with a high
249 incidence of crime;

250 (4) New or existing youth clubs or associations;

251 (5) Employment/internship/apprenticeship programs in
252 business or trades for persons less than twenty years of
253 age, in which case the tax credit claimed pursuant to this
254 section shall be equal to one-half of the amount paid to the

255 intern or apprentice in that tax year, except that such
256 credit shall not exceed ten thousand dollars per person;

257 (6) Mentor and role model programs;

258 (7) Drug and alcohol abuse prevention training
259 programs for youth;

260 (8) Donation of property or equipment of the taxpayer
261 to schools, including schools which primarily educate
262 children who have been expelled from other schools, or
263 donation of the same to municipalities, or not-for-profit
264 corporations or other not-for-profit organizations which
265 offer programs dedicated to youth violence prevention as
266 authorized by the department;

267 (9) Not-for-profit, private or public youth activity
268 centers;

269 (10) Nonviolent conflict resolution and mediation
270 programs;

271 (11) Youth outreach and counseling programs.

272 6. Any program authorized in subsection 5 of this
273 section shall, at least annually, submit a report to the
274 department of economic development outlining the purpose and
275 objectives of such program, the number of youth served, the
276 specific activities provided pursuant to such program, the
277 duration of such program and recorded youth attendance where
278 applicable.

279 7. The department of economic development shall, at
280 least annually submit a report to the Missouri general
281 assembly listing the organizations participating, services
282 offered and the number of youth served as the result of the
283 implementation of this section.

284 8. The tax credit allowed by this section shall apply
285 to all taxable years beginning after December 31, 1995.

286 9. For the purposes of the credits described in this
287 section, in the case of a corporation described in section

288 143.471, partnership, limited liability company described in
289 section 347.015, cooperative, marketing enterprise, or
290 partnership, in computing Missouri's tax liability, such
291 credits shall be allowed to the following:

- 292 (1) The shareholders of the corporation described in
293 section 143.471;
- 294 (2) The partners of the partnership;
- 295 (3) The members of the limited liability company; and
- 296 (4) Individual members of the cooperative or marketing
297 enterprise.

298 Such credits shall be apportioned to the entities described
299 in subdivisions (1) and (2) of this subsection in proportion
300 to their share of ownership on the last day of the
301 taxpayer's tax period."; and

302 Further amend the title and enacting clause accordingly.