

Journal of the Senate

SECOND REGULAR SESSION

NINETEENTH DAY - WEDNESDAY, FEBRUARY 11, 2026

The Senate met pursuant to adjournment.

President Wasinger in the Chair.

Senator May offered the following prayer:

Heavenly Father,

We pause in this chamber today with humility and reverence, acknowledging that all authority ultimately comes from You. You are the giver of wisdom, the sustainer of justice, and the author of peace. We thank You for the privilege of public service, for the opportunity to gather in this Senate chamber to deliberate, to debate, and to decide matters that impact the lives of families, businesses, schools, and communities across the great State of Missouri.

Grant to every Senator in this body clarity of thought, steadiness of spirit, and integrity of heart. In moments of disagreement, give us respect. In moments of complexity, give us discernment. In moments of pressure, give us courage to do what is right rather than what is easy.

May we remember that behind every bill and every vote are real people, mothers and fathers, workers and students, seniors and children, who are depending upon thoughtful leadership. Help us to legislate not from pride or partisanship, but from principle and compassion. Guide this body toward policies that promote justice, protect the vulnerable, strengthen families, and encourage opportunity for all.

Let our words be measured, our motives be pure, and our decisions reflect a sincere commitment to the common good. We ask for Your protection over this chamber, over our staff, and over every community represented here. Bless the citizens of Missouri with safety, prosperity, and hope.

And as we undertake the work before us today, remind us that true leadership is stewardship, and that we are accountable not only to our constituents, but to You. In Jesus Name.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal of the previous day was read and approved.

The following Senators were present during the day's proceedings:

Present—Senators

Bean	Beck	Bernskoetter	Black	Brown (16)	Brown (26)	Burger
Carter	Cierpiot	Coleman	Crawford	Fitzwater	Gregory (15)	Gregory (21)
Henderson	Hough	Hudson	Lewis	Luetkemeyer	May	McCreery
Moon	Mosley	Nicola	Nurrenbern	O'Laughlin	Roberts	Schnelting
Schroer	Trent	Washington	Webber	Williams—33		

Absent—Senators—None

Absent with leave—Senator Brattin—1

Vacancies—None

The Lieutenant Governor was present.

Senator Luetkemeyer requested unanimous consent of the Senate to allow the Jasper County Sheriff Department to enter the chamber with sidearms, which request was granted.

RESOLUTIONS

Senator Moon offered the following resolution:

SENATE RESOLUTION NO. 668

NOTICE OF PROPOSED RULE CHANGE

Notice is hereby given by the Senator from the 29th District of the one day notice required by rule of intent to put a motion to adopt the following rule change:

Be It Resolved by the Senate of the One Hundred Third General Assembly, Second Regular Session, that Senate Rule 96 be amended to read as follows:

"Rule 96. 1. Laptop computers may be used by Senators, Senators' staff and senate staff at the staff table, by the Secretary of the Senate at the dais, and by the research staff at the research table in the Senate Chamber as long as their use does not violate Rule 78 or is otherwise disruptive to the business of the Senate. An electronic device approved by the Committee on Administration and provided by the Senate that is capable of monitoring legislation may be used by a Senator in the chamber. Any such approved electronic device shall not be a laptop computer. No person shall take any photograph in the Senate Gallery. Persons with cameras, flash cameras, lights, or other paraphernalia may be allowed to use such devices at committee meetings with the permission of the Chairman as long as they do not prove disruptive to the decorum of the committee. Smoking is not permissible in the Senate Chamber or Gallery, the Kirchoff Gallery, the Pershing Gallery, the Bingham Gallery, committee rooms, lounge, the hallways, restrooms or elevators.

2. For the purpose of compliance with the Americans with Disabilities Act, the President Pro Tem may designate a portion of the Senate Chamber as handicap accessible and such areas shall not be considered a part of the floor of the Senate for the purposes of section 21.420, RSMo. Persons using such area shall not lobby members of the Senate while going to and from or while using the designated area.

3. In order to provide members of the public with the opportunity to view the proceedings of the senate when they are unable to do so in person, the senate shall provide an audio and video feed of the senate proceedings that shall be available on the website of the senate. Such audio and video feed shall become operational no later than April 1, 2026."

INTRODUCTION OF BILLS

The following Bills and Joint Resolution were read the 1st time and ordered printed:

SB 1658 – By Nurrenbern.

An Act to amend chapter 301, RSMo, by adding thereto one new section relating to persons with impaired or limited ability to communicate with law enforcement.

SB 1659 – By Nurrenbern.

An Act to amend chapter 320, RSMo, by adding thereto one new section relating to fire suppression and fire safety, with penalty provisions.

Senator Hudson assumed the Chair.

SB 1660 – By Nurrenbern.

An Act to amend chapter 173, RSMo, by adding thereto one new section relating to accommodations for admissions tests.

SB 1661 – By Black.

An Act to repeal section 301.010, RSMo, and to enact in lieu thereof five new sections relating to motor vehicle registration, with penalty provisions.

SB 1662 – By May.

An Act to repeal section 67.547, RSMo, and to enact in lieu thereof two new sections relating to increasing the authority of all children's services funds to collect and administer dollars for early childhood education services.

SB 1663 – By Crawford.

An Act to repeal sections 620.580, 620.582, 620.584, 620.586, 620.588, 620.590, and 620.592, RSMo, and to enact in lieu thereof seven new sections relating to the Missouri community service commission.

SJR 118 – By Nurrenbern.

Joint Resolution submitting to qualified voters of Missouri, an amendment repealing section 23 of article I of the Constitution of Missouri, and adopting one new section in lieu thereof relating to firearms.

REPORTS OF STANDING COMMITTEES

Senator Luetkemeyer, Chair of the Committee on Rules, Joint Rules, Resolutions and Ethics, submitted the following report:

Madam President: Your Committee on Rules, Joint Rules, Resolutions and Ethics, to which was referred **SS** for **SB 914**, begs leave to report that it has examined the same and finds that the bill has been truly perfected and that the printed copies furnished the Senators are correct.

SENATE BILLS FOR PERFECTION

Senator Schnelting moved that **SB 1003**, with **SCS**, be taken up for perfection, which motion prevailed.

SCS for **SB 1003**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1003

An Act to repeal sections 41.216, 41.220, 41.475, 42.300, 42.310, 42.312, 42.315, 105.265, 105.270, and 173.239, RSMo, and to enact in lieu thereof eighteen new sections relating to military affairs, with penalty provisions.

Was taken up.

Senator Schnelting moved that **SCS** for **SB 1003** be adopted.

Senator Schnelting offered **SS** for **SCS** for **SB 1003**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 1003

An Act to repeal sections 41.216, 41.220, 41.475, 42.300, 42.310, 42.312, 42.315, 105.265, 105.270, and 173.239, RSMo, and to enact in lieu thereof nineteen new sections relating to military affairs, with penalty provisions.

Senator Schnelting moved that **SS** for **SCS** for **SB 1003** be adopted.

Senator Burger assumed the Chair.

Senator Nurrenbern offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 1003, Page 2, Section 41.216, Line 27, by inserting after all of said line the following:

“41.430.1. This section shall be known and may be cited as “The Supporting Missouri Servicemen and Women Act”.

2. Officers, warrant officers and enlisted personnel of the organized militia on active duty in the service of the state shall receive as compensation the same pay, longevity, and allowances as are or may be provided for members of like grade and branch of service in the Armed Forces of the United States[.], except:

(1) Members of the organized militia serving on active duty shall receive as a minimum the daily rate equivalent to the grade level of E5 with maximum longevity and with dependents;

(2) Members of the organized militia serving on active duty in service of the state for more than thirty days shall receive a monthly allowance for any premiums for coverage of the member under the TRICARE program of the United States Department of Defense or under any other government-sponsored insurance program during the period of active duty.”; and

Further amend the title and enacting clause accordingly.

Senator Nurrenbern moved that the above amendment be adopted, which motion prevailed.

Senator Mosley offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 1003, Page 25, Section 105.270, Line 47, by inserting after all of said line the following:

“137.1051. 1. For the purposes of this section, the following terms shall mean:

(1) “Disabled veteran”, an individual who:

(a) Is a resident of this state;

(b) Has been separated under honorable conditions from active service in:

- a. Any branch of the Armed Forces of the United States;
- b. Any reserve component of the Armed Forces of the United States;
- c. The National Guard of this state as defined in 32 U.S.C. Section 101, as amended; or
- d. Any defense force of this state as described in 32 U.S.C. Section 109, as amended; and

(c) Has been certified by the United States Department of Veterans Affairs or its successor agency to be in receipt of disability compensation at the one-hundred-percent rate as a result of a service-connected disability claim allowed by the United States Department of Veterans Affairs, with such disability being permanent and sustained through military action or accident or resulting from disease contracted while in such active service;

(2) “Eligible credit amount”, the difference between an eligible taxpayer's real property tax liability on such taxpayer's homestead for a given tax year, minus the real property tax liability on such homestead in the eligible taxpayer's initial credit year;

(3) “Eligible taxpayer”, a Missouri resident who:

(a) Is a disabled veteran;

(b) Is an owner of record of a homestead or has a legal or equitable interest in such property as evidenced by a written instrument; and

(c) Is liable for the payment of real property taxes on such homestead;

(4) “Homestead”, real property actually occupied by an eligible taxpayer as the primary residence. An eligible taxpayer shall not claim more than one primary residence;

(5) “Initial credit year”:

(a) In the case of a taxpayer that meets all requirements of subdivision (2) of this subsection prior to the year in which a credit is authorized pursuant to subsection 2 of this section, the year in which such credit is authorized;

(b) For all other taxpayers, the year in which the taxpayer meets all requirements of subdivision (2) of this subsection.

If in any tax year subsequent to the eligible taxpayer's initial credit year the eligible taxpayer's real property tax liability is lower than such liability in the initial credit year, such tax year shall be considered the eligible taxpayer's initial credit year for all subsequent tax years. This provision shall not apply if an eligible taxpayer's real property tax liability is lower than such liability in the taxpayer's initial credit year solely due to a reduction in a property tax levy made pursuant to section 321.554.

2. (1) Any county authorized to impose a property tax may grant a property tax credit to eligible taxpayers residing in such county in an amount equal to the taxpayer's eligible credit amount, provided that:

(a) Such county adopts an ordinance authorizing such credit; or

(b) a. A petition in support of a referendum on such a credit is signed by at least five percent of the registered voters of such county voting in the last gubernatorial election and the petition is delivered to the governing body of the county, which shall subsequently hold a referendum on such credit.

b. The ballot of submission for the question submitted to the voters pursuant to paragraph (b) of this subdivision shall be in substantially the following form: Shall the County of _____ exempt disabled veterans from increases in the property tax liability due on such disabled veterans' primary residence?

YES

NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the credit shall be in effect.

(2) An ordinance adopted pursuant to paragraph (a) of subdivision (1) of this subsection shall not preclude such ordinance from being amended or superseded by a petition subsequently adopted pursuant to paragraph (b) of subdivision (1) of this subsection.

3. (1) A county granting credit pursuant to this section shall apply such credit when calculating the eligible taxpayer's property tax liability for the tax year. The amount of the credit shall be noted on the statement of tax due sent to the eligible taxpayer by the county collector. The county governing body may adopt reasonable procedures in order to carry out the purposes and intent of this section, provided that the county shall not adopt any procedure that limits the definition or scope of eligible credit amount or eligible taxpayer as defined in this section.

(2) If an eligible taxpayer makes new construction and improvements to such eligible taxpayer's homestead, the real property tax liability for the taxpayer's initial credit year shall be increased to reflect the real property tax liability attributable to such new construction and improvements.

(3) If an eligible taxpayer's homestead is annexed into a taxing jurisdiction to which such eligible taxpayer did not owe real property tax in the eligible taxpayer's initial credit year, then the real property tax liability for the taxpayer's initial credit year shall be increased to reflect the real property tax liability owed to the annexing taxing jurisdiction.

4. For the purposes of calculating property tax levies pursuant to section 137.073, the total amount of credits authorized by a county pursuant to this section shall be considered tax revenue, as such term is defined in section 137.073, actually received.

5. A county granting a tax credit pursuant to this section shall notify each political subdivision within such county of the total credit amount applicable to such political subdivision by no later than November thirtieth of each year.”; and

Further amend the title and enacting clause accordingly.

Senator Mosley moved that the above amendment be adopted.

Senator Beck requested a roll call vote be taken. He was joined in his request by Senators Mosley, May, Lewis, and Webber.

SA 2 was adopted by the following vote:

YEAS—Senators

Beck	Black	Brown (16)	Brown (26)	Burger	Carter	Coleman
Gregory (15)	Gregory (21)	Henderson	Hough	Hudson	Lewis	Luetkemeyer
May	McCreery	Mosley	Nicola	Nurrenbern	O'Laughlin	Roberts
Schnelting	Schroer	Trent	Webber	Williams—26		

NAYS—Senator Moon—1

Absent—Senators

Bean	Bernskoetter	Cierpiot	Crawford	Fitzwater	Washington—6
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Absent with leave—Senator Brattin—1

Vacancies—None

Senator Beck offered SA 3:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 1003, Page 10, Section 41.1018, Line 15, by inserting after all of said line the following:

“41.1030. 1. As used in this section, the following terms mean:

(1) “Department”, the Missouri department of the National Guard;

(2) “Living donation period”, the period in which a member who chooses to become a living organ donor completes all phases of the living donor process deemed medically necessary for a successful living donation including, but not limited to, the testing, surgical, and recovery phases;

(3) “Member”, a member of the Missouri National Guard;

(4) “Program”, the Missouri guaranteed inclusive voluntary exceptional service (MO GIVES) program established in subsection 2 of this section.

2. Subject to appropriation, the department shall establish a program for members who choose to become living organ donors to receive living donor medical orders for purposes of remaining on paid status during the living donation period, to be known as the “Missouri Guaranteed Inclusive Voluntary Exceptional Service (MO GIVES) Program”.

3. Any member seeking to become a living organ donor may apply to participate in the program. The department shall approve a member's participation in the program if sufficient funds are available and the member:

(1) Is in either Troop Program Unit (TPU) status or Individual Ready Reserve (IRR) status;

(2) Is in good standing with the department;

(3) Either:

(a) Is not eligible for living donor paid leave from the member's employer, whether due to the lack of such employer benefit or the failure to satisfy the eligibility requirements; or

(b) Elects not to use any such employer-based benefit available to the member;

(4) Specifies the type of donation to be made, whether directed to a specific individual, nondirected, or paired; and

(5) Agrees to undergo the procurement operation at a health care facility approved as a provider of continuing education points for transplant certification by the American Board for Transplant Certification.

4. Upon approval of a member's application, the department shall issue a living donor medical order for the member. The order shall:

(1) Guarantee paid leave for the member for the living donation period. The period of paid leave guaranteed under the order shall not exceed forty-five days unless an extension of time is deemed medically necessary by the primary surgical and medical recovery team;

(2) Exempt the member from any requirement to use accrued annual or medical leave for the paid living donation period guaranteed under the order; and

(3) Provide a per diem allowance and a basic allowance for housing during the paid living donation period guaranteed under the order based on the member's rank, region as determined by the zip code of the member's home of record, and dependent status.

5. Any organ donated through participation in the program may be transported outside this state to the ultimate recipient.

6. Benefits under the program shall be provided through the fund established in subsection 7 of this section.

7. (1) There is hereby created in the state treasury the "MO GIVES Fund", which shall consist of moneys appropriated to it by the general assembly and any gifts, contributions, grants, or bequests received from federal, private, or other sources. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in this fund shall be used solely to provide benefits under the program established in this section.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

8. The department may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant

to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.”; and

Further amend the title and enacting clause accordingly.

Senator Beck moved that the above amendment be adopted, which motion prevailed.

Senator Carter offered SA 4:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 1003, Page 25, Section 105.270, Line 47, by inserting after all of said line the following:

“143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other

than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan;
- (i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer, **including any survivor benefits derived therefrom**, as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state;

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access;

(14) (a) For all tax years beginning on or after January 1, 2025, one hundred percent of all income reported as a capital gain for federal income tax purposes by an individual subject to tax pursuant to section 143.011; and

(b) For all tax years beginning on or after January first of the tax year following the tax year in which the top rate of tax imposed pursuant to section 143.011 is equal to or less than four and one-half percent, one hundred percent of all income reported as a capital gain for federal income tax purposes by an entity subject to tax pursuant to section 143.071; and

(15) For all tax years beginning on or after January 1, 2026, the portion of capital gain on the sale or exchange of specie, as that term is defined in section 408.010, that are otherwise included in the taxpayer's federal adjusted gross income.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The

taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", an individual who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

a. A sale to a beginning farmer;

- b. A lease or rental agreement not exceeding ten years with a beginning farmer; or
- c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

- a. For the first two million dollars received, one hundred percent;
- b. For the next one million dollars received, eighty percent;
- c. For the next one million dollars received, sixty percent;
- d. For the next one million dollars received, forty percent; and
- e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection.”; and

Further amend the title and enacting clause accordingly.

Senator Carter moved that the above amendment be adopted.

At the request of Senator Schnelting, **SB 1003**, with **SCS**, **SS** for **SCS**, and **SA 4** (pending), was placed on the Informal Calendar.

Senator Black moved that **SB 974**, with **SCS**, be taken up for perfection, which motion prevailed.

SCS for **SB 974**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 974

An Act to amend chapter 42, RSMo, by adding thereto one new section relating to compensation for services rendered in veterans benefits matters.

Was taken up.

Senator Black moved that **SCS** for **SB 974** be adopted.

Senator Black offered **SS** for **SCS** for **SB 974**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 974

An Act to amend chapter 42, RSMo, by adding thereto one new section relating to compensation for services rendered in veterans benefits matters.

Senator Black moved that **SS** for **SCS** for **SB 974** be adopted.

Senator Nurrenbern offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 974, Page 1, In the Title, Lines 3-4, by striking “compensation for services rendered in veterans benefits matters” and inserting in lieu thereof the following: “benefits for military members”; and

Further amend said bill and page, section A, line 3, by inserting after all of said line the following:

“41.430. **1. This section shall be known and may be cited as “The Supporting Missouri Servicemen and Women Act”.**

2. Officers, warrant officers and enlisted personnel of the organized militia on active duty in the service of the state shall receive as compensation the same pay, longevity, and allowances as are or may be provided for members of like grade and branch of service in the Armed Forces of the United States[.], except:

(1) Members of the organized militia serving on active duty shall receive as a minimum the daily rate equivalent to the grade level of E5 with maximum longevity and with dependents;

(2) Members of the organized militia serving on active duty in service of the state for more than thirty days shall receive a monthly allowance for any premiums for coverage of the member under the TRICARE program of the United States Department of Defense or under any other government-sponsored insurance program during the period of active duty.”; and

Further amend the title and enacting clause accordingly.

Senator Nurrenbern moved that the above amendment be adopted, which motion prevailed.

Senator Bean assumed the Chair.

Senator Lewis offered SA 2:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 974, Page 1, In the Title, Lines 3-4, by striking "compensation for services rendered in veterans benefits matters" and inserting in lieu thereof the following: "military affairs"; and

Further amend said bill and page, section A, line 3, by inserting after all of said line the following:

“41.216. 1. Subject to appropriation and upon the recommendation of a panel consisting of a [sergeant major] **senior enlisted leader** of the Missouri National Guard, a sergeant major of a reserve component or its equivalent, and a representative of the Missouri [veterans] **veterans'** commission [who shall establish criteria for the grants by the promulgation of rules and regulations], the adjutant general shall have the power to **establish criteria for the grants by the promulgation of rules and regulations, and to** make grants or provide other financial assistance or services from the Missouri military family relief fund to **members of the Missouri National Guard**, families of persons who are members of the Missouri National Guard [or], **and to** Missouri residents who are members of the reserves of the Armed Forces of the United States.

2. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2005, shall be invalid and void.

41.475. 1. The governor is hereby authorized to request volunteers of the organized militia to assist federal law enforcement authorities within or outside the state, or to assist federal, state or local law enforcement authorities within this state, and order such volunteers to duty for the purpose of providing assistance in drug interdiction and counter-drug activities and operation and maintenance of equipment and facilities for such purposes pursuant to plans adopted and funding assistance received under the provisions of 32 U.S.C. 112.

2. The governor may delegate the authority conferred by this section to the adjutant general, but the governor shall retain sole authority to approve any and all plans submitted to the Secretary of Defense under 32 U.S.C. 112. The adjutant general shall ensure that all directives and policies of the Department of Defense and National Guard Bureau are followed. Personnel assisting in such activities shall obey and execute the instructions of the civil authorities charged by law with responsibility for law enforcement.

3. The adjutant general is hereby authorized to present, in the name of the state of Missouri, a Missouri National Guard counterdrug program ribbon, which shall be of suitable design, as may be determined by the adjutant general, to individual members of the Missouri National Guard who have participated in the counterdrug program. The period of eligibility shall be from January 1, 1989, to a future date to be determined by the adjutant general or the cessation of the counterdrug program. No Missouri National Guard counterdrug program ribbon shall be awarded to or retained by any person whose entire service shall not have been honorable. If a member qualifies for the Missouri National Guard counterdrug program ribbon but dies before making a request or before receipt, then the Missouri National Guard counterdrug program ribbon may be requested by and presented to the surviving primary next of kin. The adjutant general shall adopt policies and operating regulations concerning only its internal management of this Missouri National Guard counterdrug program ribbon, which need not be published in the Missouri Register or the code of state regulations under chapter 536, but these regulations shall be available for public inspection and review.

41.477. 1. There is hereby created in the state treasury the "Missouri National Guard Counterdrug Revolving Fund", which shall consist of all moneys received by the Missouri National Guard through federal asset forfeiture programs, including, but not limited to, the United States Department of Justice Asset Forfeiture Program, the United States Department of the Treasury Asset Forfeiture Program, and any successor programs or funds established by the federal government for the distribution of seized or forfeited assets. The Missouri National Guard counterdrug revolving fund shall be administered by the adjutant general. The state treasurer shall be custodian of the Missouri National Guard counterdrug revolving fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The Missouri National Guard counterdrug revolving fund shall be a dedicated fund and moneys in the fund shall be used

by the adjutant general solely for purposes authorized by the federal programs from which the moneys originated. Moneys in the Missouri National Guard counterdrug revolving fund shall not be utilized to supplant, decrease, or otherwise diminish any state appropriations or allocations otherwise provided for the Missouri National Guard's standard operations, personnel, or infrastructure. Notwithstanding the provisions of section 33.080 to the contrary, moneys remaining in the Missouri National Guard counterdrug revolving fund at the end of any biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the Missouri National Guard counterdrug revolving fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the Missouri National Guard counterdrug revolving fund.

2. Participation in federal asset forfeiture programs shall be at the discretion of the adjutant general. Upon electing to participate, the Missouri National Guard shall comply with the terms of an equitable sharing agreement and certificate of the federal asset forfeiture program, including, but not limited to, the United States Department of Justice Asset Forfeiture Program and the United States Department of the Treasury Asset Forfeiture Program, or any successor agreement or certification required by the federal government.

41.598. The adjutant general is hereby authorized to present, in the name of the state of Missouri, a Missouri National Guard homeland response force program ribbon, which shall be of suitable design, as may be determined by the adjutant general, to individual members of the Missouri National Guard who have participated in the homeland response force program. The period of eligibility shall be from January 1, 2012, to a future date to be determined by the adjutant general or the cessation of the homeland response force program. No Missouri National Guard homeland response force program ribbon shall be awarded to or retained by any person whose entire service shall not have been honorable. If a member qualifies for the Missouri National Guard homeland response force ribbon but dies before making a request or before receipt, then the Missouri National Guard homeland response force program ribbon may be requested by and presented to the surviving primary next of kin. The adjutant general shall adopt policies and operating regulations concerning only its internal management of this Missouri National Guard homeland response force program ribbon, which need not be published in the Missouri Register or the code of state regulations under chapter 536, but these regulations shall be available for public inspection and review.

41.599. The adjutant general is hereby authorized to present, in the name of the state of Missouri, a Missouri National Guard engineer explosive ordnance clearance agent ribbon, which shall be of suitable design, as may be determined by the adjutant general, to individual members of the Missouri National Guard who have participated in an engineer explosive ordnance clearance agent course. The period of eligibility shall be from January 1, 2012, to a future date to be determined by the adjutant general or the cessation of the engineer explosive ordnance clearance agent course. No Missouri National Guard engineer explosive ordnance clearance agent ribbon shall be awarded to or retained by any person whose entire service shall not have been honorable. If a member qualifies for the Missouri National Guard engineer explosive ordnance clearance agent ribbon but dies before making a request or before receipt, then the Missouri National Guard engineer explosive ordnance clearance agent ribbon may be requested by and presented to the

surviving primary next of kin. The adjutant general shall adopt policies and operating regulations concerning only its internal management of this Missouri National Guard engineer explosive ordnance clearance agent ribbon, which need not be published in the Missouri Register or the code of state regulations under chapter 536, but these regulations shall be available for public inspection and review.

41.1015. Sections 41.1015 to 41.1018 shall be known and may be cited as the "Cybersecurity Mission Act".

41.1016. As used in sections 41.1015 to 41.1018, the following terms mean:

(1) "Critical infrastructure facility", the same meaning as such term is defined in section 569.086;

(2) "Cyber-attack prevention", proactive measures and strategies implemented to identify, reduce, and eliminate vulnerabilities in information systems, including, but not limited to, risk assessments, employee training, system updates, firewalls, encryption, and access controls, with the goal of preventing unauthorized access or malicious activities;

(3) "Cyber-attack response", actions taken during and immediately following a cybersecurity incident or cyber attack to contain, mitigate, and remediate the effects of the incident, including, but not limited to, incident reporting, forensic analysis, system isolation, and communication with affected parties;

(4) "Cyber-attack support", assistance provided to parties or entities affected by a cybersecurity incident, including, but not limited to, technical aid, recovery of data and systems, mitigation efforts, and guidance on improving future cybersecurity measures;

(5) "Cybersecurity", the practice of protecting networks, systems, devices, data, and information from unauthorized access, disruption, destruction, or theft, through the implementation of policies, procedures, technologies, and practices designed to ensure the confidentiality, integrity, reliability, and availability of the networks, systems, devices, data, and information;

(6) "Governing body", the same meaning as such term is defined in section 67.750;

(7) "Law enforcement agency", the same meaning as such term is defined in section 590.1040;

(8) "Political subdivision", the same meaning as such term is defined in section 67.750;

(9) "Public college and university", the same meaning as the term "public colleges and universities" is defined in section 173.355;

(10) "Utility company", the same meaning as such term is defined in section 393.550.

41.1017. 1. Upon the request of the director of the department of public safety or his or her designee, the Missouri National Guard may enter into agreements with a party or parties, pertaining to rendering aid related to cybersecurity, cyber-attack prevention, cyber-attack response, and cyber-attack support activities for this state or for a political subdivision, governing body, public college and university, law enforcement agency, utility company, and critical

infrastructure facility of this state, but under no circumstances shall the Missouri National Guard violate the civil liberties or constitutional rights of any United States citizen or access, modify, scan, control, or view content contained within any civilian-owned system, device, telephone, computer, communications, or network without the consent of the owner explicitly and conspicuously given to the Missouri National Guard.

2. The adjutant general may activate members of the Missouri National Guard, on state orders, to carry out the rendering of aid covered under subsection 1 of this section.

3. The adjutant general may charge and may receive reimbursement for expenses incurred by the Missouri National Guard, related to rendering aid pursuant to subsection 1 of this section. The adjutant general shall determine when activating members of the Missouri National Guard, on state orders, whether expenses related to rendering aid pursuant to subsection 1 of this section shall be collected through reimbursement or charge prior to the time the services are rendered. If expenses are collected by charge prior to the time the services are rendered and the amount of such expense cannot be readily determined, then the adjutant general shall receive, from the requesting party, a deposit based upon the likely amount of such expense, and the balance of such expense shall be payable immediately upon ascertainment of the proper amount of said expense.

4. There is hereby created in the state treasury the "Missouri National Guard Cybersecurity Revolving Fund", which shall consist of:

(1) Moneys appropriated by the general assembly;

(2) Moneys received as a charge for expenses incurred by the Missouri National Guard, related to rendering aid pursuant to subsection 1 of this section; and

(3) Moneys received as reimbursement for expenses incurred by the Missouri National Guard, related to rendering aid pursuant to subsection 1 of this section.

The Missouri National Guard cybersecurity revolving fund shall be administered by the adjutant general. The state treasurer shall be custodian of the Missouri National Guard cybersecurity revolving fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The Missouri National Guard cybersecurity revolving fund shall be a dedicated fund and moneys in the fund shall be used solely by the adjutant general for the purpose of rendering aid pursuant to subsection 1 of this section. Notwithstanding the provisions of section 33.080 to the contrary, moneys remaining in the Missouri National Guard cybersecurity revolving fund at the end of any biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the Missouri National Guard cybersecurity revolving fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the Missouri National Guard cybersecurity revolving fund.

41.1018. The adjutant general shall administer the provisions of sections 41.1015 to 41.1018, and may adopt all rules and regulations necessary to administer the provisions of sections 41.1015 to 41.1018. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 41.1015 to 41.1018 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. Sections 41.1015 to 41.1018 and chapter 536 are nonseverable and if any of the powers vested with the general

assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.”; and

Further amend said bill, page 4, section 42.028, line 89, by inserting after all of said line the following:

“42.300. 1. There is hereby created in the state treasury the "Veterans Commission Capital Improvement Trust Fund" which shall consist of money collected under section 313.835. The state treasurer shall administer the veterans commission capital improvement trust fund, and the moneys in such fund shall be used solely, upon appropriation, by the Missouri [veterans] **veterans'** commission for:

(1) The construction, maintenance or renovation or equipment needs of veterans' homes in this state;

(2) The construction, maintenance, renovation, equipment needs and operation of veterans' cemeteries in this state;

(3) Fund transfers to Missouri veterans' homes fund established under the provisions of section 42.121, as necessary to maintain solvency of the fund;

(4) Fund transfers to any municipality with a population greater than four hundred thousand and located in part of a county with a population greater than six hundred thousand in this state which has established a fund for the sole purpose of the restoration, renovation and maintenance of a memorial or museum or both dedicated to World War I. Appropriations from the veterans commission capital improvement trust fund to such memorial fund shall be provided only as a one-time match for other funds devoted to the project and shall not exceed five million dollars. Additional appropriations not to exceed ten million dollars total may be made from the veterans commission capital improvement trust fund as a match to other funds for the new construction or renovation of other facilities dedicated as veterans' memorials in the state. All appropriations for renovation, new construction, reconstruction, and maintenance of veterans' memorials shall be made only for applications received by the Missouri [veterans] **veterans'** commission prior to July 1, 2004;

(5) The issuance of matching fund grants for veterans' service officer programs to any federally chartered veterans' organization or municipal government agency that is certified by the Veterans Administration to process veteran claims within the Veterans Administration System; provided that such veterans' organization has maintained a veterans' service officer presence within the state of Missouri for the three-year period immediately preceding the issuance of any such grant. A total of one million five hundred thousand dollars in grants shall be made available annually for service officers and joint training and outreach between veterans' service organizations and the Missouri [veterans] **veterans'** commission with grants being issued in July of each year. Application for the matching grants shall be made through and approved by the Missouri [veterans] **veterans'** commission based on the requirements established by the commission;

(6) For payment of Missouri National Guard and Missouri [veterans] **veterans'** commission expenses associated with providing medals, medallions, and certificates in recognition of service in the Armed Forces of the United States [during World War II, the Korean Conflict, and the Vietnam War under sections 42.170 to 42.226] **for any conflict, war, operation, or similar incident identified under chapter 42.** Any funds remaining from the medals, medallions, and certificates shall not be transferred

to any other fund and shall only be utilized for the awarding of future medals, medallions, and certificates in recognition of service in the Armed Forces;

(7) Fund transfers totaling ten million dollars to any municipality with a population greater than three hundred fifty thousand inhabitants and located in part in a county with a population greater than six hundred thousand inhabitants and with a charter form of government, for the sole purpose of the construction, restoration, renovation and maintenance of a memorial or museum or both dedicated to World War I; and

(8) The administration of the Missouri [veterans] **veterans'** commission.

2. Any interest which accrues to the fund shall remain in the fund and shall be used in the same manner as moneys which are transferred to the fund under this section. Notwithstanding the provisions of section 33.080 to the contrary, moneys in the veterans commission capital improvement trust fund at the end of any biennium shall not be transferred to the credit of the general revenue fund.

3. Upon request by the [veterans] **Missouri veterans'** commission, the general assembly may appropriate moneys from the veterans commission capital improvement trust fund to the Missouri National Guard trust fund to support the activities described in section 41.958.

42.310. 1. There is hereby created within the state adjutant general's office the "Operation Iraqi Freedom and Operation New Dawn Medallion Program". Every veteran who honorably served on active duty in the United States military service at any time beginning March 19, 2003, and ending December 15, 2011, shall be entitled to receive an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate of appreciation under this section, provided that:

(1) Such veteran is a legal resident of this state or was a legal resident of this state at the time he or she entered or was discharged from military service or at the time of his or her death or such veteran served in a unit of the Missouri National Guard regardless of whether such veteran is or ever was a legal resident of this state; and

(2) Such veteran was honorably separated or discharged from military service, is still in active service in an honorable status, or was in active service in an honorable status at the time of his or her death.

2. The Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate shall be awarded regardless of whether such veteran served within the United States or in a foreign country. The medallion, medal, and certificate shall be awarded regardless of whether such veteran was under eighteen years of age at the time of enlistment.

3. The following persons may apply for an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under this section:

(1) Any veteran who is entitled to an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under subsection 1 of this section;

(2) Any spouse or eldest living survivor of a deceased veteran who would be entitled to an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under subsection 1 of this section but who died prior to having made application for such medallion, medal, and certificate.

4. If any spouse or eldest living survivor applies for the Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under this section or if any veteran dies after applying for an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under this section and such veteran would have been entitled to the Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate, the adjutant general shall give the Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate to the spouse or eldest living survivor of the deceased veteran.

5. The Missouri veterans' commission shall design the form of Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate and forward the approved designs to the adjutant general for distribution pursuant to sections 42.310 to 42.311. It is the intent of the general assembly to create statewide involvement in the design of these symbols in recognition of this historic endeavor. Therefore, in designing the forms, the Missouri veterans' commission may solicit potential designs from elementary and secondary schools, veterans' groups, civic organizations, or any other interested parties, and may select the best design from among such solicited designs, or may select another design.

6. For purposes of this section, the term "veteran" means any person defined as a veteran by the United States Department of Veterans Affairs or its successor agency.

42.311. 1. Except as otherwise provided in sections 42.310 to 42.311, the adjutant general shall administer the provisions of sections 42.310 to 42.311, and may adopt all rules and regulations necessary to administer the provisions of sections 42.310 to 42.311. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 42.310 to 42.311 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. Sections 42.310 to 42.311 and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

2. The adjutant general shall determine as expeditiously as possible the persons who are entitled to an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate under sections 42.310 to 42.311 and distribute the medallions, medals, and certificates as provided in sections 42.310 to 42.311. Applications for the Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate shall be filed with the office of the adjutant general at any time after August 28, 2026, on forms prescribed and furnished by the office of the adjutant general. The adjutant general shall approve all applications that are in order, and shall cause an Operation Iraqi Freedom and Operation New Dawn medallion, medal, and certificate to be prepared for each approved veteran in the form created by the Missouri veterans' commission under section 42.310. The medallions, medals, and certificates shall be awarded until the supply of medallions, medals, and certificates is exhausted. The adjutant general shall notify the general assembly when such supply totals less than one hundred.

42.312. 1. There is hereby created within the state adjutant general's office the "Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program". Every veteran who

honorably served on active duty in the United States military service at any time beginning October 7, 2001, and ending August 30, 2021, shall be entitled to receive an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge medallion, medal, and certificate of appreciation under this section, provided that:

(1) Such veteran is a legal resident of this state or was a legal resident of this state at the time he or she entered or was discharged from military service or at the time of his or her death, or such veteran served in a unit of the Missouri National Guard regardless of whether such veteran is or ever was a legal resident of this state; and

(2) Such veteran was honorably separated or discharged from military service, is still in active service in an honorable status, or was in active service in an honorable status at the time of his or her death.

2. The Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge medallion, medal, and certificate shall be awarded regardless of whether such veteran served within the United States or in a foreign country. The medallion, medal, and certificate shall be awarded regardless of whether such veteran was under eighteen years of age at the time of enlistment.

3. The following persons may apply for an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under this section:

(1) Any veteran who is entitled to an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under subsection 1 of this section;

(2) Any spouse or eldest living survivor of a deceased veteran who would be entitled to an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under subsection 1 of this section but who died prior to having made application for such medallion, medal, and certificate.

4. If any spouse or eldest living survivor applies for the Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under this section or if any veteran dies after applying for an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under this section and such veteran would have been entitled to the Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate, the adjutant general shall give the Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate to the spouse or eldest living survivor of the deceased veteran.

5. The Missouri veterans' commission shall design the form of the Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate and forward the approved designs to the adjutant general for distribution pursuant to sections 42.312 to 42.313. It is the intent of the general assembly to create statewide involvement in the design of these symbols in recognition of this historic endeavor. Therefore, in designing the forms, the Missouri veterans' commission may solicit potential designs from elementary and secondary schools, veterans' groups, civic organizations, or any other interested parties, and may select the best design from among such solicited designs, or may select another design.

6. For purposes of this section, **the term "veteran"** means any person defined as a veteran by the United States Department of Veterans Affairs or its successor agency.

42.313. 1. Except as otherwise provided in sections 42.312 to 42.313, the adjutant general shall administer the provisions of sections 42.312 to 42.313, and may adopt all rules and regulations necessary to administer the provisions of sections 42.312 to 42.313. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 42.312 to 42.313 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. Sections 42.312 to 42.313 and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

2. The adjutant general shall determine as expeditiously as possible the persons who are entitled to an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate under sections 42.312 to 42.313 and distribute the medallions, medals, and certificates as provided in sections 42.312 to 42.313. Applications for the Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate shall be filed with the office of the adjutant general at any time after August 28, 2026, on forms prescribed and furnished by the office of the adjutant general. The adjutant general shall approve all applications that are in order, and shall cause an Operation Enduring Freedom, Operation Freedom's Sentinel, and Operation Allies Refuge Program medallion, medal, and certificate to be prepared for each approved veteran in the form created by the Missouri veterans' commission under section 42.312. The medallions, medals, and certificates shall be awarded until the supply of medallions, medals, and certificates is exhausted. The adjutant general shall notify the general assembly when such supply totals less than one hundred.

42.315. 1. There is hereby created within the state adjutant general's office the "Operation Desert Shield and Operation Desert Storm Medallion Program". Every veteran who honorably served on active duty in the United States military service at any time beginning August 7, 1990, and ending June 7, 1991, shall be entitled to receive an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate of appreciation under this section, provided that:

(1) Such veteran is a legal resident of this state or was a legal resident of this state at the time he or she entered or was discharged from military service or at the time of his or her death or such veteran served in a unit of the Missouri National Guard regardless of whether such veteran is or ever was a legal resident of this state; and

(2) Such veteran was honorably separated or discharged from military service, is still in active service in an honorable status, or was in active service in an honorable status at the time of his or her death.

2. The Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate shall be awarded regardless of whether such veteran served within the United States or in a foreign country. The medallion, medal, and the certificate shall be awarded regardless of whether such veteran was under eighteen years of age at the time of enlistment.

3. The following persons may apply for an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under this section:

(1) Any veteran who is entitled to an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under subsection 1 of this section;

(2) Any spouse or eldest living survivor of a deceased veteran who would be entitled to an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under subsection 1 of this section but who died prior to having made application for such medallion, medal, and certificate.

4. If any spouse or eldest living survivor applies for the Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under this section or if any veteran dies after applying for an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under this section and such veteran would have been entitled to the Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate, the adjutant general shall give the Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate to the spouse or eldest living survivor of the deceased veteran.

5. The Missouri veterans' commission shall design the form of the Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate and forward the approved designs to the adjutant general for distribution pursuant to sections 42.315 to 42.316. It is the intent of the general assembly to create statewide involvement in the design of these symbols in recognition of this historic endeavor. Therefore, in designing the forms, the Missouri veterans' commission may solicit potential designs from elementary and secondary schools, veterans' groups, civic organizations, or any other interested parties, and may select the best design from among such solicited designs, or may select another design.

6. For purposes of this section, the term "veteran" means any person defined as a veteran by the United States Department of Veterans Affairs or its successor agency.

42.316. 1. Except as otherwise provided in sections 42.315 to 42.316, the adjutant general shall administer the provisions of sections 42.315 to 42.316, and may adopt all rules and regulations necessary to administer the provisions of sections 42.315 to 42.316. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 42.315 to 42.316 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. Sections 42.315 to 42.316 and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.

2. The adjutant general shall determine as expeditiously as possible the persons who are entitled to an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate under sections 42.315 to 42.316 and distribute the medallions, medals, and certificates as provided in sections 42.315 to 42.316. Applications for the Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate shall be filed with the office of the adjutant general at any time

after August 28, 2026, on forms prescribed and furnished by the office of the adjutant general. The adjutant general shall approve all applications that are in order, and shall cause an Operation Desert Shield and Operation Desert Storm medallion, medal, and certificate to be prepared for each approved veteran in the form created by the Missouri veterans' commission under section 42.315. The medallions, medals, and certificates shall be awarded until the supply of medallions, medals, and certificates is exhausted. The adjutant general shall notify the general assembly when such supply totals less than one hundred.

105.265. 1. All officers and employees of this state, or of any department or agency thereof, all members of state retirement systems, and all other public employees of this state who are entitled to life insurance benefits as a state employee or a member of a state retirement system, and who are or become members of the United States Armed Forces or the National Guard and who are called to military service under competent orders from the appropriate military authority in time of active armed warfare shall be entitled to such life insurance benefits for the entire duration of such military deployment, including time periods in excess of twelve months, subject to the terms and conditions of any life insurance policy that may be in place to provide such coverage. Such persons shall be required to pay the cost of such coverage.

2. (1) The adjutant general shall be the official sponsor of the state-sponsored life insurance program. The adjutant general shall:

(a) Allow, facilitate, and coordinate all efforts to make the state-sponsored life insurance program available to all members of the Missouri National Guard;

(b) Provide an opportunity for members of the Missouri National Guard to purchase products of the state-sponsored life insurance program;

(c) Allow, facilitate, and coordinate requested allotments with the appropriate United States Property and Fiscal Office for purposes of the state-sponsored life insurance program;

(d) Allow representatives of the state-sponsored life insurance program to provide members of the Missouri National Guard with briefings during annual training and inactive duty training periods to educate members on the state-sponsored life insurance program and its benefits; and

(e) Allow members of the Missouri National Guard to designate or change beneficiaries under the state-sponsored life insurance program.

(2) The Missouri National Guard Association shall select the insurer used to provide the state-sponsored life insurance program.

(3) As used in this subsection, the term "state-sponsored life insurance program" means the life insurance program exclusively offered to all members of the Missouri National Guard through the Missouri National Guard Association pursuant to the federal Veterans' Insurance Act of 1974, Pub. L. 93-289.

105.270. 1. All officers and employees of this state, or of any department or agency thereof, or of any county, municipality, school district, or other political subdivision, and all other public employees of this state who are or may become members of the National Guard or of any reserve component of the Armed Forces of the United States, shall be entitled to leave of absence from their respective duties, without loss of time, pay, regular leave, impairment of efficiency rating, or of any other rights or benefits, to which

otherwise entitled, for all periods of military services during which they are engaged in the performance of duty or training in the service of this state at the call of the governor and as ordered by the adjutant general without regard to length of time, and for all periods of military services during which they are engaged in the performance of duty in the service of the United States under competent orders for a period not to exceed a total of one hundred [twenty] **sixty** hours in any federal fiscal year.

2. Before any payment of salary is made covering the period of the leave the officer or the employee shall file with the appointing authority or supervising agency an official order from the appropriate military authority as evidence of such duty for which military leave pay is granted which order shall contain the certification of the officer or employee's commanding officer of performance of duty in accordance with the terms of such order.

3. No member of the organized militia shall be discharged from employment by any of the aforementioned agencies because of being a member of the organized militia, nor shall he be hindered or prevented from performing any militia service he may be called upon to perform by proper authority nor otherwise be discriminated against or dissuaded from enlisting or continuing his service in the militia by threat or injury to him in respect to his employment. Any officer or agent of the aforementioned agencies violating any of the provisions of this section is guilty of a misdemeanor.

4. Notwithstanding the provisions of any other administrative rule or law to the contrary, any person entitled to military leave pursuant to the provisions of subsection 1 of this section shall only be charged military leave for any hours which that person would otherwise have been required to work had it not been for such military leave. The minimum charge for military leave shall be one hour and additional charges for military leave shall be in multiples of the minimum charge.

[41.220. 1. There shall be a military council consisting of the adjutant general as president of the council, general officers, the commanding officers of all brigades, wings, or groups, and any other officer or officers the adjutant general may deem desirable or necessary, and an officer appointed by the adjutant general from his office to act as recorder without vote. The senior United States Army and United States Air Force advisors on duty with the organized state militia, the comptroller of the state military forces and the United States Property and Fiscal Officer shall be ex officio members without vote. The adjutant general shall appoint the members of the military council on general orders annually. These orders will be amended as necessary. Members of the military council shall receive actual and necessary expenses for attending meetings thereof.

2. It shall be the duty of this council to act in an advisory capacity to the commander in chief on all matters placed before it by the governor, the adjutant general or any member of the council and to submit recommendations thereon to the governor, which shall become effective only upon his approval. The military council shall determine and authorize the number of regular and temporary employees necessary to the administration and supply of the military forces and fix the pay and allowances of the employees within the limitations of appropriations. It shall be the further duty of the council to make recommendations on the needs of the militia for legislative appropriations, and no request for appropriations of public money for the support of the militia, other than a request by the governor or by a member of the general assembly, shall be made without the recommendation of the council being noted thereon for the information of the governor and the legislature. All appropriations made for military purposes shall be apportioned and expended by the council. Vouchers and accounts covering the

expenditure of funds and appropriations for the support of the militia shall be approved and paid only when fully itemized, certified and approved by the president of the council.

3. The council shall meet quarterly at the City of Jefferson at such time as the president shall designate. Special meetings may be called by the governor or the president of the council at any time or place designated. A majority of the members of the council on duty within the state shall constitute a quorum for the transaction of its business. The council shall keep full and detailed records of its proceedings. The president of the council in an unusual emergency is authorized to poll the members of the military council and require them to cast their vote through whatever means of communications are available to them and the action taken in that manner shall have the same force and effect as a quarterly or special meeting when the poll will expedite recommendations on and furnish advice in the conduct of the affairs of the militia of this state to a better state of preparedness.]; and

Further amend the title and enacting clause accordingly.

Senator Lewis moved that the above amendment be adopted, which motion prevailed.

Senator Hough offered SA 3, which was read:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 974, Page 3, Section 42.028, Lines 70-72, by striking “in a readily noticeable and identifiable place in the person’s agreement with the individual seeking services.” and inserting in lieu thereof the following: **“on the first page of the agreement”**.

Senator Hough moved that the above amendment be adopted, which motion prevailed.

Senator Carter offered SA 4:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 974, Page 1, In the Title, Lines 3-4, by striking “compensation for services rendered in veterans benefits matters” and inserting in lieu thereof the following: “veteran benefits”; and

Further amend said bill, page 4, section 42.028, line 89, by inserting after all of said line the following:

“143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's

federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was

made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

- (a) Livestock Forage Disaster Program;
- (b) Livestock Indemnity Program;
- (c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;
- (d) Emergency Conservation Program;
- (e) Noninsured Crop Disaster Assistance Program;
- (f) Pasture, Rangeland, Forage Pilot Insurance Program;
- (g) Annual Forage Pilot Program;
- (h) Livestock Risk Protection Insurance Plan;
- (i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer, **including any survivor benefits derived therefrom**, as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state;

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access;

(14) (a) For all tax years beginning on or after January 1, 2025, one hundred percent of all income reported as a capital gain for federal income tax purposes by an individual subject to tax pursuant to section 143.011; and

(b) For all tax years beginning on or after January first of the tax year following the tax year in which the top rate of tax imposed pursuant to section 143.011 is equal to or less than four and one-half percent, one hundred percent of all income reported as a capital gain for federal income tax purposes by an entity subject to tax pursuant to section 143.071; and

(15) For all tax years beginning on or after January 1, 2026, the portion of capital gain on the sale or exchange of specie, as that term is defined in section 408.010, that are otherwise included in the taxpayer's federal adjusted gross income.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", an individual who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

a. A sale to a beginning farmer;

b. A lease or rental agreement not exceeding ten years with a beginning farmer; or

c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

a. For the first two million dollars received, one hundred percent;

b. For the next one million dollars received, eighty percent;

c. For the next one million dollars received, sixty percent;

d. For the next one million dollars received, forty percent; and

e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection.”; and

Further amend the title and enacting clause accordingly.

Senator Carter moved that the above amendment be adopted, which motion prevailed.

Senator Beck offered **SA 5**:

SENATE AMENDMENT NO. 5

Amend Senate Substitute for Senate Committee Substitute for Senate Bill No. 974, Page 1, In the Title, Lines 3-4, by striking “compensation for services rendered in veterans benefits matters” and inserting in lieu thereof the following: “military affairs”; and

Further amend said bill and page, section A, line 3, by inserting after all of said line the following:

“41.1030. 1. As used in this section, the following terms mean:

(1) “Department”, the Missouri department of the National Guard;

(2) “Living donation period”, the period in which a member who chooses to become a living organ donor completes all phases of the living donor process deemed medically necessary for a successful living donation including, but not limited to, the testing, surgical, and recovery phases;

(3) “Member”, a member of the Missouri National Guard;

(4) “Program”, the Missouri guaranteed inclusive voluntary exceptional service (MO GIVES) program established in subsection 2 of this section.

2. Subject to appropriation, the department shall establish a program for members who choose to become living organ donors to receive living donor medical orders for purposes of remaining on paid status during the living donation period, to be known as the “Missouri Guaranteed Inclusive Voluntary Exceptional Service (MO GIVES) Program”.

3. Any member seeking to become a living organ donor may apply to participate in the program. The department shall approve a member's participation in the program if sufficient funds are available and the member:

(1) Is in either Troop Program Unit (TPU) status or Individual Ready Reserve (IRR) status;

(2) Is in good standing with the department;

(3) Either:

(a) Is not eligible for living donor paid leave from the member's employer, whether due to the lack of such employer benefit or the failure to satisfy the eligibility requirements; or

(b) Elects not to use any such employer-based benefit available to the member;

(4) Specifies the type of donation to be made, whether directed to a specific individual, nondirected, or paired; and

(5) Agrees to undergo the procurement operation at a health care facility approved as a provider of continuing education points for transplant certification by the American Board for Transplant Certification.

4. Upon approval of a member's application, the department shall issue a living donor medical order for the member. The order shall:

(1) Guarantee paid leave for the member for the living donation period. The period of paid leave guaranteed under the order shall not exceed forty-five days unless an extension of time is deemed medically necessary by the primary surgical and medical recovery team;

(2) Exempt the member from any requirement to use accrued annual or medical leave for the paid living donation period guaranteed under the order; and

(3) Provide a per diem allowance and a basic allowance for housing during the paid living donation period guaranteed under the order based on the member's rank, region as determined by the zip code of the member's home of record, and dependent status.

5. Any organ donated through participation in the program may be transported outside this state to the ultimate recipient.

6. Benefits under the program shall be provided through the fund established in subsection 7 of this section.

7. (1) There is hereby created in the state treasury the "MO GIVES Fund", which shall consist of moneys appropriated to it by the general assembly and any gifts, contributions, grants, or bequests received from federal, private, or other sources. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in this fund shall be used solely to provide benefits under the program established in this section.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

8. The department may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void."; and

Further amend the title and enacting clause accordingly.

Senator Beck moved that the above amendment be adopted, which motion prevailed.

Senator Black moved that SS for SCS for SB 974, as amended, be adopted, which motion prevailed.

On motion of Senator Black, SS for SCS for SB 974, as amended, was declared perfected and ordered printed.

Senator Gregory (15) moved that SB 904 be called from the Informal Calendar and taken up for perfection, which motion prevailed.

Senator Gregory (15) offered SS for SB 904, entitled:

SENATE SUBSTITUTE FOR
SENATE BILL NO. 904

An Act to repeal section 195.010, RSMo, and to enact in lieu thereof four new sections relating to cannabis, with penalty provisions and an emergency clause for a certain section.

Senator Gregory (15) moved that **SS** for **SB 904** be adopted.

Senator Hough assumed the Chair.

Senator May offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Bill No. 904, Page 1, In the Title, Line 4, by striking “emergency clause” and inserting in lieu thereof the following: “expiration date”; and

Further amend said bill, pages 1-17, section 195.010, by striking all of said section from the bill; and

Further amend said bill, page 27, section 195.900, line 302, by inserting after all of said line the following:

“14. The provisions of this section shall become effective on November 12, 2026.”; and

Further amend said bill and page, Section B, by striking all of said section and inserting in lieu thereof the following:

“Section B. The provisions of section 195.900 of this act shall expire upon notification by the attorney general to the revisor of statutes that the definition of “hemp” in 7 U.S.C. Section 1639o, as enacted in Pub. Law 119-37 and signed into law on November 12, 2025, has been amended in any way.”; and

Further amend the title and enacting clause accordingly.

Senator May moved that the above amendment be adopted.

Senator Gregory (21) assumed the Chair.

INTRODUCTION OF GUESTS

Senator Luetkemeyer introduced to the Senate, MO State Historical Society members.

Senator Hudson introduced to the Senate, Gateway Bleeding Disorders Association, Bridget Tyrey, St. Louis; Gabi Flores, Fenton; Carly Willard, Imperial; Kahla Gilbert; and Kayden Hance, Success.

Senator Carter introduced to the Senate, Randee Kaiser, Jasper County.

Senator Crawford introduced to the Senate, public administrators from around the State.

Senator Roberts introduced to the Senate, CEO of Annie Malone, Keisha Lee; Mario Thurman; and Armani Howard; and members of the Alpha Phi Alpha Fraternity, Inc., Dino Bills; Brent Harvey; Damon Roath; Ken Nutt; Milton Thomas; and Ken Bacchus.

Senator Bean introduced to the Senate, Rilee Qualls; Antonio Davis; Zechariah Davis; Carey Pulliam; Keyon Malcom; Mike Burchard; and Paula Shaw.

Senator Beck introduced to the Senate, Bill Bradsky, Chicago.

On motion of Senator Luetkemeyer, the Senate adjourned under the rules, which placed **SB 904**, with **SS** and **SA 1** (pending), on the Informal Calendar.

SENATE CALENDAR

TWENTIETH DAY—THURSDAY, FEBRUARY 12, 2026

FORMAL CALENDAR

SECOND READING OF SENATE BILLS

SB 1603-Hough	SB 1634-Webber
SB 1604-Brattin	SB 1635-Gregory (21)
SB 1605-Henderson	SB 1636-Gregory (21)
SB 1606-Lewis	SB 1637-Lewis
SB 1607-Lewis	SB 1638-Lewis
SB 1608-Washington	SB 1639-Bean
SB 1609-Washington	SB 1640-McCreery
SB 1610-Washington	SB 1641-Brattin
SB 1611-Washington	SB 1642-Schroer
SB 1612-Washington	SB 1643-Nicola
SB 1613-Mosley	SB 1644-Hudson
SB 1614-McCreery	SB 1645-Hudson
SB 1615-Brattin	SB 1646-Henderson
SB 1616-Brattin	SB 1647-McCreery
SB 1617-Brattin	SB 1648-Beck
SB 1618-Brattin	SB 1649-Roberts
SB 1619-Nicola	SB 1650-Carter
SB 1620-Gregory (15)	SB 1651-Carter
SB 1621-Gregory (21)	SB 1652-Mosley
SB 1622-Carter	SB 1653-Trent
SB 1623-Trent	SB 1654-Webber
SB 1624-Williams	SB 1655-Webber
SB 1625-Williams	SB 1656-Webber
SB 1626-Moon	SB 1657-Fitzwater
SB 1627-Trent	SB 1658-Nurrenbern
SB 1628-Trent	SB 1659-Nurrenbern
SB 1629-Fitzwater	SB 1660-Nurrenbern
SB 1630-Coleman	SB 1661-Black
SB 1631-Coleman	SB 1662-May
SB 1632-Crawford	SB 1663-Crawford
SB 1633-Webber	SJR 118-Nurrenbern

HOUSE BILLS ON SECOND READING

HCS for HBs 1667 & 2294	HCS for HB 2375
HCS for HBs 1694, 1674, 1780, 2056, 2312 & 1755	HCS for HB 1788
HCS for HBs 2273, 1946, 1814 & 2551	HB 1628-Haley
HCS for HB 1757	

THIRD READING OF SENATE BILLS

SB 1020-Crawford	SB 994-Henderson
SS for SCS for SB 890-Coleman (In Fiscal Oversight)	(In Fiscal Oversight)
	SS for SB 914-Gregory (21)

SENATE BILLS FOR PERFECTION

SB 953-Bean	SB 1000-Hudson
SB 856-Brattin and Coleman	SB 836-Crawford, with SCS
SB 973-Trent, with SCS	

INFORMAL CALENDAR

SENATE BILLS FOR PERFECTION

SB 863-Bean, with SS & SA 1 (pending)	SB 917-Burger, with SS & SA 1 (pending)
SB 888-Schroer, with SS & SA 1 (pending)	SB 948-Brattin, with SS & SA 3 (pending)
SB 889-Coleman	SB 1003-Schnelting, with SCS, SS for SCS & SA 4 (pending)
SB 904-Gregory (15), with SS & SA 1 (pending)	

RESOLUTIONS

SR 565-Beck	SR 567-Beck
SR 566-Beck	SR 668-Moon

ACTIONS PURSUANT TO ARTICLE IV, SECTION 27

SS for SB 1 - Hough

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