

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5972S.02I
 Bill No.: SB 8
 Subject: Agriculture; Tax Credits
 Type: Original
 Date: September 16, 2022

Bill Summary: This proposal modifies provisions relating to agricultural tax relief.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	Less or More (\$4,105,893) Up to (\$8,841,408)	Less or More (\$9,718,034) Up to (\$34,053,907)	Less or More (\$9,721,292) Up to (\$34,057,165)
Total Estimated Net Effect on General Revenue	Less or More (\$4,105,893) Up to (\$8,841,408)	Less or More (\$9,718,034) Up to (\$34,053,907)	Less or More (\$9,721,292) Up to (\$34,057,165)

*Oversight notes the proposal extends the sunset dates of several existing tax credit programs – Oversight reflects a fiscal impact (loss of tax income) for those years past the current sunset date. Oversight also notes the fiscal impact estimates range from current average activity (or estimated activity) to the programs' annual caps.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
School District Trust Fund	(Unknown)	(Unknown)	(Unknown)
Parks and Soils State Sales Tax Funds	(Unknown)	(Unknown)	(Unknown)
Conservation Commission Fund	(Unknown)	(Unknown)	(Unknown)
MDA Fund	Less or More \$61,950	Less or More \$61,950	Less or More \$61,950
Total Estimated Net Effect on Other State Funds	Less or More \$61,950	Less or More \$61,950	Less or More \$61,950

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Political Subdivisions	(Unknown)	(Unknown)	(Unknown)
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Section 135.686 Meat Processing Facility Investment Tax Credit (Effective with Emergency Clause)

Officials from the **Department of Revenue (DOR)** assume this would extend from December 31, 2021 to December 31, 2028, the ability of a taxpayer to claim a tax credit for meat processing modernization or expansion related to the taxpayer's meat processing facility. The credit is equal to 25% of the qualifying expenses. The meat processing facility tax credit currently shares a \$2 million annual cap with the Qualified Beef tax credit.

This proposal adds language requiring the company that owns the meat processing facility employ fewer than 500 people in the country to qualify for the tax credit. This may change the number of meat processing facilities that could qualify for the credit but will not impact the \$2 million cap.

This proposal removes the language that requires the sharing of the \$2 million cap with the Qualified Beef Tax Credit. Therefore, the meat processing facility tax credit will now receive the full \$2 million credit and the Qualified Beef program will receive its own \$2 million credit.

For informational purposes, the Department is providing information on the amount of the credit issued and redeemed since this credit began in 2018.

Year	Authorized	Issued *	Redemption by Corp Income	Redemption by Individual	Total Redeemed
FY 2022	\$1,304,224.48	\$1,304,244.48	\$134,816.00	\$358,408.61	\$493,224.61
FY 2021	\$829,675.76	\$829,675.76	\$88,207.26	\$485,190.78	\$573,398.04
FY 2020	\$1,171,805.57	\$1,162,452.67	\$160,408.06	\$219,963.08	\$380,371.14
FY 2019	\$627,807.59	\$552,807.59	\$113,434.50	\$101,343.44	\$214,777.94
FY 2018	\$286,781.89	\$286,781.89	\$5,561.00		\$5,561.00
TOTALS	\$4,220,295.29	\$4,135,962.39	\$502,426.82	\$1,164,905.91	\$1,667,332.73

*shared cap with Qualified Beef

This proposal would require that DOR re-implement and/or continue to conduct its processes pertaining to the meat processing facility investment tax credit until at least December 31, 2028 (and potentially longer if carryovers of such credits may be claimed after that date). For example,

DOOR would need to accept certifications of assignment of the meat processing facility investment tax credit (Section 135.686, RSMo).

Since DOOR has forms and computer programs set up to handle this credit they do not believe this would have any additional administrative impact. However, the restarting of this credit could result in a loss to general revenue and total state revenue Up to the \$2 million annual cap starting on October 1, 2022 (FY 2023).

Officials from the **Office of Administration – Budget & Planning (B&P)** note:

The authorization for the Meat Processing Facility Tax Credit ended on June 30, 2020. This proposal would extend the \$2,000,000 cap to June 30, 2028. This proposal would also limit the tax credit to meat processing facilities with fewer than 500 employees throughout the United States.

B&P notes that the annual authorization cap for this program is \$2,000,000. While the 3-year average annual redemptions was \$389,516 for FY19 through FY21.

B&P notes that this section would be impacted by the emergency clause. Therefore, this proposal could reduce general revenue and total state revenues by \$389,516 to \$2,000,000 annually beginning in FY23.

Oversight notes, currently, for all tax years beginning on or after January 1, 2017, but ending on or before December 31, 2021, a taxpayer shall be allowed a tax credit for meat processing modernization or expansion as it relates to the taxpayer's meat processing facility.

This proposed legislation modifies the “end date” of this tax credit program by extending it to all tax years ending on or before December 31, 2028 (from 2021).

Oversight’s policy is to show the extension of the tax credit program in the fiscal note. Oversight notes the current end date for the Meat Processing Facility Investment Tax Credit is December 31, 2021. Oversight notes this proposed legislation extends the end date to December 31, 2028. Oversight notes that taxpayers who are awarded the Meat Processing Facility Investment Tax Credit in Tax Year 2022 will not file their tax returns claiming the tax credit until after January 1, 2023 (Fiscal Year 2023). Therefore, Oversight will report the impact as a result of extending the end date of this tax credit program beginning in Fiscal Year 2023.

Section 135.755 Ethanol Tax Credit (Effective January 1, 2023)

Starting January 1, 2023, a taxpayer that is a retail dealer that sells higher ethanol blend at their service station can claim a tax credit equal to five cents per gallon on the higher ethanol blend sold. This proposal requires that the higher ethanol blend be more than 15% but less than 85% ethanol. This is the ratio of the ethanol sold generally as E85 fuel.

The tax credit is capped at five million dollars (\$5,000,000) per fiscal year, is not refundable, and cannot be transferred or sold, but excess tax credits can be carried forward to any of the five subsequent tax years.

The U.S. Energy Information Administration reported that in 2019 (the most recent complete year of data) that Missouri consumed 25.7 trillion Btu of ethanol. At a conversion rate of 120,286 Btu per gallon, it is estimated that Missouri used 213,657,450 gallons of fuel. This tax credit is five cents per gallon which is estimated to generate \$10,682,872 in tax credits. However, since this credit is capped at \$5 million they will show the impact to general revenue as the cap amount. This proposal allows the credit to be apportioned among all eligible retail dealers claiming the credit should the amount of credits claimed exceed the annual cap.

This tax credit would begin January 1, 2023 but would not be claimed on the tax return until January 2024 (FY 2024). Therefore the fiscal impact would be Up to \$5 Million annually from FY 2024- FY 2029. This provision has a sunset date of December 31, 2028.

This is a new credit, primarily for business entities (corporations, maybe partnerships and S corporations and their members). The Department does not currently collect information on the amount of gallons of ethanol sold at the retail level. The Department would need to create a form and make changes to the existing tax credit form (MO-TC0 for taxpayers to claim this tax credit. This would require form and computer changes of at least \$3,596. Additionally, DOR would need the following FTE should the number claiming the tax credit reach these thresholds.

1 Associate Customer Service Rep. for every 6,000 credits redeemed
1 Associate Customer Service Rep for every 7,600 errors/correspondence generated

Officials from the **Office of Administration – Budget & Planning (B&P)** note:

This creates a tax credit, beginning in calendar year 2023, for retail dealers selling higher ethanol blend at their retail service station. The amount of the credit shall equal \$0.05 per gallon of higher ethanol blend sold by the retail dealer and dispensed through metered pumps during the tax year in which the tax credit is claimed. These credits cannot be transferred, sold, or assigned. The tax credit is not refundable but has a 5 year carry-forward. The total amount of tax credits authorized for any fiscal year shall not exceed \$5,000,000.

B&P notes that this section is impacted by the emergency clause. Therefore, this proposal could reduce general and total state revenue by up to \$5M annually beginning in FY24. Due to the carryforward provision, in any given year the amount redeemed may exceed the estimate shown after the first full fiscal year.

For purposes of this fiscal note, **Oversight** assumes DOR can absorb the responsibilities of this tax credit with existing resources. Oversight provides further explanation below.

Oversight notes, for all tax years beginning on or after January 1, 2023, a retail dealer that sells higher ethanol blend at such retail dealer's service station is allowed a tax credit to be taken against the retail dealer's state income tax liability. The tax credit shall be equal to five cents (\$0.05) per gallon of higher ethanol blend sold. The tax credits authorized shall not be transferred, sold, or assigned. The tax credits authorized shall not be refundable. Any amount of tax credits that exceeds a taxpayer's tax liability shall be permitted to be carried forward to any of the five (5) subsequent tax years.

Oversight notes the State of Iowa (Iowa) provides several tax credits for biofuel sales by retailers and blenders. Two (2) of Iowa's tax credits are the E15 Plus Gasoline Promotion Tax Credit and E85 Gasoline Promotion Tax Credit. Detailed information about Iowa's Biofuel Retailers Tax Credits can be found [here](#). Iowa's E15 Plus Gasoline Promotion Tax Credit is available to retail dealers of gasoline who sell blended gasoline that is classified as E15 Plus but not classified as E85 gasoline. Currently, Iowa's tax credit is considered seasonal; providing various amounts of credit(s) at different times of the year. From June 1 – September 15 of each year, the tax credit is awarded at \$0.10 per gallon. At all other times, the tax credit is awarded at \$0.03 per gallon.

Iowa's E85 Gasoline Promotion Tax Credit is available to retail dealers of motor fuel that sell E85. A tax credit can be claimed for each gallon of E85 sold by the retailer during the tax year. The current tax credit is calculated at \$0.06 per gallon.

Using the [9 State Energy Consumption Estimates – 1960 through 2019](#), published by the U.S. Energy Information Administration, Oversight compared various energy consumption estimates for Iowa and Missouri. Oversight provides the comparison below:

<u>2019 - State Energy Consumption Estimates - U.S. Energy Information Administration</u>			
Iowa and Missouri	Iowa	Missouri	Iowa As a Percent of Missouri
Barrels of Fuel Ethanol	4,2733,000	7,378,000	58%
Total Motor Gasoline - Including Fuel Ethanol (btu)	186,900,000,000,000	376,200,000,000,000	50%
Total Fuel Ethanol (btu)	14,900,000,000,000	25,700,000,000,000	58%
Total Energy Consumption by End - Use Sector (Transportation)	303,100,000,000,000	555,100,000,000,000	55%
Iowa As a Percent of Missouri/Topic Average			55%

Oversight assumes, based on the Iowa and Missouri energy consumption comparison shown above, that Iowa's fuel ethanol operations (specific to end user consumption/transportation) could be operating at 55% capacity of Missouri's fuel ethanol operations.

Using information included in Iowa's Biofuel Retailers Tax Credits Program Evaluation Study (December 2019), Oversight reviewed the amount of tax credits claimed in 2016 for Iowa's E15 Plus and E85 Promotion Tax Credit(s) to estimate the number of gallons sold by tax credit claimants and compared such estimate to the *actual* number of gallons sold:

State of Iowa Summary					Actual Total Number of E15-20 & E85 Gallons Sold In Iowa
Iowa Actuals (2016)	Amount Claimed	Iowa Tax Credit %	Oversight Estimated Number of Gallons Claimed By Tax Credit Claimants	Actual Number of Gallons Sold	
E85 is a blend of gasoline that contains between 70% and 85% ethanol.	\$2,143,259	\$0.16 per gallon	13,395,368.75	13,471,861	
E15 Plus Gasoline Promotion Tax Credit					
Iowa Actuals (2016)	Amount Claimed	Iowa Tax Credit %	Amount Claimed Per %	8,915,127.11	9,034,588
E15 Plus are blends of gasoline that contain between 15% and 69% ethanol	\$426,788	June 1 - September 15 - \$0.10 per gallon	\$227,620		
		All Other Dates - \$0.03 per gallon	\$199,168		

Oversight notes the amount of estimated gallons sold by tax credit claimants and the actual amount of gallons sold are very similar. Therefore, Oversight anticipates a near one hundred percent (100%) participation rate in Missouri for each gallon of qualifying fuel sold.

Oversight notes, based on the data reported above, the total amount of E-15 & 20 & E85 gallons sold in Iowa during 2016 totals 22,506,449.

If the assumption that Iowa's fuel ethanol operations are operating at 55% capacity of Missouri's fuel ethanol operations is accepted, Oversight estimates Missouri's total E15 Plus and E85 gallons sold could total 40,920,816 gallons (22,506,449 / 55%). Oversight notes, a tax credit equal to \$0.05 per gallon would generate a total amount of tax credits equal to \$2,046,041 (40,920,816 * \$0.05).

Oversight notes the tax credit created if for all tax years beginning on or after January 1, 2023. Oversight notes taxpayers will not file their Tax Year 2023 tax returns until after January 1, 2024 (Fiscal Year 2024).

Oversight notes the actual and overall impact of this proposed legislation is unknown. For purposes of this fiscal note, Oversight will report a revenue reduction to GR equal to a range beginning with an amount "Up to" \$2,046,041 (as estimated by Oversight) to \$5,000,0000 beginning in Fiscal Year 2024.

Oversight notes the tax credit created would automatically sunset on December 31, 2028 unless reauthorized by the General Assembly.

Section 135.775 Biodiesel Retail Sellers Tax Credit (Effective January 1, 2023)

Officials from the **Department of Revenue (DOR)** note this proposal creates a new tax credit for a retail dealer that sells biodiesel fuel. To qualify as biodiesel fuel it must be a blend of diesel and biodiesel between 5% and 20% for on-road and off-road diesel-fuel vehicle use. Proof that that biodiesel meets ASTM International specifications will need to be provided to the Department. The tax credit will be equal to two cents (\$0.02) per gallon on biodiesel blend of 5% but no more than 10% mix or five cents (\$0.05) per gallon sold on a biodiesel blend in excess of 10%.

The retailer must show proof they own or operate the station and meet all the specifications in the proposal in order to apply for the credit. Verification and certification processes are usually handled by other agencies. Once another agency verifies a person's qualifications, they are given a receipt that is attached to the tax return for DOR to process. Requiring DOR to do the verification and certification is outside their normal administrative scope. The proposal indicates that DOR can work with the Department of Agriculture (MDA) to do some of this verification. MDA has indicated that this is also outside their normal scope of work. They assume in order to do this verification they will need 1 Auditor FTE and 2 Associate Customer Service Representatives FTE to do the necessary verifications.

This tax credit is to begin on January 1, 2023. Tax returns claiming the credit will not be filed until January 2024 (FY 2024). This tax credit has a \$16 million cap annually. The credit is refundable but cannot be sold, transferred or assigned. This credit says that if the cap is reached then the credit must be apportioned among all applicants. This proposal has a sunset of December 31, 2028.

The U.S. Energy Information Administration reported that in 2019 (the most recent complete year of data) 3.7 trillion Btu of biodiesel was consumed in Missouri. At a conversion rate of 120,286 Btu per gallon, it is estimated that Missouri used 30,760,021.95 gallons of fuel. It should be noted this information does not indicate the percent of mix of the fuel. For fiscal note purposes they will assume that all of it would qualify for the five cents per gallon credit. It is estimated at five cents per gallon it could generate \$1,538,001 in tax.

The motor fuel tax is paid by a supplier/distributor. They purchase and mix the fuel then distribute to a retail station to sell to customers. DOR has a report on the number of biodiesel blended each month; however, the suppliers do not indicate the mix amount (such as E15 or E85).

Calendar Year	Total Biodiesel Gallons
2018	54,990,702
2019	52,352,437
2020	63,683,900
2021(incomplete)	49,536,202

Based on figures reported by the suppliers/distributors of what fuel they mixed, they show 63,683,900 gallons (last complete year of data) mixed of biodiesel in calendar year 2020. At the five cents per gallon credit this would result in \$3,184,195 in credits being issued. It is unclear if all these gallons would meet the requirements of this proposal.

At the estimated amount sold in 2019 and 2020 it does not appear this will reach its apportionment cap inside the fiscal note period. DOR will show the impact as a loss to general revenue of \$1,538,000 to \$16,000,000. This credit will need to be added to the MO-TC form as well as into the individual income tax filing system. The estimated cost of this credit is \$3,596. Additionally they will need the 1 Auditor (\$40,978) and the 2 Associate Customer Service Representatives (\$26,328) for the verification and apportionment of the credit.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the proposal would create a tax credit to be taken against a retail dealer's state income tax liability. The amount of the credit shall equal two cents per gallon of biodiesel blend of at least five percent but not more than ten percent and five cents per gallon of biodiesel blend in excess of ten percent sold by the retail dealer at a retail service station during the tax year in which the tax credit is claimed. The total amount of tax credits authorized shall not exceed \$16 million per fiscal year.

According to data from the U.S. Energy Information Administration, Missouri consumed 0.7 million barrels of biodiesel in 2019 (0.7M barrels * 42 gallons per barrel = 29,400,000 gallons). If all of the biodiesel sold fit the eligibility for the tax credit, the cost to the state could be between \$588,000 (0.02 * 29,400,000) and \$1,470,000 (0.05 * 29,400,000). This tax credit may incentivize additional biodiesel retail sales in Missouri; however, no estimate of a potential increase in sales is available.

B&P notes that this section is not impacted by the emergency clause. Therefore, this provision could reduce general and total state revenue between (\$588,000) and (\$16,000,000) annually beginning in FY24.

Officials from the **Missouri Department of Agriculture (MDA)** note:

MDA assume that the Department of Revenue will administer the tax credits for both the biodiesel retail dealers and biodiesel producers. MDA assumes that the supporting role of the Weights and Measures Division to validate that the biodiesel blend a retail dealer claims is accurate (as specified in Subsection 135.775.6, RSMo) will require limited compliance checks and that the cost could be absorbed by MDA. However, if that assumption is incorrect and the Department of Revenue requires more stringent proof of compliance and MDA needs to collect and test many fuel samples at the discretion of DOR, there would likely be a fiscal impact to MDA.

Oversight notes that Missouri ranked among the top one-third of states in biodiesel consumption of 29 million gallons in 2019. ([State by State Biodiesel Consumption EIA.GOV](#)). Oversight agrees with the DOR's estimated impact of this tax credit; however, will show the lower estimated impact as average of the total sales between 2% & 5% because the actual sales information does not indicate the percent of mix of the fuel estimates. Oversight calculate the average of sales as follow:

Total Consumption 2019	\$30,760,022
2% credit per gallon	615,200
5% credit per gallon	1,538,001
Average of 2% & 5%	\$1,076,601

Therefore, for purpose of this fiscal note (extreme fluctuation of biodiesel markets 2020 & 2021 due to COVID-19), **Oversight** will show the impact as a loss to general revenue beginning FY 2024 ranging from \$1,076,601 to \$16,000,000 (using 2019 consumption of biodiesel). Additionally, **Oversight** will note DOR's requested 1 Auditor FTE (\$40,978 annually) and 2 Associate Customer Service Representatives FTE (\$26,328 annually per each representative needed) for implementation and necessary verifications of this program beginning FY 2023.

Oversight assumes the DOR will be able to absorb the cost for additional part time positions needed to maintain compliance of Section 135.775.4 (part time FTE hired at \$10,164 annually)

as they are ordinarily hiring part time positions annually in order to handle the extra overflow of tax filings.

Section 135.778 Biodiesel Producers Tax Credit (Effective January 1, 2023)

Officials **Department of Revenue (DOR)** assume this proposal creates a new tax credit for a producer of biodiesel fuel. Starting January 1, 2023 this will allow a credit against their state income tax liability. The amount of the credit will be \$0.02 per gallon of biodiesel fuel produced by a Missouri biodiesel producer. The Department notes there are currently 6 producers in the state.

The producer must show proof they are registered with the United States Environmental Protection Agency and began construction on their facility before August 28, 2022. Verification and certification processes are usually handled by other agencies. Once another agency verifies a person's qualifications, they are given a receipt that is attached to the tax return for DOR to process. Requiring DOR to do the verification and certification is outside their normal administrative scope. The proposal indicates that DOR can work with the Department of Agriculture to do some of this verification. MDA has indicated that this is also outside their normal scope of work. They assume in order to do this verification they will need 1 Auditor FTE and 2 Associate Customer Service Representatives to do the necessary verifications. They believe the same staff needed for the retailers could handle these producers as well.

The tax credit cannot be transferred, sold or assigned but is refundable. This proposal places a \$4 million annual cap on the credit. This credit says that if the cap is reached then the credit must be apportioned among all applicants. This proposal has a sunset of December 31, 2028.

Using the same number of gallons calculated above, 30,760,021.95, this \$0.02 per gallon credit could result in a loss to general revenue of \$615,200. Additionally, if they assume the suppliers reported the 63,683,900 and that all were Missouri produced then this would result in \$1,273,678 in credits being issued. They will show the loss from \$615,200 to \$4,000,000.

This proposal adds a provision that if the \$4 million cap on this credit is not fully used, then the remaining portion of the cap can be distributed to the retailers on their credit.

This credit will need to be added to the MO-TC form as well as into the individual income tax filing system. The estimated cost of this credit is \$3,596. The FTE required for the retailer's tax credit are estimated to be able to handle this credit as well.

It should be noted that this proposal is allowing the producers tax credits to be claimed against the income tax liability imposed by Chapter 143. However, the proposal is not excluding withholding tax as is the usual practice. Allowing this credit against withholding tax could require additional programming changes expected to exceed \$10,000 for which they do not have an appropriation.

Officials from the **Office of Administration Budget & Planning (B&P)** assume:

This proposal would create a tax credit to be taken against a Missouri biodiesel producer's state income tax liability for all tax years beginning with tax year 2023. The amount of the credit shall equal two cents per gallon of biodiesel fuel produced by a biodiesel facility that qualifies as a "Missouri biodiesel producer" according the bill language.

A Missouri biodiesel producer is defined as a person, firm, or corporation doing business in Missouri, is registered with the EPA, and has begun construction on a facility or been selling biodiesel produced at a Missouri facility on or before August 28, 2022.

B&P notes that the final requirement – begun construction or selling biodiesel fuel produced at a Missouri facility on or before August 28, 2022 would prevent new biodiesel producers entering Missouri after August 28, 2022 from receiving this tax credit. Therefore, this tax credit would only be available to existing Missouri biodiesel producers.

The total amount of tax credits shall not exceed \$4,000,000 per fiscal year.

According to the Missouri Department of Natural Resources, as of April 2020, Missouri had five commercial biodiesel production facilities. The total nameplate capacity in the state is around 216 million gallons, which roughly accounts for 9% of the nation's capacity of nearly 2.5 billion gallons. If all of Missouri's biodiesel facilities qualify as a "Missouri biodiesel producer" according to the bill language (status of qualifications are unknown), and produce between 80% and 100% of their capacity, the cost to the state could be between \$3,456,000 ($\$0.02 * 216M$ gallons * 80%) and \$4,320,000 ($\$0.02 * 216M$ gallons * 100%). However, with a \$4M maximum, the range would be between \$3,456,000 and \$4,000,000.

B&P notes that this section is not impacted by the emergency clause. Therefore, this provision could reduce general and total state revenue between (\$3,456,000) and (\$4,000,000) annually beginning in FY24.

Oversight notes the section further clarifies & adds a language regarding distributors that sell biodiesel blend directly to final users located in the state. Oversight assumes the clarification will not have an additional fiscal impact.

Oversight notes that Missouri ranked among the top one-third of states in a biodiesel production of 253 million gallons in 2019. ([State by State Biodiesel Consumption EIA.GOV](#)). Oversight agrees with the B&P's estimated impact of this tax credit. Oversight will assume that there is range of 50% and 100% participation rate in this program for purpose of this fiscal note. Therefore, **Oversight** will reflect the estimated impact of reduction in general revenues beginning Fiscal Year 2024 ranging from \$2,277,000 up to all available cap of \$4,000,000 (see table below). Additionally, **Oversight** will reflect the DOR cost for programming changes which could exceed \$10,000 beginning FY 2023.

Origination Type	Tax Credit* Annual Consumption	Total
Blend of at least eighty percent feedstock originates in Missouri	$(\$0.02 * 253,000,000)*.8$	\$ 4,048,000
100% percent blend	$(\$0.02 * 253,000,000)*1$	\$5,060,000
Average of both @ 100% participation rate		\$4,554,000
Average of both @ 50% participation rate		\$2,277,000

§135.1610 Urban Tax Credits (Effective with Emergency Clause)

Officials from the **Office of Administration – Budget & Planning Division (B&P)** state this proposed legislation, for all tax years beginning on or after January 1, 2023, creates a tax credit for taxpayers who establish an urban farm within a classified food desert within the state. If an urban farm is established within a qualifying area, the qualifying taxpayer would be able to claim a tax credit against their state tax liability up to 50% of the eligible expenses for establishing the urban farm. No urban farm can claim a tax credit in excess of \$25,000. The tax credits may be carried forward to the next three (3) succeeding tax years. There is a \$200,000 cap placed on the tax credit.

This proposed legislation could reduce General Revenue (GR) and Total State Revenue (TSR) up to (\$200,000) annually and could impact the calculation under Article X, Section 18(e).

Officials from the **Missouri Department of Revenue (DOR)** state this proposal would allow a tax credit against a taxpayer's state tax liability equal to fifty percent (50%) of the eligible expenses for establishing an urban farm starting on January 1, 2023 (the effective date of the act). The tax credit cannot be transferred, sold or assigned. The credit is not refundable but can be carried forward the next three years (3). The total amount of credits that can be authorized annually is \$200,000. No taxpayer may receive more than \$25,000 in credits per each urban farm. DOR assumes the impact to General Revenue would be a loss of Up to the \$200,000 that can be authorized annually. The first tax returns claiming the credit will start being filed in January 2024 (FY 2024).

Fiscal Year	Loss to General Revenue
2023	\$0
2024	(Up to \$200,000)
2025	(Up to \$200,000)

This proposal defines an urban farm as a community-run garden but does not include personal farms or residential lots for personal use. Then this proposal adds a provision that requires the taxpayer to repay the tax credit if the urban farm is used for the personal benefit of the taxpayer

instead of for producing agricultural products solely for distribution to the public for sale or for donation. Should credits be given out and then someone has used the products in violation of this provision then the credits could result in the recapture of the credit; however, the amount of the recapture is unknown.

DOF assumes this would be a new income tax credit and it would be added to the MO-TC and information about the credit would be added to their website and changes would be needed in their individual income tax system. DOF notes the costs to update these items is \$3,596.50. DOF will need the following FTE should the number of credits redeemed justify the FTE.

- a) One (1) FTE Associate Customer Service Representative is needed for every 6,000 tax credits redeemed, and
- b) One (1) FTE Associate Customer Service Representative is needed for every 7,600 errors/correspondence generated. DOF also anticipates the need for additional equipment and expense for form and system updates.

Oversight notes this proposed legislation states that no taxpayer shall claim a tax credit in excess of twenty five thousand dollars (\$25,000). The cumulative amount of tax credits that may be authorized in any calendar year shall not exceed two hundred thousand dollars (\$200,000). In addition, the tax credits created shall not be transferred, sold, or assigned. Therefore, **Oversight** assumes DOF can absorb the responsibilities associated with the new tax credit with existing resources. Should the number of redemptions or the number of errors generated prove to be significant, DOF may seek additional FTE through the appropriation process.

Officials from the **Missouri Department of Agriculture – Missouri Agricultural & Small Business Development Authority (MASBDA)** state the MASBDA does not currently receive funds from General Revenue or Federal sources to administer any programs. All revenues are from fees which pay for MASBDA's administrative costs.

MASBDA assumes that a non-refundable application fee of \$100 will be charged to each applicant.

MASBDA states Section 348.080 gives MASBDA the authority to collect fees and charges, as the authority determines to be reasonable, in connection with its loans, advances, insurance, commitments, and servicing.

This is the same application fee for four (4) other MASBDA tax credit programs (New Generation Processing Entity initial application, New Generation Producer/Investor Tax Credit application, Agricultural Product Utilization Contributor contribution application, Qualified Beef Tax Credit application).

MASBDA notes the only program that does not charge the \$100 fee is the Family Farm Breeding Livestock Tax Credit program. The program has a review fee of 1% of the family farm loan amount and that fee is under Section 348.500.

MASBDA indicates that each tax credit program has a bank account set up for all administrative/program activities.

MASBDA assumes that the current (5) employees of MASBDA will be sufficient to run this program and no additional equipment will need to be purchased. MASBDA's cost allocation is based on percentage of time spent on each program per fiscal year by employee. Their assumption is that the Urban Farms Tax Credit program will add approximately 8% more program activity for Fiscal Year 2022. Fiscal Year 2023 estimated salary total is \$16,466 per Fiscal Note worksheet. Other administrative costs such as office supplies, postage, printing, etc... are estimated approximately at \$1,500 for this new program.

Oversight notes "Eligible Expenses" are defined as "expenses incurred in the construction or development of establishing an urban farm", defined as "an agricultural plot or facility in an urban area that produces agricultural products solely for distribution to the public by sale or donation...; however, "shall not include personal farms or residential lots for personal use."

The fifty percent (50%) tax credit shall not exceed a taxpayer's state tax liability. Any amount of tax credit that exceeds the taxpayer's state tax liability may be carried forward to the next three (3) succeeding tax years.

Oversight notes the proposal allows for the maximum of \$25,000 award to one of the potential applicant, and the total tax credit must not surpass \$200,000 annually for the entire program. Therefore, there could be potentially minimum of 8 (\$200,000/\$25,000) urban farms who could receive the tax credit.

Oversight notes this proposal allows for recapture of tax credits issued in circumstances where the use of the tax credit is deemed for the personal benefit of the taxpayer thus in violation of the act. Therefore, **Oversight** will reflect an unknown saving to the General Revenue in the fiscal note beginning FY 2024.

Section 137.1018 Rolling Stock Tax Credit (Effective January 1, 2023)

Officials from the **Department of Revenue (DOR)** assume this is the rolling stock tax credit and it sunset on August 28, 2020. This proposal would extend the sunset to 2028. Currently the tax credit expired August 28, 2020. This proposal adds language extending the credit to December 31, 2028.

The Rolling Stock credit is an appropriated tax credit. DOR is unable to determine what impact this proposal may have from moving the stop date from August to December.

This tax credit is subject to appropriations. The General Assembly appropriated the following amounts in the past:

FY 2010 - \$4,000,000- Governor line-item vetoed

BB:LR:OD

FY 2015 - \$2,000,000 – Governor line-item vetoed

FY 2016 - \$300,000

FY 2017 - \$600,000 – Governor restricted \$300,000

FY 2018 & FY 2019- \$0 was appropriated

FY 2020- \$200,000

FY 2021 and FY 2022 – no appropriation

FY 2023- \$200,000

The extension of the sunset of this program is not expected to have a fiscal impact on the Department. Since this tax credit is appropriated, it would not have a fiscal impact unless the General Assembly votes to appropriate money to it.

Since DOR has the forms and computer programs set up to handle this credit they do not believe this would have any additional administrative impact. However, the restarting of this credit could result in a loss to general revenue and total state revenue based on the amount appropriated.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume the proposal renews the expired Rolling Stock tax credit beginning August 28, 2022. B&P notes that while this proposal would begin in FY23, it will not impact state revenues unless and until an amount for the credit is appropriated by the General Assembly.

The B&P estimates that this proposal could reduce GR and TSR by \$0 (low appropriation amount) to \$4,000,000 (high appropriation amount) annually beginning in FY23.

In response to the similar proposal, HB 1720 -2022, officials from the **Missouri State Tax Commission (STC)** assumed the proposal would have resulted in an unknown fiscal impact on state revenues as the proposed legislation extends a tax credit subject to the appropriation process. The Rolling Stock Tax Credit provides that, subject to appropriation, a freight line company could receive a property tax credit for expenses incurred to manufacture, maintain, or improve their qualified rolling stock in the State of Missouri, up to the amount of their property tax liability.

This tax credit is not refundable and is subject to an annual appropriation. Since authorized in 2009, the tax credit has been funded three (3) times: 2016 (\$291,000), 2017 (\$291,000) and 2020 (\$194,000). STC notes, though, that the General Assembly has appropriated greater budget appropriations that were later reserved or restricted. STC notes, in 2016, the total eligible expenses of the nearly one hundred (100) private car companies totaled \$23,372,795.

However, officials from the STC assume the proposal would not have a direct fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, **Oversight** will reflect a zero impact in the fiscal note for the STC.

Oversight notes the Rolling Stock Tax Credit provides an economic incentive to have private rail cars manufactured, maintained, and improved in the State of Missouri.

Additionally, the tax credit is subject to appropriation, a freight line company could receive a **property tax credit** for expenses incurred to manufacture, maintain, or improve their qualified rolling stock in the State of Missouri, up to the amount of the freight line company's property tax liability. The State of Missouri will then reimburse counties for any loss in property tax revenue resulting from utilization of the tax credit.

Oversight notes private car companies' assessed values are certified by the Missouri State Tax Commission and then reported to the Missouri Department of Revenue for billing and central collection. The property taxes collected by the Missouri Department of Revenue (less one percent (1%) for the cost of collection, which is deposited into the General Revenue Fund) are deposited into the County Private Car Tax Trust Fund. The funds within the County Private Car Fund are distributed to the counties of Missouri after six tenths of one percent (0.6%) is transferred to the Blind Pension Fund. The distribution is based on each county's percentage of main track line to the aggregate total of the state.

Oversight's policy is to show the extension of the tax credit program in the fiscal note. **Oversight** notes the Rolling Stock Tax Credit expired on August 28, 2020. **Oversight** notes this proposed legislation extends the expiration date to December 31, 2028.

Oversight assumes this proposed legislation would go into effect upon approval of the proposal. **Oversight** notes that taxpayers who are awarded the Rolling Stock Tax Credit in Tax Year 2022 will not file their tax returns claiming the tax credit until after January 1, 2023 (Fiscal Year 2023).

Therefore, **Oversight** will report the impact as a result of extending the expiration date of this tax credit program beginning in Fiscal Year 2023. **Oversight** notes, per the three (3) most recent Tax Credit Analyses received from the Missouri Department of Revenue, the Rolling Stock Tax Credit recognized the following activity:

Rolling Stock Tax Credit							
Fiscal Year	2016	2017	2018	2019	2020	2021 (Year To Date)	2022 (Budget Year)
Amount Authorized	\$291,000	\$291,000	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$291,000	\$291,000	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$291,000	\$291,000	\$0	\$0	\$0	\$0	\$0

Oversight notes the five (5) year average (2016 – 2020) amount of Rolling Stock Tax Credit(s) issued equals \$116,400.

Oversight notes the Rolling Stock Tax Credit recognized the following appropriation history:

Fiscal Year(s)	General Assembly Appropriated	Amount Vetoed/Reserved/Restricted	Tax Credit(s) Available	Tax Credit(s) Issued
2010	\$3,000,000	(\$3,000,000)	\$0	\$0
2011-2014	\$0	\$0	\$0	\$0
2015	\$2,000,000	(\$2,000,000)	\$0	\$0
2016	\$300,000	(\$9,000)	\$291,000	\$291,000
2017	\$600,000	(\$309,000)	\$291,000	\$291,000
2018	\$0	\$0	\$0	\$0
2019	\$1	\$0	\$1	\$0
2020	\$200,000	(\$6,000)	\$194,000	\$0

Oversight's policy is to show the extension of the tax credit program in the fiscal note.

For additional information regarding the Rolling Stock tax credit program, please refer to the Oversight Division's sunset review performed in 2019.

https://www.legislativeoversight.mo.gov/oversight/Sunset_Reviews/Rolling.pdf

For purposes of this fiscal note, **Oversight** will report a revenue reduction to General Revenue (GR) equal to a range, beginning at \$0 (no appropriation is made for the Rolling Stock Program) “up to or could exceed” \$291,000 (highest final approved budget authority to date, future appropriations could be larger) beginning in Fiscal Year 2023. Lastly, **Oversight** notes the tax credit will expire on December 31, 2028.

Section 144.030 Sales Tax Exemption of Utility Vehicles (Effective with Emergency Clause)

Officials from the **Department of Revenue (DOR)** note:

This provision modifies the sales tax exemption on farm equipment. Currently farm equipment purchased for use on a farm is exempt from sales tax. A purchaser provides his sales tax exemption certificate to the seller and no sales tax is charged on the purchase if the purchaser says he will use the equipment on his farm. The Department notes this exemption certificate process is not changed by this provision.

This provision adds the definition of utility vehicle to the list of farm equipment that is exempt to clarify what counts as “farm equipment”. Questions have arisen from sellers as to what counts as farm equipment. This proposal aims to add language clarifying that utility vehicles are considered farm equipment. The Department assumes no fiscal impact from the clarifying language.

This provision would no longer require the machinery in question to be used “exclusively” for agricultural purposes. Now, the qualifying machinery would only need to be used for “any” agricultural purpose. These changes may expand the current exemption to include more “dual purpose” items, such as a vehicle which is used on a farm, but also driven on public roads if the sellers were not already allowing them to be exempt. The Department believes that most sellers were allowing the exemption already; however should it be that a seller was not allowing an exemption this could have a minimal negative impact on the state.

Officials from the **Office of Administration (B&P)** note:

Section 144.030.2(22)(a) would add utility vehicles (UTVs) to the farm equipment sales tax exemption. In addition, this section would expand the farm equipment exemption to all vehicles used for any farm activities. B&P notes that the current exemption is for farm equipment used exclusively for farm activities.

Based on information provided by DOR they believe the sales tax exemption is already being used for UTV purchases and for other motor vehicles that are not actually being used exclusively for farm activities. Therefore, this provision may have an unknown, likely minimal, negative impact on MV sales tax funds beginning in FY23.

Oversight notes the proposed changes to the current sales tax exemptions could result in additional equipment that was not previously eligible for exemption that would now be exempt under this proposal. DOR and B&P both indicated this could impact state revenues; therefore, Oversight will show a negative impact of an unknown amount. However, based on DOR and B&P’s responses of “minimal negative impact to the state”, **Oversight** will assume the impact would not exceed the \$250,000 threshold.

Officials from the **Department of Natural Resources** deferred to the **Department of Revenue** for the potential fiscal impact of this proposal.

Officials from the **Missouri Department of Conservation** note this proposal would have an unknown fiscal impact but greater than \$250,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Any change in sales and use tax collected would affect revenue to the Conservation Sales Tax funds. However, the initiative is very complex and may require adjustments to Missouri sales tax law which could cause some downside risk to the Conservation Sales Tax. The Department assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Oversight notes that the Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution, thus MDC=s sales taxes are constitutional mandates. Therefore, Oversight will reflect the B&P's and DOR's fiscal impact estimates for MDC's funds.

Officials from the **City of Kansas City** assume the sales tax exemption provisions for agricultural utility vehicles in section 144.030 of this legislation may have a negative fiscal impact on Kansas City.

Oversight notes some jurisdictions impose certain amount of sales tax on sales of above farm equipment; however, DOR assume this exemption is available to all the buyers currently and this specific section just clarifies the language so all retailers know this specific merchandise is exempt from the sales tax. Therefore, **Oversight** will note zero impact to the local political subdivisions.

Section 348.436 Agricultural Product Utilization and New Generation Cooperative Tax Credits (Effective with Emergency Clause)

Officials from the **Department of Revenue (DOR)** assume:

This proposal extends the Agricultural Product Utilization Contributor tax credit program and the New Generation Cooperative Incentive tax credit program from December 31, 2021 to December 31, 2028.

These credits share a \$6 million annual cap. The cap is distributed to the New Generation Cooperative Incentive program first and the remaining unissued credits are disbursed then to the Agricultural Product Utilization Contributor program.

For informational purposes, the Department is showing the issuance and redemption of these credits over the last few years. Both these credits began in 1999.

Agricultural Product Utilization Credit

Year	Authorized	Issued	Total Redeemed
FY 2022	\$0.00	\$0.00	\$305,376.33
FY 2021	\$146,500.00	\$146,325.46	\$654,873.01
FY 2020	\$190,000.00	\$182,377.36	\$2,713,522.64
FY 2019	\$195,000.00	\$168,988.98	\$2,278,431.86
FY 2018	\$4,068,190.27	\$4,048,690.27	\$2,785,905.52
FY 2017	\$3,247,845.84	\$2,908,334.26	\$2,638,868.14
FY 2016	\$2,513,350.09	\$2,513,350.09	\$1,553,332.97
FY 2015	\$2,376,167.67	\$2,376,167.67	\$1,051,661.96
FY 2014	\$1,573,719.77	\$1,573,719.77	\$2,022,953.37
FY 2013	\$1,062,510.26	\$1,062,510.26	\$1,267,239.12
FY 2012	\$2,479,356.45	\$2,479,356.45	\$1,468,155.74
TOTALS	\$17,852,640.35	\$17,459,820.57	\$18,740,320.66

New Generation Cooperative Credit

Year	Authorized	Issued	Total Redeemed
FY 2022	\$3,000,000.00	\$2,322,480.13	\$2,274,059.00
FY 2021	\$12,650,000.00	\$3,406,311.34	\$462,260.73
FY 2020	\$1,500,000.00	\$360,000.00	\$467,167.83
FY 2019	\$3,153,843.50	\$0.00	\$839,615.09
FY 2018	\$2,011,156.50	\$1,931,717.01	\$1,431,010.11
FY 2017	\$1,873,475.00	\$2,383,129.06	\$2,093,123.93
FY 2016	\$1,481,529.00	\$1,278,144.64	\$1,730,341.67
FY 2015	\$7,938,220.00	\$2,112,545.32	\$2,842,869.70
FY 2014	\$4,267,500.00	\$4,426,280.23	\$4,747,229.63
FY 2013	\$5,612,982.00	\$4,937,489.74	\$2,100,091.11
FY 2012	-\$652,500.00	\$2,023,500.00	\$826,952.82
TOTALS	\$42,836,206.00	\$25,181,597.47	\$19,814,721.62

This proposal would require that DOR re-implement and/or continue to conduct its processes pertaining to these tax credits indefinitely. For example, DOR would need to accept certifications of assignment of the tax credits, and conduct certain post-issuance compliance functions regarding Tax Credit Accountability Act reports required in connection with the tax credits (see, e.g., Section 135.800, RSMo).

Since DOR has forms and computer programs set up to handle these credits they do not believe this would have any additional administrative impact. However, the restarting of this credit could result in a loss to general revenue and total state revenue of Up to the \$6 million annual cap starting on October 1, 2022 (FY 2023).

Officials from the **Office of Administration (B&P)** assume:

The authorization for the Agricultural Product Utilization Contributor Tax Credit and the New Generation Cooperative Incentive Tax Credit ended on December 31, 2021. These credits share a \$6 million annual cap. This provision would restart the the Agricultural Product Utilization Contributor Tax Credit, as authorized under Section 348.430 and the New Generation Cooperative Incentive Tax Credit, as authorized under Section 348.432. This provision would also extend the sunset for both the Agriculture Product Utilization and New Generation tax credit programs through December 2028.

Agricultural Product Utilization Contributor Tax Credit: a contributor who contributes fund to the Missouri Agriculture and Small Business Development Authority.

New Generation Cooperative Incentive Tax Credit: any producer member (a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing entity) who invests cash funds in an eligible new generation cooperative or eligible new generation processing entity.

The average annual redemption from FY 2019 to FY 2021 were as follows:

- \$1,882,276 Agricultural Product Utilization Contributor Tax Credit
- \$ 590,015 New Generation Cooperative Incentive Tax Credit
- \$2,472,291 3-year average annual redemption combined

B&P notes that this section would be impacted by the emergency clause. This proposal could reduce general and total state revenue between (\$2,472,291) and (\$6,000,000) annually beginning in FY23.

Officials from the **Department of Commerce and Insurance** assume a potential unknown decrease of premium tax revenues (up to the tax credit limit established in the bill) in FY2023, FY2024 and FY2025 as a result of the modification of the Agriculture Product Utilization Contributor and New Generation Cooperative Incentive tax credits. Premium tax revenue is split 50/50 between General Revenue and County Foreign Insurance Fund except for domestic Stock Property and Casualty Companies who pay premium tax to the County Stock Fund. The County Foreign Insurance Fund is later distributed to school districts throughout the state. County Stock Funds are later distributed to the school district and county treasurer of the county in which the principal office of the insurer is located. It is unknown how each of these funds may be impacted by tax credits each year and which insurers will qualify for the modified tax credits.

Oversight notes this proposed legislation extends the expiration date for the Agricultural Product Utilization Contributor Tax Credit, as authorized under Section 348.430 and the New Generation Cooperative Incentive Tax Credit, as authorized under Section 348.432.

Oversight further notes, the aggregate amount of tax credits issued per fiscal year under Section(s) 348.430 and 348.432 shall not exceed six million dollars (\$6,000,000). In May of each year, the Missouri Agricultural and Small Business Development Authority determines whether six million dollars (\$6,000,000) will be utilized as New Generation Cooperative Incentive Tax Credits or not. The amount of New Generation Cooperative Incentive Tax Credit(s) that are determined to be unused may be sold as Agricultural Product Utilization Contributor Tax Credits.

Oversight's policy is to show the extension of the tax credit program(s) in the fiscal note. Oversight notes the current expiration date for the Agricultural Utilization Product Contributor Tax Credit and the New Generation Cooperative Incentive Tax Credit is December 31, 2021. Oversight notes this proposed legislation extends the expiration date to December 31, 2024. Oversight notes that taxpayers who are awarded the Agricultural Product Utilization Contributor Tax Credit or the New Generation Cooperative Incentive Tax Credit in Tax Year 2022 will not file their tax returns claiming the tax credit until after January 1, 2023 (Fiscal Year 2023). Therefore, **Oversight** will report the impact as a result of extending the end date of this tax credit program beginning in Fiscal Year 2023.

Oversight notes the five (5) year average (Fiscal Year(s) 2017 – 2021) amount of Agricultural Product Utilization Contributor Tax Credit(s) issued equals \$1,490,943.

Oversight notes the five (5) year average (Fiscal Year(s) 2017 – 2021) amount of New Generation Cooperative Incentive Tax Credit(s) issued equals \$1,616,231.

Therefore, for purposes of this fiscal note, **Oversight** will report the extension of these tax credits as a reduction to GR by an amount “up to” \$3,107,174 (the combined five (5) year average amount of tax credits issued (\$1,490,943 + \$1,616,231)) to the shared cap of \$6,000,000, beginning in Fiscal Year 2023.

Section 348.491 Specialty Agricultural Crops (Effective with Emergency Clause)

Officials from the **Department of Revenue (DOR)** note: Section 348.491 provision creates a loan program for farmers of the delineated specialty crops listed in this provision. The Department is not a party to these loans and therefore this section will not fiscally impact DOR.

Officials from the **Office of Administration (B&P)** note:

This would create the specialty agricultural crops loan program. A family farmer with less than \$100K in gross sales per year can apply for a loan up \$35K for up to 90% of the anticipated cost of the purchase of specialty crop seeds, seedlings or trees and other supplies and equipment

needed for producing specialty crops - fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops including, but not limited to, floriculture. Each family farmer is limited to one loan per family. The farmer shall be not charged interest on the loan for the first year.

The program would be managed by the Missouri Agricultural and Small Business Development Authority (MASBDA), who may impose a one-time loan review fee of one percent, which shall be collected by the lender at the time of the loan and paid to the authority. These fees go directly to the authority, not the state treasury.

The total amount of loans is not restricted; however, the lender tax credits proposed in Section 348.493 below are restricted to \$300K. According to MASBDA, agriculture loans are typically made at higher interest rates than a home mortgage or vehicle. They estimate interest rates for the loans associated with this program could be from 5% - 10%.

- 5% rate: The potential loans would be up to \$6M ($\$300,000 = .05x$; $x = 300,000/.05$) and potential fees would be up to \$60K ($\$6M \times 1\%$).
- 10% rate: The potential loans would be up to \$3M ($\$300,000 = .10x$; $x = 300,000/.10$) and potential fees would be up to \$30K ($\$3M \times 1\%$).

Therefore, the fees generated could range from \$0 to \$60,000 annually.

This provision could impact the calculation under Article X, Section 18(e) between \$0 and \$60,000 annually beginning in FY24.

Oversight notes Section 348.491 allows for one time maximum loan of \$35,000 per such a farm. The lender is than required to forgive first year interest on such a loan.

Oversight notes that Section 348.491. 8 says: "The authority may impose a one-time loan review fee of one percent, which shall be collected by the lender at the time of the loan and paid to the authority." According to Missouri Agricultural and Small Business Development Authority (MASBDA), agriculture loans are typically made at higher interest rates than a home mortgage or vehicle. MASBDA estimate interest rates for the loans associated with this program could range from 5% to 10%. For informational purposes, **Oversight** will assume the maximum loan amount of \$35,000 is borrowed at 5% for 10 years. The simple amortization of the loan would show principle payment of \$1,687 to be forgiven in first year, per each borrower, as shown in Table 2 below:

Table 2.

Month	Beginning Balance	Interest	Principal	Ending Balance
1	\$35,000.00	\$145.83	\$225.40	\$34,774.60
2	\$34,774.60	\$144.89	\$226.34	\$34,548.27
3	\$34,548.27	\$143.95	\$227.28	\$34,320.99
4	\$34,320.99	\$143.00	\$228.23	\$34,092.77
5	\$34,092.77	\$142.05	\$229.18	\$33,863.59
6	\$33,863.59	\$141.10	\$230.13	\$33,633.46
7	\$33,633.46	\$140.14	\$231.09	\$33,402.37
8	\$33,402.37	\$139.18	\$232.05	\$33,170.32
9	\$33,170.32	\$138.21	\$233.02	\$32,937.30
10	\$32,937.30	\$137.24	\$233.99	\$32,703.31
11	\$32,703.31	\$136.26	\$234.97	\$32,468.34
12	\$32,468.34	\$135.28	\$235.95	\$32,232.40
First Year Interest Total	Year 1 end	\$1,687.13		

Oversight notes that the maximum tax credit allowable for lenders, under the proposal is \$300,000 annually. To cover the forgone interest maximum it would allow for a 177 (\$300,000 / \$1,687) potential borrowers (family farms) to obtain this loan before the lenders begin to surpass the maximum tax credits allowed under the proposal.

Section 348.493 Specialty Crop Lender Tax Credit (Effective with Emergency Clause)

Officials from the **Department of Revenue (DOR)** note:

Section 348.493 creates a tax credit for the lenders in the Specialty Crops Act. No start date is listed for the tax credit so it is assumed it will start October 1, 2022 (FY 2023). The tax credit is equal to 100% of the interest waived in the first year the loan is made. The lender must apply to the Missouri Agricultural and Small Business Development Authority for approval of the credit. Once approved they will receive a certificate that will need to be submitted with their tax return for the redemption of the tax credit.

This proposal limits the amount of all tax credits authorized in a single year to \$300,000. While the credit cannot be refunded it is allowed to be carried forward three years or transferred or assigned.

The Department notes this will be a loss to general revenue of up to the \$300,000 cap annually. This proposal has a sunset ending in 2028.

This is a new tax credit that would need to be added to the MO-TC form. Programming updates, website updates and form updates are estimated to cost \$3,596.

The Department notes this proposal requires the taxpayer to present a certificate of tax credit to the Department when they redeem their credit. The proposal also indicates that the Department will note on the certificate the amount of credit redeemed and the date redeemed. It should be

noted that tax credits issued by agencies are currently entered into the central tax credit system (CMS). The agency enters into CMS the date of issuance of the credit, the amount of credit and the contact information of the person that receives the tax credit. The Department upon receipt of a claim for the redemption of the credit, reviews the system to determine if the credit is being claimed by the correct person and they enter into the system the date of redemption and amount redeemed. The CMS system maintains the outstanding balance of all credits. It is assumed that since this system exists, the Department would use it instead of doing the manual marking system requested by this proposal. Should the Department be required to process these tax credits differently than all the other credits this could result in additional unknown costs.

Officials from the **Office of Administration (B&P)** assume:

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Oversight notes that according to the [U.S. Census of Agriculture - Missouri \(2017\)](#), data regarding Special Crops, there were 3,654 existing farms involved in cultivation of such a harvest. The breakdown is shown below:

- Vegetables – 1449
- Orchards – 1359
- Berries – 846
- Total – 3,654

Oversight notes the proposal limits this loan opportunity only to those farms with annual gross sales below \$100,000. According to the MDA website there are currently 95,000 farms in Missouri.

Oversight notes, using [U.S. Census of Agriculture \(2017\)](#) data for Missouri (see table 1), that there are currently about 81,851 farms which would potentially qualify for this program. The data regarding Special Crop Farms, above, does not specify the annual sales produced by each farm (above or below \$100,000). However, Oversight notes that using MDA and U.S. Census for Agriculture there could be potentially about 86% (81,851 / 95,000) of all Special Crop Farms (from 3,654) making below the \$100,000 limit. This would represent about 3,142 farms currently harvesting special crops and potentially eligible for the up to \$35,000 loan.

Table 1.

Range	Low	High	Total Farms in Missouri in \$100,000 range	Low	High
Less than \$ 100	\$ 100	\$ 999	17,281	\$ 1,728,100	\$ 17,281,000
\$1,000 to \$ 2,499	\$ 1,000	\$ 2,499	8,914	\$ 8,914,000	\$ 22,276,086
\$2,500 to \$ 4,999	\$ 2,500	\$ 4,999	9,754	\$ 24,385,000	\$ 48,760,246
\$5,000 to \$ 9,999	\$ 5,000	\$ 9,999	12,529	\$ 62,645,000	\$ 125,277,471
\$10,000 to \$ 24,999	\$ 10,000	\$ 24,999	14,949	\$ 149,490,000	\$ 373,710,051
\$25,000 to \$ 49,999	\$ 25,000	\$ 49,999	11,112	\$ 277,800,000	\$ 555,588,888
\$50,000 to \$ 99,999	\$ 50,000	\$ 99,999	7,312	\$ 365,600,000	\$ 731,192,688
Total			81,851	\$ 890,562,100	\$ 1,874,086,430

[U.S. Census of Agriculture - Missouri \(2017\)](#)

Oversight notes that this proposal limits the amount of all tax credits authorized in a single year to **\$300,000**. While the credit cannot be refunded it is allowed to be carried forward three years or transferred or assigned. Therefore, **Oversight** will note the loss to the **GR up to \$300,000** annually.

Section 348.500 – Family Farms Act

Officials from the **Department of Revenue (DOR)** assume the Section 348.500.2 outlines the definitions and qualifications for participation in the Family Farm Breeding Livestock tax credit program. Previously the definition of “small farmer” required a farmer to have less than \$250,000 in gross sales annually. This proposal is increasing the gross sales limit to \$500,000. Increasing the limit may result in more farmers being able to qualify for the tax credit program.

Section 348.500.4 removes the restriction that a small farmer can only be eligible for one loan per family and per type of livestock. Removing this restriction may also increase the number of tax credits a farmer may receive and could increase the participation in the program of additional farmers.

Section 348.500.5 increases the loan amount for each type of livestock. This may result in larger loans that would qualify for the tax credits. This could also increase the participation in the program by additional farmers.

Livestock Type	Current Maximum Loan	Amended Maximum Loan
Beef cattle	\$75,000	\$150,000
Dairy cattle	\$75,000	\$150,000
Swine	\$35,000	\$70,000
Sheep and goats	\$30,000	\$60,000

This tax credit program currently has a \$300,000 annual cap. The annual cap on this program is not changed by this proposal. So while these changes may result in more credits being eligible to be claimed, the Department assumes this will not result in additional fiscal impact to the State.

For informational purposes, the Department is providing the amount of credits that have been authorized, issued and redeemed, the last few years.

Year	Authorized	Issued	Total Redeemed
FY 2022	\$16,936.36	\$16,334.26	\$24,021.17
FY 2021	\$12,488.50	\$2,429.88	\$18,232.07
FY 2020	\$26,849.87	\$16,817.30	\$9,636.08
FY 2019	\$14,898.18	\$39,235.88	\$34,022.54
FY 2018	\$42,093.03	\$52,507.91	\$106,558.44
FY 2017	\$66,801.60	\$70,892.19	\$27,178.36
FY 2016	\$72,855.33	\$48,967.77	\$35,495.50
FY 2015	\$40,506.00	\$39,309.78	\$24,981.60
FY 2014	\$39,423.64	\$34,251.88	\$22,770.02
FY 2013	\$39,732.39	\$35,044.24	\$32,032.50
FY 2012	\$31,328.73	\$32,228.75	\$53,947.47
TOTALS	\$403,913.63	\$388,019.84	\$388,875.75

The Department does not estimate any administrative fiscal impact from this provision.

Officials from the **Office of Administration (B&P)** assume this proposal would increase the number of famers that would qualify for family farm breeding livestock loans. This provision would also increase the amount of loans that could be taken by farms, depending on the type of livestock.

B&P notes that the family farm tax credit is granted to lenders for interest forgone during the first year of a family farm breeding livestock loan. Therefore, this proposal could increase the number and dollar amount of loans granted, which in turn would increase the amount of interest eligible for the tax credit. B&P further notes that this proposal does not change the \$300,000

annual issuance cap on the tax credit program, but it could increase the utilization of the loan program and tax credit. The three-year average issuance amount is \$26,754 (FY19 – FY21). B&P notes that this section would be impacted by the emergency clause. Therefore, this proposal could increase annual issuances, decreasing GR and TSR, by up to (\$273,246) beginning in FY23.

Officials from the DOR assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for DOR for this section.

Oversight notes, according to the Tax Credit Analysis form, the Family Farms Act provides Missouri tax credits to lenders in lieu of the first year interest being paid on breeding livestock loans made to “small farmers” who are Missouri residents and who have less than \$250,000 in gross agricultural product sales per year. The maximum eligible loan cannot exceed 90% of the cost of purchasing breeding livestock. Each small farmer shall be eligible for only one family farm livestock loan per immediate household family and only one type of livestock. The maximum amount of loan for each type of livestock is: Beef or Dairy cattle \$75,000; Sheep or Goats \$30,000; Swine \$35,000.

Oversight notes the following certificates and amounts have been issued (from Missouri Depart. of Agriculture via e-mail) for the Family Farm Breeding Livestock Loan Program:

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Certificates Issued	29	22	15	11	9
Amount Issued	\$70,892	\$52,508	\$39,236	\$16,817	\$12,449

Oversight notes this proposal expands eligibility to farmers with less than \$500,000 (from \$250,000) in gross agricultural product sales per year, which could expand the program and increase the number of projects that qualify. The program has a \$300,000 annual cap, and Oversight assumes this proposal may increase the number of projects that qualify for the credits; however, Oversight assumes the increase will not be by a substantial amount. Therefore, **Oversight** will reflect a cost of “Less than \$100,000” to the General Revenue Fund for the Family Farm Breeding Tax Credit beginning in Fiscal Year 2023.

Overall Bill:

Officials from the **Department of Natural Resources**, the **Missouri Department of Transportation**, the **City of Springfield**, and the **City of O’Fallon** each assume the proposal will have no impact on their respective organizations.

Therefore, for the purpose of this fiscal note, **Oversight** will reflect zero fiscal impact for the above-mentioned organizations.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Revenue Reduction – Section 135.686</u> - Extension of Meat Processing Facility Investment Tax Credit From December 31, 2021 to December 31, 2028 – p.3-5	Up to (\$848,311) to (\$2,000,000)	Up to (\$848,311) to (\$2,000,000)	Up to (\$848,311) to (\$2,000,000)
<u>Revenue Reduction – Section 135.755</u> – Tax Credit For Ethanol Blended Fuel Sales - p.8	\$0	Up to (\$2,046,041) to (\$5,000,000)	Up to (\$2,046,041) to (\$5,000,000)
<u>Revenue Reduction – Section 135.775</u> – Tax Credit for Retail Sellers of Biodiesel - p.11-16	\$0	Up to (\$1,076,601) to (\$16,000,000)	Up to (\$1,076,601) to (\$16,000,000)
<u>Cost – DOR – Section 135.775.04</u> implementation - p.11			
Personal Services	(\$78,028)	(\$86,555)	(\$88,286)
Fringe Benefits	(\$52,623)	(\$64,411)	(\$65,699)
Expense and Equipment	(\$9,756)	(\$11,941)	(\$12,180)
<u>Total Costs – DOR</u>	(\$140,408)	(\$162,907)	(\$166,165)
FTE Change – DOR	3 FTE	3 FTE	3 FTE
<u>Revenue Reduction – Section 135.778</u> – Tax Credit for Producers of Biodiesel - p.11-13	\$0	Up to (\$2,277,000) to (\$4,000,000)	Up to (\$2,277,000) to (\$4,000,000)
<u>Cost – DOR ITSD - Section 135.778</u> – Tax Credit for Producers of Biodiesel programing changes for withholding - p.13	Could exceed (\$10,000)	\$0	\$0
<u>Cost – Section 135.1610 Urban Farm Tax Credits - p.13-16</u>	\$0	Up to (\$200,000)	Up to (\$200,000)

<u>Revenue Gain</u> – Section 135.1610.6 Recapture of the tax credits - p.16	\$0	Unknown	Unknown
<u>Revenue Reduction</u> – Section 137.1018 Extension of Rolling Stock Tax Credit Program - p.16-19	\$0 up to or could exceed (\$291,000)	\$0 up to or could exceed (\$291,000)	\$0 up to or could exceed (\$291,000)
<u>Revenue Loss</u> - §144.030 Modification of Farm Equipment Sales Tax Exemption - p.19-20	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Reduction</u> – Section 348.436 – Extension of Expiration Date For Agricultural Product Utility Contributor - p.20-23	Up to (\$3,107,174) to (\$6,000,000)	Up to (\$3,107,174) to (\$6,000,000)	Up to (\$3,107,174) to (\$6,000,000)
<u>Cost</u> – Section 348.493.2 – Special Crop Lenders Tax Credit - p.25-27	Up to (\$300,000)	Up to (\$300,000)	Up to (\$300,000)
<u>Cost</u> - Section 348.500 - Increase in issuance of tax credits for the Family Farm Breeding Livestock tax credit program – p.38-40	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Less or More (\$4,105,893) Up to (\$8,841,408)	Less or More (\$9,718,034) Up to (\$34,053,907)	Less or More (\$9,721,292) Up to (\$34,057,165)
Estimated Net FTE Change on General Revenue	3 FTE	3 FTE	3 FTE
SCHOOL DISTRICT TRUST FUND			
<u>Revenue Loss</u> - §144.030 Modification of Farm Equipment Sales Tax Exemption - p.19-20	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
PARKS AND SOILS STATE SALES TAX FUNDS			
Revenue Loss - §144.030 Modification of Farm Equipment Sales Tax - p.19-20	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON PARKS AND SOILS STATE SALES TAX FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
CONSERVATION COMMISSION FUND			
Revenue Loss - §144.030 Modification of Farm Equipment Sales Tax Exemption - p.19-20	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
Revenue Loss - §144.030 Modification of Farm Equipment Sales Tax - p. 19-20	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

This proposed legislation could positively impact any small business that qualifies for the various tax credits under the proposal.

FISCAL DESCRIPTION

This bill modifies the provisions relating to agricultural economic opportunities.

MEAT PROCESSING FACILITY INVESTMENT TAX CREDIT (Section 135.686)

The Meat Processing Facility Investment Tax Credit for the expansion or modernization of meat processing facilities expired on December 31, 2021. This act extends such tax credit until December 31, 2028.

This act also modifies the definition of "taxpayer" to require that a taxpayer shall own a meat processing facility located in this state and employs a combined total of fewer than 500 individuals in all meat processing facilities owned by the individual in the United States.

Current law limits the total amount of tax credits that may be authorized in a calendar for the Meat Processing Facilities tax credit and the Qualified Beef tax credit to \$2 million. This act allows \$2 million in tax credits for the Meat Processing Facilities tax credit without regard for the amount of Qualified Beef tax credits issued.

ETHANOL RETAILERS INCENTIVE (Section 135.755)

For all tax years beginning on or after January 1, 2023, the bill authorizes a tax credit for retail dealers selling higher ethanol blend at the retail dealer's service station or for distributors that sell an ethanol blend directly to the final user in the state. The credit will be equal to \$0.05 per gallon of higher ethanol blend sold and dispensed through metered pumps at the service station or directly to the end user during the tax year. The tax credit will be nontransferable and nonrefundable but may be carried forward to any of the five subsequent tax years. The total amount of tax credits authorized under the bill in a given fiscal year will not exceed \$5 million. The program will sunset on December 31, 2028.

BIODIESEL INCENTIVE PROGRAMS (Sections 135.775 and 135.778)

For all tax years beginning on or after January 1, 2023, the bill authorizes a tax credit for retail dealers selling a biodiesel blend at the retail dealer's service station in the state or for distributors that sell a biodiesel blend directly to the final user in the state. The credit will be equal to \$0.02 per gallon for between a 5% and 10% blend and \$0.05 per gallon for in excess of a 10% but less than 20% blend sold and dispensed through metered pumps at the service station or directly to the final user located in the state during the tax year. If the tax credit exceeds the taxpayers' tax liability, the difference shall be refundable. The total amount of tax credits authorized under the

bill in a given fiscal year will not exceed \$16 million. The program will sunset on December 31, 2028.

For all tax years beginning on or after January 1, 2023, the bill authorizes a tax credit for Missouri biodiesel producers in the state. The credit will be equal to \$0.02 per gallon produced by the Missouri biodiesel producer during the tax year.

If the tax credit exceeds the taxpayers' tax liability, the difference shall be refundable. The total amount of tax credits authorized under the bill in a given fiscal year will not exceed \$4 million. The program will sunset on December 31, 2028.

URBAN FARMS (Section 135.1610)

For all tax years beginning on or after January 1, 2023, this act authorizes a tax credit in an amount equal to fifty percent of a taxpayer's expenses incurred in the construction or development of establishing or improving an urban farm in an urban area, as such terms are defined in the act.

The tax credit shall not exceed \$5,000 for any single urban farm and shall not be transferable or refundable, but may be carried forward for three years. The total amount of tax credits that may be authorized for all taxpayers for any given urban farm shall not exceed \$25,000. The total amount of tax credits authorized under this act during a calendar year shall not exceed \$200,000.

The Missouri Agriculture and Small Business Authority shall recapture the amount of tax credits issued to a taxpayer who, after receiving the tax credit, uses the urban farm for the personal benefit of the taxpayer instead of for producing agricultural food products used solely for distribution to the public by sale or donation.

ROLLING STOCK TAX CREDIT (Section 137.1018)

This bill reauthorizes a tax credit for eligible expenses incurred in the manufacture, maintenance, or improvement of a freight line company's qualified rolling stock, which expired on August 28, 2020. Such credit would be reauthorized until August 28, 2028.

FARM MACHINERY SALES TAX EXEMPTION (Section 144.030)

The bill specifies that sales of certain farm machinery and equipment, including utility vehicles, used for any agricultural purposes are exempt from sales tax. Additionally, this bill provides and alters definitions for utility vehicles.

AGRICULTURAL TAX CREDIT EXTENSIONS (Section 348.436)

The Agricultural Product Utilization Contributor Tax Credit under Section 348.430, and the New Generation Cooperative Incentive Tax Credit under Section 348.432 expired on December 31, 2021. The bill extends the expiration date to December 31, 2028.

SPECIALTY AGRICULTURAL CROPS (Section 348.491 and 648.493)

This act establishes the "Specialty Agricultural Crops Act".

Under the act, the Missouri Agricultural and Small Business Development Authority (MASBDA) shall establish a specialty agricultural crops loan program for family farmers for purposes listed in the act.

To participate in the loan program, a family farmer, as defined in the act, shall first obtain approval for a specialty agricultural crops loan from a lender. Each family farmer shall be eligible for only one loan per family, and the maximum amount of the loan shall be \$35,000.

Eligible borrowers shall follow conditions set forth in the act. Once a loan is approved by a lender, the loan shall be submitted to MASBDA for approval. Any eligible lender under the loan program shall be entitled to receive a tax credit equal to 100% of the amount of interest waived by the lender on a qualifying loan for the first year of the loan only.

MASBDA shall be responsible for the administration and issuance of the certificate of tax credits.

The program will sunset December 31, 2028.

FAMILY FARMS ACT (Section 348.500)

In current law, "small farmer" is defined in the Family Farms Act as a farmer who is a Missouri resident and who has less than \$250,000 in gross sales per year. This act changes the amount of gross sales to less than \$500,000 per year.

The act repeals a provision that each small farmer is eligible for only one family farm livestock loan per family and for only one type of livestock.

Additionally, the maximum amount of the family farm livestock loan for each type of livestock under the act is as follows:

- Beef cattle: \$150,000
- Dairy cattle: \$150,000
- Swine: \$70,000; and
- Sheep & goats: \$60,000

The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

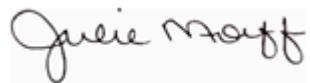
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September 16, 2022

Department of Revenue
Office of Administration – Budget & Planning
Department of Natural Resources
Department of Natural Resources
City of Springfield
City of O'Fallon



Julie Morff
Director
September 16, 2022



Ross Strope
Assistant Director
September 16, 2022