

SENATE BILL NO. 184

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CIERPIOT.

0264S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 67.3000 and 67.3005, RSMo, and to enact in lieu thereof two new sections relating to tax credits for certain sporting events.

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

Section A. Sections 67.3000 and 67.3005, RSMo, are
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 67.3000 and 67.3005, to read as follows:

67.3000. 1. As used in this section and section
2 67.3005, the following words shall mean:

3 (1) "Active member", an organization located in the
4 state of Missouri which solicits and services sports events,
5 sports organizations, and other types of sports-related
6 activities in that community;

7 (2) "Applicant" or "applicants", one or more certified
8 sponsors, endorsing counties, endorsing municipalities, or a
9 local organizing committee, acting individually or
10 collectively;

11 (3) "Certified sponsor" or "certified sponsors", a
12 nonprofit organization which is an active member of the
13 **[National Association of Sports Commissions] Sports Events**
14 **and Tourism Association;**

15 (4) "Department", the Missouri department of economic
16 development;

17 (5) "Director", the director of revenue;

18 (6) **["Eligible costs" shall include:**

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

- 19 (a) Costs necessary for conducting the sporting event;
20 (b) Costs relating to the preparations necessary for
21 the conduct of the sporting event; and
22 (c) An applicant's pledged obligations to the site
23 selection organization as evidenced by the support contract
24 for the sporting event including, but not limited to, bid
25 fees and financial guarantees.

26 Eligible costs shall not include any cost associated with
27 the rehabilitation or construction of any facilities used to
28 host the sporting event or direct payments to a for-profit
29 site selection organization, but may include costs
30 associated with the retrofitting of a facility necessary to
31 accommodate the sporting event;

32 [(7)] "Eligible donation", donations received, by a
33 certified sponsor or local organizing committee, from a
34 taxpayer that may include cash, publicly traded stocks and
35 bonds, and real estate that will be valued and documented
36 according to rules promulgated by the department. Such
37 donations shall be used solely to provide funding to attract
38 sporting events to this state;

39 [(8)] (7) "Endorsing municipality" or "endorsing
40 municipalities", any city, town, incorporated village, or
41 county that contains a site selected by a site selection
42 organization for one or more sporting events;

43 [(9)] (8) "Joinder agreement", an agreement entered
44 into by one or more applicants, acting individually or
45 collectively, and a site selection organization setting out
46 representations and assurances by each applicant in
47 connection with the selection of a site in this state for
48 the location of a sporting event;

49 [(10)] (9) "Joinder undertaking", an agreement entered
50 into by one or more applicants, acting individually or
51 collectively, and a site selection organization that each
52 applicant will execute a joinder agreement in the event that
53 the site selection organization selects a site in this state
54 for a sporting event;

55 [(11)] (10) "Local organizing committee", a nonprofit
56 corporation or its successor in interest that:

57 (a) Has been authorized by one or more certified
58 sponsors, endorsing municipalities, or endorsing counties,
59 acting individually or collectively, to pursue an
60 application and bid on its or the applicant's behalf to a
61 site selection organization for selection as the host of one
62 or more sporting events; or

63 (b) With the authorization of one or more certified
64 sponsors, endorsing municipalities, or endorsing counties,
65 acting individually or collectively, executes an agreement
66 with a site selection organization regarding a bid to host
67 one or more sporting events;

68 (11) **"Registered participant", an individual who is**
69 **registered to compete in a sporting event, or an athlete,**
70 **coach, or other individual who is part of a team's official**
71 **contingent with an official capacity for such sporting event;**

72 (12) "Site selection organization", the National
73 Collegiate Athletic Association (NCAA); an NCAA member
74 conference, university, or institution; the National
75 Association of Intercollegiate Athletics (NAIA); the United
76 States Olympic & Paralympic Committee [(USOC)] (USOPC); a
77 national governing body (NGB) or international federation of
78 a sport recognized by the [(USOC)] USOPC; the United States
79 Golf Association (USGA); the United States Tennis
80 Association (USTA); the Amateur Athletic Union (AAU); the

81 National Christian College Athletic Association (NCCAA); the
82 National Junior College Athletic Association (NJCAA); the
83 United States Sports Specialty Association (USSSA); any
84 rights holder member of the [National Association of Sports
85 Commissions (NASC)] **Sports Events and Tourism Association**
86 **(Sports ETA)**; other major regional, national, and
87 international sports associations, and amateur organizations
88 that promote, organize, or administer sporting games or
89 competitions; or other major regional, national, and
90 international organizations that promote or organize
91 sporting events;

92 (13) "Sporting event" or "sporting events", an
93 amateur, collegiate, or Olympic sporting event that is
94 competitively bid or is awarded by a site selection
95 organization;

96 (14) "Support contract" or "support contracts", an
97 event award notification, joinder undertaking, joinder
98 agreement, or contract executed by an applicant and a site
99 selection organization;

100 (15) "Tax credit" or "tax credits", a credit or
101 credits issued by the department against the tax otherwise
102 due under chapter 143 or 148, excluding withholding tax
103 imposed under sections 143.191 to 143.265;

104 (16) "Taxpayer", any of the following individuals or
105 entities who make an eligible donation:

106 (a) A person, firm, partner in a firm, corporation, or
107 a shareholder in an S corporation doing business in the
108 state of Missouri and subject to the state income tax
109 imposed under chapter 143;

110 (b) A corporation subject to the annual corporation
111 franchise tax imposed under chapter 147;

112 (c) An insurance company paying an annual tax on its
113 gross premium receipts in this state;

114 (d) Any other financial institution paying taxes to
115 the state of Missouri or any political subdivision of this
116 state under chapter 148;

117 (e) An individual subject to the state income tax
118 imposed under chapter 143;

119 (f) Any charitable organization which is exempt from
120 federal income tax and whose Missouri unrelated business
121 taxable income, if any, would be subject to the state income
122 tax imposed under chapter 143.

123 2. An applicant may submit a copy of a support
124 contract for a sporting event to the department. Within
125 sixty days of receipt of the sporting event support
126 contract, the department may review the applicant's support
127 contract and certify such support contract if it complies
128 with the requirements of this section. Upon certification
129 of the support contract by the department, the applicant may
130 be authorized to receive the tax credit under subsection 4
131 of this section.

132 3. No more than ninety days following the conclusion
133 of the sporting event, the applicant shall submit [eligible
134 costs and documentation of the costs evidenced by receipts,
135 paid invoices, event settlements, or other documentation in
136 a manner prescribed by the department. Eligible costs may
137 be paid by the applicant or an entity cohosting the event
138 with the applicant] **a ticket sales or box office statement
139 verifying the total number of tickets sold for such event,
140 or, if such event was participant-based, a list of all
141 registered participants.**

142 4. (1) [No later than seven days following the
143 conclusion of the sporting event, the department, in

144 consultation with the director, shall determine the total
145 number of tickets sold at face value for such event or, if
146 such event was participant-based and did not sell admission
147 tickets, the total number of paid participant registrations.

148 (2) No later than sixty days following the receipt of
149 [eligible costs and] documentation of [such costs] **ticket**
150 **sales or registered participants** from the applicant as
151 required in subsection 3 of this section, the department
152 shall, except for the limitations under subsection 5 of this
153 section, issue **a certificate for** a refundable tax credit to
154 the applicant for [the least of]:

155 (a) [One hundred percent of eligible costs incurred by
156 the applicant;

157 (b) An amount equal to [five] **six** dollars for every
158 admission ticket sold to such event; or

159 [(c)] (b) An amount equal to [ten] **twelve** dollars for
160 every [paid] **registered** participant [registration] if such
161 event was participant-based [and did not sell admission
162 tickets].

163 The calculations under paragraphs [(b)] (a) and [(c)] (b) of
164 this subdivision shall use the actual number of tickets sold
165 or [registrations paid] **registered participants**, not an
166 estimated amount.

167 (2) **The department of revenue shall pay the amount of**
168 **the refundable tax credit to the applicant within ninety**
169 **days of the applicant's submission of a valid tax credit**
170 **certificate issued in accordance with subdivision (1) of**
171 **this subsection.**

172 (3) Tax credits authorized by this section may be
173 claimed against taxes imposed by chapters 143 and 148 [and
174 shall be claimed within one year of the close of the tax

175 year for which the credits were issued]. Tax credits
176 authorized by this section [may] **shall not** be transferred,
177 sold, or assigned [by filing a notarized endorsement thereof
178 with the department that names the transferee, the amount of
179 tax credit transferred, and the value received for the
180 credit, as well as any other information reasonably
181 requested by the department]. **Tax credits authorized by
182 this section shall be refundable at any time following
183 issuance and shall not be required to offset taxes estimated
184 or otherwise due. If any taxpayer is awarded tax credits
185 under this section that are refunded to such taxpayer but
186 the department of revenue later determines that the taxpayer
187 receiving the credits still owed taxes that were not paid in
188 the tax year that the tax credit was applied, such taxpayer
189 shall repay the state an amount equal to the amount of the
190 tax credits already refunded or the amount of the taxpayer's
191 tax liability still due, whichever is less. The department
192 of revenue may promulgate such rules as are necessary to
193 administer such clawback provisions under this subdivision.**

194 5. In no event shall the amount of tax credits issued
195 by the department under subsection 4 of this section exceed
196 [three] **six** million dollars in any fiscal year. For all
197 events located within the following counties, the total
198 amount of tax credits issued shall not exceed [two] **five**
199 million [seven] **five** hundred thousand dollars in any fiscal
200 year:

201 (1) A county with a charter form of government and
202 with more than six hundred thousand inhabitants; or

203 (2) A city not within a county.

204 6. An applicant shall provide any information
205 necessary as determined by the department for the department
206 and the director to fulfill the duties required by this

207 section. At any time upon the request of the state of
208 Missouri, a certified sponsor shall subject itself to an
209 audit conducted by the state.

210 7. This section shall not be construed as creating or
211 requiring a state guarantee of obligations imposed on an
212 endorsing municipality under a support contract or any other
213 agreement relating to hosting one or more sporting events in
214 this state.

215 8. The department shall only certify an applicant's
216 support contract for a sporting event in which the site
217 selection organization has yet to select a location for the
218 sporting event as of December 1, 2012. No support contract
219 shall be certified unless the site selection organization
220 has chosen to use a location in this state from competitive
221 bids, at least one of which was a bid for a location outside
222 of this state, except that competitive bids shall not be
223 required for any previously-awarded event whose site
224 selection organization extends its contractual agreement
225 with the event's certified sponsor or for any [post-season]
226 **neutral-site** collegiate [football game or other neutral-
227 site] game with at least one out-of-state team. Support
228 contracts shall not be certified by the department after
229 August 28, [2025] 2032, provided that the support contracts
230 may be certified on or prior to August 28, [2025] 2032, for
231 sporting events that will be held after such date.

232 9. The department may promulgate rules as necessary to
233 implement the provisions of this section. Any rule or
234 portion of a rule, as that term is defined in section
235 536.010, that is created under the authority delegated in
236 this section shall become effective only if it complies with
237 and is subject to all of the provisions of chapter 536 and,
238 if applicable, section 536.028. This section and chapter

239 536 are nonseverable and if any of the powers vested with
240 the general assembly pursuant to chapter 536 to review, to
241 delay the effective date, or to disapprove and annul a rule
242 are subsequently held unconstitutional, then the grant of
243 rulemaking authority and any rule proposed or adopted after
244 August 28, 2013, shall be invalid and void.

67.3005. 1. For all tax years beginning on or after
2 January 1, 2013, any taxpayer shall be allowed a credit
3 against the taxes otherwise due under chapter 143, 147, or
4 148, excluding withholding tax imposed by sections 143.191
5 to 143.265, in an amount equal to fifty percent of the
6 amount of an eligible donation, subject to the restrictions
7 in this section. The amount of the tax credit claimed shall
8 not exceed the amount of the taxpayer's state income tax
9 liability in the tax year for which the credit is claimed.
10 Any amount of credit that the taxpayer is prohibited by this
11 section from claiming in a tax year shall not be refundable,
12 but may be carried forward to any of the taxpayer's two
13 subsequent tax years.

14 2. To claim the credit authorized in this section, a
15 certified sponsor or local organizing committee shall submit
16 to the department an application for the tax credit
17 authorized by this section on behalf of taxpayers. The
18 department shall verify that the applicant has submitted the
19 following items accurately and completely:

20 (1) A valid application in the form and format
21 required by the department;

22 (2) A statement attesting to the eligible donation
23 received, which shall include the name and taxpayer
24 identification number of the individual making the eligible
25 donation, the amount of the eligible donation, and the date
26 the eligible donation was received; and

27 (3) Payment from the certified sponsor or local
28 organizing committee equal to the value of the tax credit
29 for which application is made.

30 If the certified sponsor or local organizing committee
31 applying for the tax credit meets all criteria required by
32 this subsection, the department shall issue a certificate in
33 the appropriate amount.

34 3. Tax credits issued under this section may be
35 assigned, transferred, sold, or otherwise conveyed, and the
36 new owner of the tax credit shall have the same rights in
37 the credit as the taxpayer. Whenever a certificate is
38 assigned, transferred, sold, or otherwise conveyed, a
39 notarized endorsement shall be filed with the department
40 specifying the name and address of the new owner of the tax
41 credit or the value of the credit. In no event shall the
42 amount of tax credits issued by the department under this
43 section exceed [ten million] **five hundred thousand** dollars
44 in any fiscal year.

45 4. The department shall promulgate rules to implement
46 the provisions of this section. Any rule or portion of a
47 rule, as that term is defined in section 536.010, that is
48 created under the authority delegated in this section shall
49 become effective only if it complies with and is subject to
50 all of the provisions of chapter 536 and, if applicable,
51 section 536.028. This section and chapter 536 are
52 nonseverable and if any of the powers vested with the
53 general assembly pursuant to chapter 536 to review, to delay
54 the effective date, or to disapprove and annul a rule are
55 subsequently held unconstitutional, then the grant of
56 rulemaking authority and any rule proposed or adopted after
57 August 28, 2013, shall be invalid and void.

58 5. Under section 23.253 of the Missouri sunset act:
59 (1) The provisions of the new program authorized under
60 **this** section **and section** 67.3000 [and under this section]
61 shall automatically sunset six years after August 28, [2019]
62 **2026**, unless reauthorized by an act of the general assembly;
63 and
64 (2) If such program is reauthorized, the program
65 authorized under **this** section **and section** 67.3000 [and under
66 this section] shall automatically sunset twelve years after
67 the effective date of the reauthorization of these sections;
68 and
69 (3) Section 67.3000 and this section shall terminate
70 on September first of the calendar year immediately
71 following the calendar year in which the program authorized
72 under these sections is sunset.

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