

SENATE BILL NO. 565

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BEAN.

2108S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto four new sections relating to workforce housing tax incentives, with penalty provisions.

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

Section A. Chapter 620, RSMo, is amended by adding thereto four new sections, to be known as sections 620.2022, 620.2024, 620.2026, and 620.2028, to read as follows:

620.2022. 1. Sections 620.2022 to 620.2028 shall be known and may be cited as the "Workforce Housing Tax Incentives Program".

2. As used in sections 620.2022 to 620.2028, the following terms mean:

(1) "Brownfield site", an abandoned, idled, or underutilized property where expansion or redevelopment is complicated by real or perceived environmental contamination. A "brownfield site" includes property contiguous with the site on which the property is located. A "brownfield site" does not include property that has been placed, or is proposed for placement, on the national priorities list established under the federal Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.;

(2) "Community", a small city, urban area, or county;

(3) "Department", the Missouri department of economic development;

19 (4) "Disaster recovery housing project", a qualified
20 housing project located in a county that is a declared state
21 disaster as defined under section 190.275 or disaster area
22 as defined under section 184.805 and is eligible for the
23 Federal Emergency Management Agency (FEMA) Individual
24 Assistance program;

25 (5) "Governing body", the board, the body, or the
26 persons in whom the powers of a political subdivision as a
27 body corporate, or otherwise, are vested;

28 (6) "Grayfield site", a property meeting the following
29 requirements:

30 (a) The property has been developed and has
31 infrastructure in place but the property's current use is
32 outdated or prevents a better or more efficient use of the
33 property. Such property includes vacant, blighted,
34 obsolete, or otherwise underutilized property; and

35 (b) The property's improvements and infrastructure are
36 at least twenty-five years old and one or more of the
37 following conditions exist:

38 a. Thirty percent or more of a building located on the
39 property that is available for occupancy has been vacant or
40 unoccupied for twelve months or more;

41 b. The assessed value of the improvements on the
42 property has decreased by twenty-five percent or more;

43 c. The property is currently being used as a parking
44 lot; or

45 d. The improvements on the property no longer exist;

46 (7) "Greenfield site", a site that does not meet the
47 definition of a brownfield site or grayfield site. A
48 project proposed at a site located on previously undeveloped
49 land or agricultural land shall be presumed to be a
50 greenfield site;

51 (8) "Housing business", a business that is a housing
52 developer, housing contractor, or nonprofit organization
53 that completes a housing project in the state;

54 (9) "Housing project", a project located in this state
55 meeting the requirements of section 620.2024;

56 (10) "Multi-use building", a building whose street-
57 level ground story is used for a purpose other than
58 residential, and whose upper story or stories are currently
59 used primarily for a residential purpose, or will be used
60 primarily for a residential purpose after completion of the
61 housing project associated with the building;

62 (11) "Program", the workforce housing tax incentives
63 program administered under sections 620.2022 to 620.2028;

64 (12) "Qualified rehabilitation project", a project for
65 the rehabilitation of property in this state that meets the
66 following criteria:

67 (a) The property is at least one of the following:

68 a. Property listed on the National Register of
69 Historic Places or eligible for such listing;

70 b. Property designated as of historic significance to
71 a district listed in the National Register of Historic
72 Places or eligible for such designation;

73 c. Property or district designated a local landmark by
74 a city or county ordinance; or

75 d. A barn constructed prior to 1937;

76 (b) The property meets the physical criteria and
77 standards for rehabilitation established by the department
78 by rule. To the extent applicable, the physical standards
79 and criteria shall be consistent with the United States
80 Secretary of the Interior's Standards for Rehabilitation; and

81 (c) The project has qualified rehabilitation
82 expenditures that meet or exceed the following:

83 a. In the case of commercial property, expenditures
84 totaling at least fifty thousand dollars or fifty percent of
85 the assessed value of the property, excluding the land,
86 prior to rehabilitation, whichever is less; or

87 b. In the case of property other than commercial
88 property including, but not limited to, barns constructed
89 prior to 1937, expenditures totaling at least twenty-five
90 thousand dollars or twenty-five percent of the assessed
91 value, excluding the land, prior to rehabilitation,
92 whichever is less;

93 (13) "Qualifying new investment", costs that are
94 directly related to the acquisition, repair, rehabilitation,
95 or redevelopment of a housing project in this state. A
96 "qualifying new investment" includes costs that are directly
97 related to new construction of dwelling units if the new
98 construction occurs in a distressed workforce housing
99 community. The amount of costs that may be used to compute
100 "qualifying new investment" shall not exceed the costs used
101 for the first one hundred fifty thousand dollars of value
102 for each dwelling unit that is part of a housing project. A
103 "qualifying new investment" does not include the following:

104 (a) The portion of the total cost of a housing project
105 that is financed by federal, state, or local government tax
106 credits, grants, forgivable loans, or other forms of
107 financial assistance that do not require repayment,
108 excluding the tax incentives provided under sections
109 620.2022 to 620.2028; or

110 (b) If a housing project includes the rehabilitation,
111 repair, or redevelopment of an existing multi-use building,
112 the portion of the total acquisition costs of the multi-use
113 building, including a proportionate share of the total
114 acquisition costs of the land upon which the multi-use

115 building is situated, that are attributable to the street-
116 level ground story that is used for a purpose that is other
117 than residential;

118 (14) "Small city", a city or village that:

119 (a) Is not located wholly within one of the eight most
120 populous counties in the state as determined by the most
121 recent decennial census; or

122 (b) If located wholly within one of the eight most
123 populous counties as determined by the most recent decennial
124 census, meets both of the following:

125 a. Has two thousand five hundred or fewer inhabitants;
126 and

127 b. Experienced less than thirty percentage points of
128 population growth when comparing the most recent decennial
129 census to the decennial census immediately preceding the
130 most recent decennial census.

131 The term "small city" shall not include any city with more
132 than four hundred thousand inhabitants and located in more
133 than one county;

134 (15) "Tax credit" or "tax credits", a credit or
135 credits issued by the department against the tax otherwise
136 due under chapter 143 or 148, excluding withholding tax
137 imposed under sections 143.191 to 143.265;

138 (16) "Tax incentive", a state measure that is intended
139 to encourage individuals and businesses to spend moneys or
140 save moneys by reducing the amount of tax that they have to
141 pay including, but not limited to, tax credits and refunds
142 of sales and use tax issued under this program;

143 (17) "Urban area":

144 (a) Any city or municipality, except for a small city,
145 that is wholly located within one of the eight most populous

146 counties in the state as determined by the most recent
147 decennial census; or

148 (b) Any city with more than four hundred thousand
149 inhabitants and located in more than one county.

620.2024. To receive workforce housing tax incentives
2 under sections 620.2022 to 620.2028, a proposed housing
3 project shall meet the following requirements:

4 (1) The housing project includes at least one of the
5 following:

6 (a) Four or more single-family dwelling units, except
7 for a housing project located in a small city, then two or
8 more single-family dwelling units;

9 (b) One or more multiple dwelling unit buildings, each
10 containing three or more individual dwelling units; or

11 (c) Two or more dwelling units located in the upper
12 story of an existing multi-use building;

13 (2) The housing project consists of any of the
14 following:

15 (a) Rehabilitation, repair, or redevelopment at a
16 brownfield or grayfield site that results in new dwelling
17 units;

18 (b) The rehabilitation, repair, or redevelopment of
19 dilapidated dwelling units;

20 (c) The rehabilitation, repair, or redevelopment of
21 dwelling units located in the upper story of an existing
22 multi-use building;

23 (d) For a housing project located in a small city that
24 meets program requirements under paragraph (a) of
25 subdivision (1) of this subsection, development at a
26 greenfield site; or

27 (e) For a disaster recovery housing project as defined
28 under section 620.2022, development at a greenfield site;

29 (3) (a) Except as provided in paragraph (b) of this
30 subdivision, the average dwelling unit cost shall not exceed
31 the maximum amount established by the department for each
32 fiscal year for the applicable project type and project
33 location. The department shall establish the maximum
34 average dwelling unit cost for a housing project that
35 includes single-family dwelling units that are located in a
36 small city and for a housing project that includes single-
37 family dwelling units that are located in an urban area.
38 The department shall establish the maximum average dwelling
39 unit cost for a housing project that includes multiple
40 dwelling unit buildings and is located in a small city and
41 for a housing project that includes multiple dwelling unit
42 buildings and is located in an urban area. In establishing
43 each maximum average dwelling unit cost, the department
44 shall primarily consider the most recent annual United
45 States Census Bureau Building Permits Survey and historical
46 program data;

47 (b) If the housing project involves the
48 rehabilitation, repair, redevelopment, or preservation of
49 property described in subdivision (12) of subsection 2 of
50 section 620.2022, the average dwelling unit cost shall not
51 exceed one hundred twenty-five percent of the maximum
52 average dwelling unit cost established by the department for
53 the applicable housing project type and housing project
54 location as provided in paragraph (a) of this subdivision;
55 and

56 (4) The dwelling units, when completed and made
57 available for occupancy, meet the United States Department
58 of Housing and Urban Development's housing quality standards
59 as set forth in 24 CFR 982 and all applicable local safety
60 standards.

620.2026. 1. (1) A housing business seeking
workforce housing tax incentives provided under section
620.2028 shall apply to the department in the manner
prescribed by the department's rules. The department may
accept applications during one or more annual application
periods to be determined by the department by rule.

(2) The application shall include the following:

(a) Information establishing local participation in
the housing project, including:

a. A resolution in support of the housing project by
the governing body of the community where the housing
project will be located; and

b. Documentation of local matching funds pledged for
the housing project in an amount equal to at least one
thousand dollars per dwelling unit including, but not
limited to, a funding agreement between the housing business
and the governing body of the community where the housing
project will be located. For purposes of this subparagraph,
local matching funds shall be in the form of cash or cash
equivalents or in the form of a local property tax
exemption, rebate, refund, or reimbursement;

(b) Information evidencing an agreement between the
business and the department specifying the requirements that
will be met to confirm eligibility and the requirements
shall be maintained throughout the period of the agreement
in order to retain the incentives or financial assistance
received. The department shall consult with the governing
body of the community during negotiations relating to the
agreement. The agreement shall contain a report submitted
to the department by a business, together with its
application, describing all violations of environmental law
or worker safety law within the last five years. If, upon

33 review of the application, the department finds that the
34 business has a record of violations of the law, statutes,
35 rules, or regulations that tend to show a consistent
36 pattern, the department shall not provide incentives or
37 assistance to the business unless the department finds
38 either that the violations did not seriously affect public
39 health, public safety, or the environment, or if such
40 violations did seriously affect public health, public
41 safety, or the environment, that mitigating circumstances
42 were present;

43 (c) Information showing the total costs and funding
44 sources of the housing project sufficient to allow the
45 department to adequately determine the financing that will
46 be utilized for the housing project, the actual cost of the
47 dwelling units, and the amount of the qualifying new
48 investment; and

49 (d) Any other information deemed necessary by the
50 department to evaluate the eligibility and financial need of
51 the housing project under the program.

52 In addition to complying with the applicable requirements
53 under this subdivision, a housing business applying for
54 disaster recovery housing project tax incentives shall also
55 submit a certification that the applicant's housing project
56 meets the definition of a disaster recovery housing project,
57 if applicable. The housing business shall also submit
58 documentation that provides evidence that the qualified
59 disaster recovery housing project is needed due to the
60 impact of the disaster that is the subject of the major
61 disaster declaration.

62 2. (1) All completed applications shall be reviewed
63 and scored on a competitive basis by the department under
64 rules adopted by the department.

65 (2) Upon review and scoring of all applications
66 received during an application period, the department may
67 make a tax incentive award to a housing project, which tax
68 incentive award shall represent the maximum amount of tax
69 incentives the housing project may qualify for under the
70 program. In determining a tax incentive award, the
71 department shall not use an amount of housing project costs
72 that exceeds the amount included in the application of the
73 housing business. Tax incentive awards shall be approved by
74 the director of the department.

75 (3) After making a tax incentive award, the department
76 shall notify the housing business of its tax incentive
77 award. The notification shall include the amount of tax
78 incentives awarded under section 620.2028 and a statement
79 that the housing business has no right to receive a tax
80 incentive certificate or claim a tax incentive until all
81 requirements of the program, including all requirements
82 imposed by the agreement entered into under subsection 3 of
83 this section, are satisfied. The amount of tax credits
84 included on a tax credit certificate issued under this
85 section, or a claim for refund of sales and use taxes, shall
86 be contingent upon completion of the requirements under
87 subsection 3 of this section.

88 (4) An applicant that does not receive a tax incentive
89 award during an application period may make additional
90 applications during subsequent application periods. Such
91 applicant shall be required to submit a new application,
92 which shall be competitively reviewed and scored in the same
93 manner as other applications in that application period.

94 3. (1) Upon receipt of a tax incentive award for the
95 housing project, the housing business shall enter into an
96 agreement with the department for the successful completion
97 of all requirements of the program. The agreement shall
98 identify the tax incentive award amount, the tax incentive
99 award date, the housing project completion deadline, and the
100 total costs of the housing project.

101 (2) The following compliance cost fees shall apply to
102 all agreements entered into under this program and shall be
103 collected in a manner determined by the department:

104 (a) The imposition of a one-time compliance cost fee
105 of five hundred dollars to be collected by the department
106 prior to the issuance of a tax incentive certificate or the
107 disbursement of financial assistance; and

108 (b) The imposition of a compliance cost fee equal to
109 one-half of one percent of the value of tax incentives
110 claimed under an agreement that has an aggregate tax
111 incentive value of one hundred thousand dollars or greater.
112 The department shall collect the fee from the business after
113 the tax incentive is claimed by the business from the
114 department of revenue.

115 (3) (a) Except as provided in paragraph (b) of this
116 subdivision, a housing business shall complete its housing
117 project within three years from the date the housing project
118 is registered by the department.

119 (b) The department may, for good cause within its
120 discretion, extend a housing project's completion deadline
121 by up to twelve months upon application by the housing
122 business. Such application shall be made prior to the
123 expiration of the three-year completion deadline in
124 paragraph (a) of this subdivision. The department may
125 approve a second extension of up to twelve months if prior

126 to the expiration of the first twelve-month extension the
127 housing business applies and substantiates to the
128 satisfaction of the department that the second extension is
129 warranted due to extenuating circumstances outside the
130 control of the housing business. The department may
131 determine what qualifies as "good cause" and establish by
132 rule the extenuating circumstances that will qualify for
133 approval and any additional information that the department
134 may require for approval of such extension. Applications by
135 a housing business shall be made in the manner and form
136 prescribed by the department by rule.

137 (4) Upon completion of a housing project, a housing
138 business shall submit the following to the department:

139 (a) An examination of the housing project in
140 accordance with the American Institute of Certified Public
141 Accountants' Statements on Standards for Attestation
142 Engagements, completed by a certified public accountant
143 authorized to practice in this state;

144 (b) A statement of the final amount of the qualifying
145 new investment for the housing project; and

146 (c) Any information the department deems necessary to
147 ensure compliance with the agreement signed by the housing
148 business under paragraph (a) of this subdivision, the
149 requirements of this program, and rules the department and
150 the department of revenue adopt under subsection 4 of
151 section 620.2028.

152 (5) (a) Upon review of the examination, verification
153 of the amount of the qualifying new investment, and review
154 of any other information submitted under paragraph (c) of
155 subdivision (4) of this subsection, the department shall
156 notify the housing business of the amount that the housing
157 business may claim as a refund of the sales and use tax

158 under subsection 2 of section 620.2028 and shall issue a tax
159 credit certificate to the housing business stating the
160 amount of workforce housing investment tax credits under
161 subsection 3 of section 620.2028 the eligible housing
162 business may claim. The sum of the amount that the housing
163 business may claim as a refund of the sales and use tax and
164 the amount of the tax credit certificate shall not exceed
165 the total amount of the tax incentive award.

166 (b) If upon review of the examination in paragraph (a)
167 of subdivision (4) of this subsection the department
168 determines that a housing project has incurred project costs
169 in excess of the amount submitted in the application made
170 under subsection 1 of this section and identified in the
171 agreement, the department shall do one of the following:

172 a. If the housing project costs do not cause the
173 housing project's average dwelling unit cost to exceed the
174 applicable maximum amount authorized under subdivision (3)
175 of subsection 1 of section 620.2024, the department shall
176 consider the agreement fulfilled and shall issue a tax
177 credit certificate;

178 b. If the housing project costs cause the housing
179 project's average dwelling unit cost to exceed the
180 applicable maximum amount authorized under subdivision (3)
181 of subsection 1 of section 620.2024 but do not cause the
182 average dwelling unit cost to exceed one hundred fifty
183 percent of such applicable maximum amount, the department
184 shall consider the agreement fulfilled and shall issue a tax
185 credit certificate. In such case, the department shall
186 reduce the tax incentive award and the corresponding amount
187 of tax incentives the eligible housing project shall claim
188 under subsections 2 and 3 of section 620.2028 by the same
189 percentage that the housing project's average dwelling unit

190 cost exceeds the applicable maximum amount under subdivision
191 (3) of subsection 1 of section 620.2024, and such tax
192 incentive reduction shall be reflected on the tax credit
193 certificate. If the department issues a certificate under
194 this subparagraph, the department of revenue shall accept
195 the certificate notwithstanding that the housing project's
196 average dwelling unit costs exceed the maximum amount
197 specified in subdivision (3) of subsection 1 of section
198 620.2024; or

199 c. If the housing project costs cause the housing
200 project's average dwelling unit cost to exceed one hundred
201 fifty percent of the applicable maximum amount authorized
202 under subdivision (3) of subsection 1 of section 620.2024,
203 the department shall determine the eligible housing business
204 to be in default under the agreement, shall revoke the tax
205 incentive award, and shall not issue a tax credit
206 certificate. The housing business shall not be allowed a
207 refund of sales and use tax under subsection 2 of section
208 620.2028.

209 (6) The maximum aggregate amount of tax incentives
210 that may be awarded and issued under section 620.2028 to a
211 housing business for a housing project shall not exceed one
212 million dollars.

213 (7) If a housing business qualifies for a higher
214 amount of tax incentives under section 620.2028 than is
215 allowed by the limitation imposed under subdivision (6) of
216 this subsection, the department and the housing business may
217 negotiate an apportionment of the reduction in tax
218 incentives between the sales tax refund provided in
219 subsection 2 of section 620.2028 and the workforce housing
220 investment tax credits provided in subsection 3 of section
221 620.2028, provided the total aggregate amount of tax

222 incentives after the apportioned reduction does not exceed
223 the amount under subdivision (6) of this subsection.

224 (8) The department shall issue tax incentives under
225 the program on a first-come, first-served basis until the
226 maximum amount of tax incentives allocated under subdivision
227 (4) of subsection 5 of this section is reached. The
228 department shall maintain a list of housing projects
229 registered prior to January 1, 2026, and of housing projects
230 awarded tax incentives on or after January 1, 2026, so that
231 if the maximum aggregate amount of tax incentives is reached
232 in a given fiscal year, such registered housing projects
233 that were completed but for which tax incentives were not
234 issued, and such housing projects that were completed and
235 are awarded tax incentives but for which tax incentives have
236 not been issued, shall be placed on a waitlist in the order
237 the housing projects were registered or awarded tax
238 incentives and shall be given priority for receiving tax
239 incentives in succeeding fiscal years.

240 4. (1) The failure by a housing business in
241 completing a housing project to comply with any requirement
242 of this program or any of the terms and obligations of an
243 agreement entered into under this section may result in the
244 revocation, reduction, termination, or rescission of the tax
245 incentive award or the approved tax incentives and may
246 subject the housing business to the repayment or recapture
247 of tax incentives claimed under section 620.2028.

248 (2) The repayment or recapture of tax incentives under
249 this section shall be accomplished, provided that the
250 repayment of incentives or financial assistance by the
251 business if the business does not meet any of the
252 requirements of this part or the resulting agreement. The
253 repayment of incentives under this subsection shall be

254 considered a tax payment due and payable to the department
255 of revenue by any taxpayer who has claimed such incentives,
256 and the failure to make such a repayment may be treated by
257 the department of revenue in the same manner as a failure to
258 pay the tax shown due or required to be shown due with the
259 filing of a return or deposit form. In addition, the county
260 shall have the authority to take action to recover the value
261 of property taxes not collected as a result of the exemption
262 provided to the business under this program.

263 5. (1) Notwithstanding subsection 1 of this section
264 to the contrary, the department may establish a disaster
265 recovery housing project application period following the
266 declaration of a major disaster for a disaster area in
267 Missouri.

268 (2) Upon review and scoring of all applications
269 received during a disaster recovery application period, the
270 department may make a tax incentive award to a disaster
271 recovery housing project. The tax incentive award shall
272 represent the maximum amount of tax incentives that the
273 disaster recovery housing project may qualify for under the
274 program. In determining a tax incentive award, the
275 department shall not use an amount of housing project costs
276 that exceeds the amount included in the application of the
277 housing business. Tax incentive awards shall be approved by
278 the director of the department.

279 (3) The department shall issue tax incentives under
280 the program for disaster recovery housing projects on a
281 first-come, first-served basis until the maximum amount of
282 tax incentives is allocated. The aggregate amount of tax
283 incentives issued for disaster recovery housing projects
284 under this program shall not exceed thirty-five million
285 dollars. Of the moneys allocated to disaster recovery

286 housing projects, seventeen million five hundred thousand
287 dollars shall be reserved for allocation to qualified
288 housing projects in small cities.

289 (4) The aggregate amount of tax incentives issued for
290 all other housing projects under this program that are not
291 disaster recovery housing projects shall not exceed thirty-
292 five million dollars.

620.2028. 1. A housing business that has entered into
2 an agreement under section 620.2026 is eligible to receive
3 the tax incentives described in subsections 2 and 3 of this
4 section.

5 2. (1) A housing business may claim a refund of the
6 sales and use taxes paid under chapter 144 prior to the
7 completion of the housing project that are directly related
8 to a housing project and specified in the agreement.

9 (2) To receive a refund, a claim shall be filed by the
10 housing business with the department of revenue as follows:

11 (a) The contractor or subcontractor shall state under
12 oath, on forms provided by the department of revenue, the
13 amount of sales and use taxes paid under chapter 144 prior
14 to the completion of the housing project that are directly
15 related to a housing project and specified in the agreement;

16 (b) The contractor or subcontractor shall file the
17 forms with the housing business before final settlement is
18 made; and

19 (c) a. The housing business shall, after the
20 agreement completion date, apply to the department of
21 revenue for any refund of the amount of sales and use taxes
22 paid under chapter 144 prior to the completion of the
23 housing project that were directly related to a housing
24 project and specified in the agreement. The application
25 shall be made in the manner and upon forms to be provided by

26 the department of revenue. The department of revenue shall
27 audit the claim and, if approved, issue a refund to the
28 housing business. The application shall be made within one
29 year after the agreement completion date. A claim filed by
30 the housing business in accordance with this subsection
31 shall not be denied by reason of a limitation provision set
32 forth in chapter 143 or 144;

33 b. For purposes of subparagraph a of this paragraph,
34 "agreement completion date" means the date on which the
35 department notifies the department of revenue that all
36 applicable requirements of the agreement entered into under
37 subdivision (1) of subsection 3 of section 620.2026, and all
38 applicable requirements of this program, including the rules
39 the department and the department of revenue adopt under
40 subsection 4 of section 620.2028, are satisfied.

41 A contractor or subcontractor who willfully makes a false
42 claim under oath in violation of the provisions of this
43 subsection shall be guilty of a misdemeanor, and in addition
44 to any other penalty, the contractor or subcontractor shall
45 be liable for the payment of the tax and any applicable
46 penalty and interest.

47 3. (1) For all tax years beginning on or after
48 January 1, 2026, a housing business may claim a tax credit
49 in an amount not to exceed the following:

50 (a) For a housing project located in an urban area,
51 ten percent of the qualifying new investment of a housing
52 project specified in the agreement;

53 (b) For a housing project located in a small city,
54 twenty percent of the qualifying new investment of a housing
55 project specified in the agreement; and

56 (c) For a disaster recovery housing project, twenty
57 percent of the qualifying new investment of a housing
58 project specified in the agreement.

59 (2) An individual who is part of the housing business
60 may claim a tax credit under this subsection from a
61 partnership, limited liability company, S corporation,
62 estate, or trust electing to have income taxed directly to
63 the individual. The amount claimed by the individual shall
64 be based upon the pro rata share of the individual's
65 earnings from the partnership, limited liability company, S
66 corporation, estate, or trust.

67 (3) Any tax credit in excess of the housing business
68 or individual taxpayer's liability for the tax year is not
69 refundable but may be credited to the tax liability for the
70 following five years or until depleted, whichever is earlier.

71 (4) (a) To claim a tax credit under this subsection,
72 a taxpayer shall include one or more tax credit certificates
73 with the taxpayer's tax return.

74 (b) The tax credit certificate shall contain the
75 taxpayer's name, address, tax identification number, the
76 amount of the credit, the name of the eligible housing
77 business, any other information required by the department
78 of revenue, and a place for the name and tax identification
79 number of a transferee and the amount of the tax credit
80 being transferred, if applicable.

81 (c) The tax credit certificate, unless rescinded by
82 the department, shall be accepted by the department of
83 revenue as payment for taxes for all tax years beginning on
84 or after January 1, 2026, subject to any conditions or
85 restrictions placed by the department upon the face of the
86 tax credit certificate and subject to the limitations of
87 this program.

88 (d) Tax credit certificates issued under subdivision
89 (5) of subsection 3 of section 620.2026 may be transferred
90 to any person. Within ninety days of transfer, the
91 transferee shall submit the transferred tax credit
92 certificate to the department of revenue along with a
93 statement containing the transferee's name, tax
94 identification number, and address; the denomination that
95 each replacement tax credit certificate is to carry; and any
96 other information required by the department of revenue.
97 However, tax credit certificate amounts of less than the
98 minimum amount established by rule of the department shall
99 not be transferable.

100 (e) Within thirty days of receiving the transferred
101 tax credit certificate and the transferee's statement, the
102 department of revenue shall issue one or more replacement
103 tax credit certificates to the transferee. Each replacement
104 tax credit certificate shall contain the information
105 required for the original tax credit certificate and shall
106 have the same expiration date that appeared on the
107 transferred tax credit certificate.

108 (f) A tax credit shall not be claimed by a transferee
109 under this section until a replacement tax credit
110 certificate identifying the transferee as the proper holder
111 has been issued. The transferee may use the amount of the
112 tax credit transferred against the transferee taxpayer's
113 state tax liability for all tax years beginning on or after
114 January 1, 2026, under the same terms and conditions that
115 the transferor was allowed. Any consideration received for
116 the transfer of the tax credit shall not be included as
117 income under chapter 143. Any consideration paid for the
118 transfer of the tax credit shall not be deducted from income
119 under chapter 143.

120 (5) For purposes of the individual and corporate
121 income taxes and the franchise tax, the increase in the
122 basis of the property that would otherwise result from the
123 qualifying new investment shall be reduced by the amount of
124 the tax credit computed under this subsection.

125 (6) Notwithstanding any provision of section 105.1500
126 to the contrary, any requirement to provide information,
127 documents, or records under this section, and any
128 requirement established by the department to provide
129 information, documents, or records for the purpose of
130 administering and enforcing this section, shall be exempt
131 from section 105.1500.

132 4. The department of economic development and the
133 department of revenue may promulgate all necessary rules and
134 regulations for the administration of sections 620.2022 to
135 620.2028. Any rule or portion of a rule, as that term is
136 defined in section 536.010, shall become effective only if
137 it complies with and is subject to all of the provisions of
138 chapter 536 and, if applicable, section 536.028. This
139 section and chapter 536 are nonseverable and if any of the
140 powers vested with the general assembly pursuant to chapter
141 536 to review, to delay the effective date, or to disapprove
142 and annul a rule are subsequently held unconstitutional,
143 then the grant of rulemaking authority and any rule proposed
144 or adopted after August 28, 2025, shall be invalid and void.

145 5. Under section 23.253 of the Missouri sunset act:

146 (1) The provisions of the new program authorized under
147 sections 620.2022 to 620.2028 shall automatically sunset on
148 December thirty-first, six years after the effective date of
149 sections 620.2022 to 620.2028 unless reauthorized by an act
150 of the general assembly;

151 (2) If such program is reauthorized, the program
152 authorized under sections 620.2022 to 620.2028 shall
153 automatically sunset on December thirty-first, six years
154 after the effective date of the reauthorization of sections
155 620.2022 to 620.2028;

156 (3) Sections 620.2022 to 620.2028 shall terminate on
157 September first of the calendar year immediately following
158 the calendar year in which the program authorized under
159 sections 620.2022 to 620.2028 is sunset; and

160 (4) Nothing in this subsection shall prevent a
161 taxpayer from claiming a tax credit properly issued before
162 this program was sunset in a tax year after the program is
163 sunset.

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