

SENATE BILL NO. 475

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR COLEMAN.

1603S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 135.341, RSMo, and to enact in lieu thereof two new sections relating to tax credits.

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

Section A. Section 135.341, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.341 and 620.040, to read as follows:

135.341. 1. As used in this section, the following terms shall mean:

(1) "CASA", an entity which receives funding from the court-appointed special advocate fund established under section 476.777, including an association based in this state, affiliated with a national association, organized to provide support to entities receiving funding from the court-appointed special advocate fund;

(2) "Child advocacy centers", the regional child assessment centers listed in subsection 2 of section 210.001, including an association based in this state, affiliated with a national association, and organized to provide support to entities listed in subsection 2 of section 210.001;

(3) "Contribution", the amount of donation to a qualified agency;

(4) "Crisis care center", entities contracted with this state which provide temporary care for children whose

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

19 age ranges from birth through seventeen years of age whose
20 parents or guardian are experiencing an unexpected and
21 unstable or serious condition that requires immediate action
22 resulting in short-term care, usually three to five
23 continuous, uninterrupted days, for children who may be at
24 risk for child abuse, neglect, or in an emergency situation;

25 (5) "Department", the department of revenue;

26 (6) "Director", the director of the department of
27 revenue;

28 (7) "Qualified agency", CASA, child advocacy centers,
29 or a crisis care center;

30 (8) "Tax liability", the tax due under chapter 143
31 other than taxes withheld under sections 143.191 to 143.265.

32 2. For all tax years beginning on or after January 1,
33 2013, **and ending on or before December 31, 2024**, a tax
34 credit may be claimed in an amount equal to up to fifty
35 percent of a verified contribution to a qualified agency and
36 shall be named the champion for children tax credit. **For**
37 **all tax years beginning on or after January 1, 2025, a tax**
38 **credit may be claimed in an amount equal to up to seventy**
39 **percent of a verified contribution to a qualified agency.**

40 The minimum amount of any tax credit issued shall not be
41 less than fifty dollars and shall be applied to taxes due
42 under chapter 143, excluding sections 143.191 to 143.265. A
43 contribution verification shall be issued to the taxpayer by
44 the agency receiving the contribution. Such contribution
45 verification shall include the taxpayer's name, Social
46 Security number, amount of tax credit, amount of
47 contribution, the name and address of the agency receiving
48 the credit, and the date the contribution was made. The tax
49 credit provided under this subsection shall be initially

50 filed for the year in which the verified contribution is
51 made.

52 3. The cumulative amount of the tax credits redeemed
53 shall not exceed one million dollars for all fiscal years
54 ending on or before June 30, 2019, and one million five
55 hundred thousand dollars for all fiscal years beginning on
56 or after July 1, 2019[. The amount available shall be
57 equally divided among the three qualified agencies: CASA,
58 child advocacy centers, or crisis care centers, to be used
59 towards tax credits issued. In the event tax credits
60 claimed under one agency do not total the allocated amount
61 for that agency, the unused portion for that agency will be
62 made available to the remaining agencies equally. In the
63 event the total amount of tax credits claimed for any one
64 agency exceeds the amount available for that agency, the
65 amount redeemed shall and will be apportioned equally to all
66 eligible taxpayers claiming the credit under that agency],
67 **and ending on or before June 30, 2025. For all fiscal years**
68 **beginning on or after July 1, 2025, there shall be no limit**
69 **imposed on the cumulative amount of tax credits that may be**
70 **redeemed pursuant to this section.**

71 4. Prior to December thirty-first of each year, each
72 qualified agency shall apply to the department of social
73 services in order to verify their qualified agency status.
74 Upon a determination that the agency is eligible to be a
75 qualified agency, the department of social services shall
76 provide a letter of eligibility to such agency. No later
77 than February first of each year, the department of social
78 services shall provide a list of qualified agencies to the
79 department of revenue. All tax credit applications to claim
80 the champion for children tax credit shall be filed between
81 July first and April fifteenth of each fiscal year. A

82 taxpayer shall apply for the champion for children tax
83 credit by attaching a copy of the contribution verification
84 provided by a qualified agency to such taxpayer's income tax
85 return.

86 5. Any amount of tax credit which exceeds the tax due
87 or which is applied for and otherwise eligible for issuance
88 but not issued shall not be refunded but may be carried over
89 to any subsequent tax year, not to exceed a total of five
90 years.

91 6. Tax credits may not be assigned, transferred or
92 sold.

93 7. [(1) In the event a credit denial, due to lack of
94 available funds, causes a balance-due notice to be generated
95 by the department of revenue, or any other redeeming agency,
96 the taxpayer will not be held liable for any penalty or
97 interest, provided the balance is paid, or approved payment
98 arrangements have been made, within sixty days from the
99 notice of denial.

100 (2) In the event the balance is not paid within sixty
101 days from the notice of denial, the remaining balance shall
102 be due and payable under the provisions of chapter 143.

103 8.] The department may promulgate such rules or
104 regulations as are necessary to administer the provisions of
105 this section. Any rule or portion of a rule, as that term
106 is defined in section 536.010, that is created under the
107 authority delegated in this section shall become effective
108 only if it complies with and is subject to all of the
109 provisions of chapter 536 and, if applicable, section
110 536.028. This section and chapter 536 are nonseverable and
111 if any of the powers vested with the general assembly
112 pursuant to chapter 536 to review, to delay the effective
113 date, or to disapprove and annul a rule are subsequently

114 held unconstitutional, then the grant of rulemaking
115 authority and any rule proposed or adopted after August 28,
116 2013, shall be invalid and void.

117 [9.] 8. Pursuant to section 23.253, of the Missouri
118 sunset act:

119 (1) The program authorized under this section shall be
120 reauthorized as of [December 31, 2019,] **August 28, 2025**, and
121 shall expire on December 31, [2025] **2031**, unless
122 reauthorized by the general assembly; and

123 (2) This section shall terminate on September first of
124 the calendar year immediately following the calendar year in
125 which the program authorized under this section is sunset;
126 and

127 (3) The provisions of this subsection shall not be
128 construed to limit or in any way impair the department's
129 ability to redeem tax credits authorized on or before the
130 date the program authorized under this section expires or a
131 taxpayer's ability to redeem such credits.

132 [10.] 9. Beginning on March 29, 2013, any verified
133 contribution to a qualified agency made on or after January
134 1, 2013, shall be eligible for tax credits as provided by
135 this section.

**620.040. 1. This section shall be known and may be
2 cited as the "Missouri Advanced Manufacturing Recruitment
3 Act".**

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

**6 (1) "Department", the Missouri department of economic
7 development;**

**8 (2) "NAICS" or "NAICS industry classification", the
9 classification provided by the most recent edition of the
10 North American Industry Classification System as prepared by**

11 the Executive Office of the President, Office of Management
12 and Budget;

13 (3) "New job", the number of full-time employees that
14 are Missouri residents or report to the project facility
15 that exceeds the project facility base employment less any
16 decrease in the number of full-time employees at related
17 facilities below the related facility base employment. No
18 job that was created prior to the date of the notice of
19 intent shall be deemed a new job;

20 (4) "Notice of intent", a form developed by the
21 department and available online, completed by the qualified
22 manufacturing company, and submitted to the department
23 stating the qualified manufacturing company's intent to
24 request benefits pursuant to this section;

25 (5) "Project facility", the building or buildings used
26 by a qualified manufacturing company at which new or
27 retained jobs and any new qualified manufacturing capital
28 investment are or will be located, or by a qualified
29 manufacturing company at which a qualified manufacturing
30 capital investment is or will be located. A project
31 facility may include separate buildings such that their
32 purpose and operations are interrelated. Upon approval by
33 the department, a subsequent project facility may be
34 designated if the qualified manufacturing company
35 demonstrates a need to relocate to the subsequent project
36 facility at any time during the project period;

37 (6) "Project facility base employment", the greater of
38 the number of full-time employees located at the project
39 facility on the date of the notice of intent or, for the
40 twelve-month period prior to the date of the notice of
41 intent, the average number of full-time employees located at
42 the project facility. In the event the project facility has

43 not been in operation for a full twelve-month period, the
44 average number of full-time employees for the number of
45 months the project facility has been in operation prior to
46 the date of the notice of intent;

47 (7) "Project period", the time period within which
48 benefits are awarded to a qualified manufacturing company
49 pursuant to this section or within which the qualified
50 manufacturing company is obligated to perform under an
51 agreement with the department, whichever is greater;

52 (8) "Qualified manufacturing capital investment", an
53 expenditure on property in this state, depreciable pursuant
54 to 26 U.S.C. Section 168, that has been verified by the
55 department;

56 (9) "Qualified manufacturing company", a firm,
57 partnership, joint venture, association, private or public
58 corporation whether organized for profit or not, or
59 headquarters of such entity registered to do business in
60 Missouri that is the owner or operator of a project facility
61 company that is classified by the manufacturing NAICS codes
62 31-33;

63 (10) "Related facility", a facility operated by the
64 qualified manufacturing company located in this state that
65 is directly related to the operations of the project
66 facility or in which operations substantially similar to the
67 operations of the project facility are performed;

68 (11) "Related facility base employment", the greater
69 of the number of full-time employees located at all related
70 facilities on the date of the notice of intent or, for the
71 twelve-month period prior to the date of the notice of
72 intent, the average number of full-time employees located at
73 all related facilities of the qualified company or a related
74 company located in this state;

75 (12) "Tax credit", tax credits issued by the
76 department to offset the state taxes imposed by chapters 143
77 and 148, or which may be sold as provided for in this
78 section.

79 3. For all tax years beginning on or after January 1,
80 2026, a qualified manufacturing company may, for a period of
81 five years, be allowed a tax credit of up to twenty percent
82 of a qualified manufacturing capital investment if:

83 (1) A qualified manufacturing company makes at least
84 one billion dollars of a qualified manufacturing capital
85 investment; and

86 (2) Creates at least five hundred new jobs.

87 4. The total amount of tax credits issued annually
88 pursuant to this section shall not exceed two hundred
89 million dollars in any given calendar year.

90 5. The department shall award tax credits to a
91 qualified manufacturing company that satisfies the qualified
92 manufacturing capital investment requirement in four
93 separate installments of equal value, equivalent to one
94 quarter of the total agreed upon value of tax credits. The
95 tax credits shall be issued at the following intervals:

96 (1) At twenty-five percent of the agreed upon
97 qualified manufacturing capital investment;

98 (2) At fifty percent of the agreed upon qualified
99 manufacturing capital investment;

100 (3) At seventy-five percent of the agreed upon
101 qualified manufacturing capital investment; and

102 (4) At one hundred percent of the agreed upon
103 qualified manufacturing capital investment.

104 6. To be eligible for consideration for the tax credit
105 pursuant to this section, a qualified manufacturing company
106 shall submit an application and documentation to the

107 department, as required by the department, outlining a
108 qualified manufacturing capital investment plan totaling no
109 less than one billion dollars.

110 7. In order to receive tax credits pursuant to this
111 section, a qualified manufacturing company shall enter into
112 written agreement with the department containing detailed
113 performance requirements and repayment penalties in event of
114 nonperformance. Upon approval of a notice of intent to
115 request tax credits pursuant to this section, the department
116 and the qualified manufacturing company shall enter into a
117 written agreement covering the applicable period. The
118 agreement shall specify, at a minimum:

119 (1) The committed number of new jobs, payroll, and new
120 qualified manufacturing capital investment for each year
121 during the project period;

122 (2) Clawback provisions, as may be required by the
123 department, provided that such clawback provisions shall
124 include, at a minimum, the repayment of all tax credits
125 issued to a qualified manufacturing company if such
126 qualified manufacturing company relocates out of this state
127 within a ten year period subsequent to any qualified
128 manufacturing capital investment for which tax credits are
129 issued pursuant to this section; and

130 (3) Any other provisions the department may require.

131 8. The amount of tax credits awarded to a qualified
132 manufacturing company pursuant to this section shall not
133 exceed the least amount necessary to obtain the qualified
134 manufacturing company's commitment to initiate the project.
135 In determining the amount of tax credits to award to a
136 qualified company, the department shall consider the
137 following factors:

138 (1) The significance of the qualified manufacturing
139 company's need for tax credits;

140 (2) The amount of projected economic impact to the
141 state of the project and the period in which the state would
142 realize such net fiscal benefit;

143 (3) The overall size and quality of the proposed
144 project, including the number of new jobs, new qualified
145 manufacturing capital investment, proposed wages, growth
146 potential of the qualified manufacturing company, the
147 potential multiplier effect of the project, and similar
148 factors;

149 (4) The financial stability and creditworthiness of
150 the qualified manufacturing company;

151 (5) The level of economic distress in the area; and

152 (6) An evaluation of the competitiveness of
153 alternative locations for the project facility, as
154 applicable.

155 9. Upon entering an agreement pursuant to subsection 7
156 of this section, the qualified manufacturing company shall
157 have three years from the date of department approval to
158 make twenty-five percent of the qualified manufacturing
159 capital investment. If a qualified manufacturing company
160 does not make twenty-five percent of the qualified
161 manufacturing capital investment by the end of such three
162 year period, the agreement shall be deemed void, provided
163 that a qualified manufacturing company may reapply for tax
164 credits pursuant to this section at any time. Once twenty-
165 five percent of the qualified manufacturing capital
166 investment is made, a qualified manufacturing company shall
167 have five years to receive the full amount of agreed upon
168 tax credits. A qualified manufacturing company shall not be
169 entitled to the full amount of the agreed upon tax credits

170 unless the qualified manufacturing capital investment is met
171 in the time period provided for in this section. A
172 qualified manufacturing company that does not meet the
173 qualified manufacturing capital investment requirements may
174 reapply for tax credits, provided that the qualified
175 manufacturing company meets the requirements of this section.

176 10. A qualified manufacturing company receiving
177 benefits pursuant to this section shall provide an annual
178 report of the number of jobs and such other information as
179 may be required by the department to document the basis for
180 program benefits available no later than ninety days prior
181 to the end of the qualified manufacturing company's tax year
182 immediately following the tax year for which the benefits
183 provided pursuant to this section are attributed.

184 11. Tax credits provided pursuant to this section may
185 be claimed against taxes otherwise imposed by chapters 143
186 and 148, but shall be claimed within one year of the close
187 of the tax year for which they were issued. Tax credits
188 provided pursuant to this section may be transferred, sold,
189 or assigned by filing a notarized endorsement thereof with
190 the department that names the transferee, the amount of tax
191 credit transferred, and the value received for the credit,
192 as well as any other information reasonably requested by the
193 department. For a qualified manufacturing company with flow-
194 through tax treatment to its members, partners, or
195 shareholders, the tax credit shall be allowed to members,
196 partners, or shareholders in proportion to their share of
197 ownership on the last day of the qualified manufacturing
198 company's tax period.

199 12. Notwithstanding the provisions of section 32.057
200 to the contrary, prior to the issuance of tax credits, the
201 department shall verify through the department of revenue

202 and any other applicable state department that the qualified
203 manufacturing company does not owe any delinquent income,
204 sales, or use tax or interest or penalties on such taxes, or
205 any delinquent fees or assessments levied by any state
206 department, and through the department of commerce and
207 insurance that the qualified manufacturing company does not
208 owe any delinquent insurance taxes or other fees. Such
209 delinquency shall not affect the approval for tax credits
210 authorized pursuant to this section, except that any tax
211 credits issued shall be first applied to the delinquency and
212 any amount issued shall be reduced by the qualified
213 manufacturing company's tax delinquency. If the department
214 of revenue, the department of commerce and insurance, or any
215 other state department concludes that a qualified
216 manufacturing company is delinquent after June fifteenth but
217 before July first of any year, and the application of tax
218 credits to such delinquency causes a tax deficiency on
219 behalf of the qualified manufacturing company to arise, then
220 the qualified manufacturing company shall be granted thirty
221 days to satisfy the deficiency in which interest, penalties,
222 and additions to tax shall be tolled. After applying all
223 available credits toward a tax delinquency, the
224 administering agency shall notify the appropriate department
225 and such department shall update the amount of outstanding
226 delinquent tax owed by the qualified manufacturing company.
227 If any tax credits remain after satisfying all insurance,
228 income, sales, and use tax delinquencies, the remaining tax
229 credits shall be issued to the qualified manufacturing
230 company, subject to the restrictions of other provisions of
231 law.

232 13. The director of revenue shall issue a refund to
233 the qualified manufacturing company to the extent that the

234 amount of tax credits allowed pursuant to this section
235 exceeds the amount of the qualified manufacturing company's
236 tax liability under chapter 143 or 148.

237 14. Any qualified manufacturing company approved for
238 tax credits pursuant to this section shall provide to the
239 department, upon request, any and all information and
240 records reasonably required to monitor compliance with the
241 requirements of this section.

242 15. By no later than January 1, 2027, and the first
243 day of each calendar quarter thereafter, the department
244 shall present a quarterly report to the general assembly
245 detailing the tax credits authorized pursuant to this
246 section during the immediately preceding calendar quarter to
247 the extent such information may be disclosed under state and
248 federal law. The report shall include, at a minimum:

249 (1) A list of all approved and disapproved applicants
250 for each tax credit;

251 (2) A list of the aggregate amount of new or retained
252 jobs that are directly attributable to the tax credits
253 authorized;

254 (3) A statement of the aggregate amount of qualified
255 manufacturing capital investment directly attributable to
256 the tax credits authorized;

257 (4) Documentation of the estimated economic impact for
258 each authorized project and, to the extent available, the
259 actual benefit realized upon completion of such project or
260 activity; and

261 (5) The department's response time for each request
262 for tax credits pursuant to this section.

263 16. The department of economic development may
264 promulgate all necessary rules and regulations for the
265 administration of this section. Any rule or portion of a

266 rule, as that term is defined in section 536.010, that is
267 created under the authority delegated in this section shall
268 become effective only if it complies with and is subject to
269 all of the provisions of chapter 536 and, if applicable,
270 section 536.028. This section and chapter 536 are
271 nonseverable and if any of the powers vested with the
272 general assembly pursuant to chapter 536 to review, to delay
273 the effective date, or to disapprove and annul a rule are
274 subsequently held unconstitutional, then the grant of
275 rulemaking authority and any rule proposed or adopted after
276 August 28, 2025, shall be invalid and void.

277 17. Pursuant to section 23.253 of the Missouri Sunset
278 Act:

279 (1) The program authorized pursuant to this section
280 shall automatically sunset on December 31, 2031, unless
281 reauthorized by an act of the general assembly; and

282 (2) If such program is reauthorized, the program
283 authorized pursuant to this section shall automatically
284 sunset twelve years after the effective date of the
285 reauthorization;

286 (3) This section shall terminate on September first of
287 the calendar year immediately following the calendar year in
288 which the program authorized pursuant to this section is
289 sunset; and

290 (4) The provisions of this subsection shall not be
291 construed to limit or in any way impair the department of
292 revenue's ability to redeem tax credits authorized on or
293 before the date the program authorized pursuant to this
294 section expires, or a taxpayer's ability to redeem such tax
295 credits.

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