

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
CONFERENCE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 773

99TH GENERAL ASSEMBLY

2018

5294S.03T

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## AN ACT

To repeal sections 32.087, 67.3000, 67.3005, 143.183, 143.451, 253.545, 253.550, 253.559, and 620.1900, RSMo, and to enact in lieu thereof ten new sections relating to taxation.

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

Section A. Sections 32.087, 67.3000, 67.3005, 143.183, 143.451, 253.545, 253.550, 253.559, and 620.1900, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 32.087, 32.315, 67.3000, 67.3005, 143.183, 143.451, 253.545, 253.550, 253.559, and 620.1900, to read as follows:

32.087. 1. Within ten days after the adoption of any ordinance or order in favor of adoption of any local sales tax authorized under the local sales tax law by the voters of a taxing entity, the governing body or official of such taxing entity shall forward to the director of revenue by United States registered mail or certified mail a certified copy of the ordinance or order. The ordinance or order shall reflect the effective date thereof.

2. Any local sales tax so adopted shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of the local sales tax, except as provided in subsection 18 of this section, and shall be imposed on all transactions on which the Missouri state sales tax is imposed.

3. Every retailer within the jurisdiction of one or more taxing entities which has imposed one or more local sales taxes under the local sales tax law shall add all taxes so imposed along with the tax imposed by the sales tax law of

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

15 the state of Missouri to the sale price and, when added, the combined tax shall  
16 constitute a part of the price, and shall be a debt of the purchaser to the retailer  
17 until paid, and shall be recoverable at law in the same manner as the purchase  
18 price. The combined rate of the state sales tax and all local sales taxes shall be  
19 the sum of the rates, multiplying the combined rate times the amount of the sale.

20 4. The brackets required to be established by the director of revenue  
21 under the provisions of section 144.285 shall be based upon the sum of the  
22 combined rate of the state sales tax and all local sales taxes imposed under the  
23 provisions of the local sales tax law.

24 5. (1) The ordinance or order imposing a local sales tax under the local  
25 sales tax law shall impose a tax upon all transactions upon which the Missouri  
26 state sales tax is imposed to the extent and in the manner provided in sections  
27 144.010 to 144.525, and the rules and regulations of the director of revenue  
28 issued pursuant thereto; except that the rate of the tax shall be the sum of the  
29 combined rate of the state sales tax or state highway use tax and all local sales  
30 taxes imposed under the provisions of the local sales tax law.

31 (2) Notwithstanding any other provision of law to the contrary, local  
32 taxing jurisdictions, except those in which voters have approved a local use tax  
33 under section 144.757, shall have placed on the ballot on or after the general  
34 election in November 2014, but no later than the general election in November  
35 [2018] **2022**, whether to repeal application of the local sales tax to the titling of  
36 motor vehicles, trailers, boats, and outboard motors that are subject to state sales  
37 tax under section 144.020 and purchased from a source other than a licensed  
38 Missouri dealer. The ballot question presented to the local voters shall contain  
39 substantially the following language:

40 Shall the \_\_\_\_\_ (local jurisdiction's name) discontinue applying  
41 and collecting the local sales tax on the titling of motor vehicles,  
42 trailers, boats, and outboard motors that were purchased from a  
43 source other than a licensed Missouri dealer?

44 Approval of this measure will result in a reduction of local revenue  
45 to provide for vital services for \_\_\_\_\_ (local jurisdiction's name)  
46 and it will place Missouri dealers of motor vehicles, outboard  
47 motors, boats, and trailers at a competitive disadvantage to  
48 non-Missouri dealers of motor vehicles, outboard motors, boats, and  
49 trailers.

50  YES

NO

51 If you are in favor of the question, place an "X" in the box opposite  
52 "YES". If you are opposed to the question, place an "X" in the box  
53 opposite "NO".

54 (3) If the ballot question set forth in subdivision (2) of this subsection  
55 receives a majority of the votes cast in favor of the proposal, or if the local taxing  
56 jurisdiction fails to place the ballot question before the voters on or before the  
57 general election in November [2018] **2022**, the local taxing jurisdiction shall cease  
58 applying the local sales tax to the titling of motor vehicles, trailers, boats, and  
59 outboard motors that were purchased from a source other than a licensed  
60 Missouri dealer.

61 (4) In addition to the requirement that the ballot question set forth in  
62 subdivision (2) of this subsection be placed before the voters, the governing body  
63 of any local taxing jurisdiction that had previously imposed a local use tax on the  
64 use of motor vehicles, trailers, boats, and outboard motors may, at any time, place  
65 a proposal on the ballot at any election to repeal application of the local sales tax  
66 to the titling of motor vehicles, trailers, boats, and outboard motors purchased  
67 from a source other than a licensed Missouri dealer. If a majority of the votes  
68 cast by the registered voters voting thereon are in favor of the proposal to repeal  
69 application of the local sales tax to such titling, then the local sales tax shall no  
70 longer be applied to the titling of motor vehicles, trailers, boats, and outboard  
71 motors purchased from a source other than a licensed Missouri dealer. If a  
72 majority of the votes cast by the registered voters voting thereon are opposed to  
73 the proposal to repeal application of the local sales tax to such titling, such  
74 application shall remain in effect.

75 (5) In addition to the requirement that the ballot question set forth in  
76 subdivision (2) of this subsection be placed before the voters on or after the  
77 general election in November 2014, and on or before the general election in  
78 November [2018] **2022**, whenever the governing body of any local taxing  
79 jurisdiction imposing a local sales tax on the sale of motor vehicles, trailers,  
80 boats, and outboard motors receives a petition, signed by fifteen percent of the  
81 registered voters of such jurisdiction voting in the last gubernatorial election, and  
82 calling for a proposal to be placed on the ballot at any election to repeal  
83 application of the local sales tax to the titling of motor vehicles, trailers, boats,  
84 and outboard motors purchased from a source other than a licensed Missouri  
85 dealer, the governing body shall submit to the voters of such jurisdiction a  
86 proposal to repeal application of the local sales tax to such titling. If a majority  
87 of the votes cast by the registered voters voting thereon are in favor of the

88 proposal to repeal application of the local sales tax to such titling, then the local  
89 sales tax shall no longer be applied to the titling of motor vehicles, trailers, boats,  
90 and outboard motors purchased from a source other than a licensed Missouri  
91 dealer. If a majority of the votes cast by the registered voters voting thereon are  
92 opposed to the proposal to repeal application of the local sales tax to such titling,  
93 such application shall remain in effect.

94 (6) Nothing in this subsection shall be construed to authorize the voters  
95 of any jurisdiction to repeal application of any state sales or use tax.

96 (7) If any local sales tax on the titling of motor vehicles, trailers, boats,  
97 and outboard motors purchased from a source other than a licensed Missouri  
98 dealer is repealed, such repeal shall take effect on the first day of the second  
99 calendar quarter after the election. If any local sales tax on the titling of motor  
100 vehicles, trailers, boats, and outboard motors purchased from a source other than  
101 a licensed Missouri dealer is required to cease to be applied or collected due to  
102 failure of a local taxing jurisdiction to hold an election pursuant to subdivision  
103 (2) of this subsection, such cessation shall take effect on March 1, **[2019] 2023**.

104 (8) Notwithstanding any provision of law to the contrary, if any local sales  
105 tax on the titling of motor vehicles, trailers, boats, and outboard motors  
106 purchased from a source other than a licensed Missouri dealer is repealed after  
107 the general election in November 2014, or if the taxing jurisdiction failed to  
108 present the ballot to the voters at a general election on or before November **[2018]**  
109 **2022**, then the governing body of such taxing jurisdiction may, at any election  
110 subsequent to the repeal or after the general election in November **[2018] 2022**,  
111 if the jurisdiction failed to present the ballot to the voters, place before the voters  
112 the issue of imposing a sales tax on the titling of motor vehicles, trailers, boats,  
113 and outboard motors that are subject to state sales tax under section 144.020 that  
114 were purchased from a source other than a licensed Missouri dealer. The ballot  
115 question presented to the local voters shall contain substantially the following  
116 language:

117 Shall the \_\_\_\_\_ (local jurisdiction's name) apply and collect the  
118 local sales tax on the titling of motor vehicles, trailers, boats, and  
119 outboard motors that are subject to state sales tax under section  
120 144.020 and purchased from a source other than a licensed  
121 Missouri dealer?

122 Approval of this measure will result in an increase of local revenue  
123 to provide for vital services for \_\_\_\_\_ (local jurisdiction's name),  
124 and it will remove a competitive advantage that non-Missouri

125 dealers of motor vehicles, outboard motors, boats, and trailers have  
126 over Missouri dealers of motor vehicles, outboard motors, boats,  
127 and trailers.

128  YES  NO

129 If you are in favor of the question, place an "X" in the box opposite  
130 "YES". If you are opposed to the question, place an "X" in the box  
131 opposite "NO".

132 (9) If any local sales tax on the titling of motor vehicles, trailers, boats,  
133 and outboard motors purchased from a source other than a licensed Missouri  
134 dealer is adopted, such tax shall take effect and be imposed on the first day of the  
135 second calendar quarter after the election.

136 6. On and after the effective date of any local sales tax imposed under the  
137 provisions of the local sales tax law, the director of revenue shall perform all  
138 functions incident to the administration, collection, enforcement, and operation  
139 of the tax, and the director of revenue shall collect in addition to the sales tax for  
140 the state of Missouri all additional local sales taxes authorized under the  
141 authority of the local sales tax law. All local sales taxes imposed under the local  
142 sales tax law together with all taxes imposed under the sales tax law of the state  
143 of Missouri shall be collected together and reported upon such forms and under  
144 such administrative rules and regulations as may be prescribed by the director  
145 of revenue.

146 7. All applicable provisions contained in sections 144.010 to 144.525  
147 governing the state sales tax and section 32.057, the uniform confidentiality  
148 provision, shall apply to the collection of any local sales tax imposed under the  
149 local sales tax law except as modified by the local sales tax law.

150 8. All exemptions granted to agencies of government, organizations,  
151 persons and to the sale of certain articles and items of tangible personal property  
152 and taxable services under the provisions of sections 144.010 to 144.525, as these  
153 sections now read and as they may hereafter be amended, it being the intent of  
154 this general assembly to ensure that the same sales tax exemptions granted from  
155 the state sales tax law also be granted under the local sales tax law, are hereby  
156 made applicable to the imposition and collection of all local sales taxes imposed  
157 under the local sales tax law.

158 9. The same sales tax permit, exemption certificate and retail certificate  
159 required by sections 144.010 to 144.525 for the administration and collection of  
160 the state sales tax shall satisfy the requirements of the local sales tax law, and

161 no additional permit or exemption certificate or retail certificate shall be  
162 required; except that the director of revenue may prescribe a form of exemption  
163 certificate for an exemption from any local sales tax imposed by the local sales tax  
164 law.

165         10. All discounts allowed the retailer under the provisions of the state  
166 sales tax law for the collection of and for payment of taxes under the provisions  
167 of the state sales tax law are hereby allowed and made applicable to any local  
168 sales tax collected under the provisions of the local sales tax law.

169         11. The penalties provided in section 32.057 and sections 144.010 to  
170 144.525 for a violation of the provisions of those sections are hereby made  
171 applicable to violations of the provisions of the local sales tax law.

172         12. (1) For the purposes of any local sales tax imposed by an ordinance  
173 or order under the local sales tax law, all sales, except the sale of motor vehicles,  
174 trailers, boats, and outboard motors required to be titled under the laws of the  
175 state of Missouri, shall be deemed to be consummated at the place of business of  
176 the retailer unless the tangible personal property sold is delivered by the retailer  
177 or his agent to an out-of-state destination. In the event a retailer has more than  
178 one place of business in this state which participates in the sale, the sale shall  
179 be deemed to be consummated at the place of business of the retailer where the  
180 initial order for the tangible personal property is taken, even though the order  
181 must be forwarded elsewhere for acceptance, approval of credit, shipment or  
182 billing. A sale by a retailer's agent or employee shall be deemed to be  
183 consummated at the place of business from which he works.

184         (2) For the purposes of any local sales tax imposed by an ordinance or  
185 order under the local sales tax law, the sales tax upon the titling of all motor  
186 vehicles, trailers, boats, and outboard motors shall be imposed at the rate in  
187 effect at the location of the residence of the purchaser, and remitted to that local  
188 taxing entity, and not at the place of business of the retailer, or the place of  
189 business from which the retailer's agent or employee works.

190         (3) For the purposes of any local tax imposed by an ordinance or under the  
191 local sales tax law on charges for mobile telecommunications services, all taxes  
192 of mobile telecommunications service shall be imposed as provided in the Mobile  
193 Telecommunications Sourcing Act, 4 U.S.C. Sections 116 through 124, as  
194 amended.

195         13. Local sales taxes shall not be imposed on the seller of motor vehicles,  
196 trailers, boats, and outboard motors required to be titled under the laws of the  
197 state of Missouri, but shall be collected from the purchaser by the director of

198 revenue at the time application is made for a certificate of title, if the address of  
199 the applicant is within a taxing entity imposing a local sales tax under the local  
200 sales tax law.

201         14. The director of revenue and any of his deputies, assistants and  
202 employees who have any duties or responsibilities in connection with the  
203 collection, deposit, transfer, transmittal, disbursement, safekeeping, accounting,  
204 or recording of funds which come into the hands of the director of revenue under  
205 the provisions of the local sales tax law shall enter a surety bond or bonds  
206 payable to any and all taxing entities in whose behalf such funds have been  
207 collected under the local sales tax law in the amount of one hundred thousand  
208 dollars for each such tax; but the director of revenue may enter into a blanket  
209 bond covering himself and all such deputies, assistants and employees. The cost  
210 of any premium for such bonds shall be paid by the director of revenue from the  
211 share of the collections under the sales tax law retained by the director of  
212 revenue for the benefit of the state.

213         15. The director of revenue shall annually report on his management of  
214 each trust fund which is created under the local sales tax law and administration  
215 of each local sales tax imposed under the local sales tax law. He shall provide  
216 each taxing entity imposing one or more local sales taxes authorized by the local  
217 sales tax law with a detailed accounting of the source of all funds received by him  
218 for the taxing entity. Notwithstanding any other provisions of law, the state  
219 auditor shall annually audit each trust fund. A copy of the director's report and  
220 annual audit shall be forwarded to each taxing entity imposing one or more local  
221 sales taxes.

222         16. Within the boundaries of any taxing entity where one or more local  
223 sales taxes have been imposed, if any person is delinquent in the payment of the  
224 amount required to be paid by him under the local sales tax law or in the event  
225 a determination has been made against him for taxes and penalty under the local  
226 sales tax law, the limitation for bringing suit for the collection of the delinquent  
227 tax and penalty shall be the same as that provided in sections 144.010 to  
228 144.525. Where the director of revenue has determined that suit must be filed  
229 against any person for the collection of delinquent taxes due the state under the  
230 state sales tax law, and where such person is also delinquent in payment of taxes  
231 under the local sales tax law, the director of revenue shall notify the taxing entity  
232 in the event any person fails or refuses to pay the amount of any local sales tax  
233 due so that appropriate action may be taken by the taxing entity.

234         17. Where property is seized by the director of revenue under the

235 provisions of any law authorizing seizure of the property of a taxpayer who is  
236 delinquent in payment of the tax imposed by the state sales tax law, and where  
237 such taxpayer is also delinquent in payment of any tax imposed by the local sales  
238 tax law, the director of revenue shall permit the taxing entity to join in any sale  
239 of property to pay the delinquent taxes and penalties due the state and to the  
240 taxing entity under the local sales tax law. The proceeds from such sale shall  
241 first be applied to all sums due the state, and the remainder, if any, shall be  
242 applied to all sums due such taxing entity.

243 18. If a local sales tax has been in effect for at least one year under the  
244 provisions of the local sales tax law and voters approve reimposition of the same  
245 local sales tax at the same rate at an election as provided for in the local sales  
246 tax law prior to the date such tax is due to expire, the tax so reimposed shall  
247 become effective the first day of the first calendar quarter after the director  
248 receives a certified copy of the ordinance, order or resolution accompanied by a  
249 map clearly showing the boundaries thereof and the results of such election,  
250 provided that such ordinance, order or resolution and all necessary accompanying  
251 materials are received by the director at least thirty days prior to the expiration  
252 of such tax. Any administrative cost or expense incurred by the state as a result  
253 of the provisions of this subsection shall be paid by the city or county reimposing  
254 such tax.

**32.315. 1. The department of revenue shall issue an annual  
2 report on or before January 1, 2019, and every January 1 thereafter,  
3 listing all sales and use levies that are:**

- 4 **(1) Authorized pursuant to state law;**
- 5 **(2) Collected by the department of revenue; and**
- 6 **(3) Approved by voters at an election.**

7 **2. The report required under subsection 1 of this section shall**  
8 **indicate the provision of law authorizing such tax levy.**

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

- 3 (1) "Active member", an organization located in the state of Missouri  
4 which solicits and services sports events, sports organizations, and other types  
5 of sports-related activities in that community;
- 6 (2) "Applicant" or "applicants", one or more certified sponsors, endorsing  
7 counties, endorsing municipalities, or a local organizing committee, acting  
8 individually or collectively;
- 9 (3) "Certified sponsor" or "certified sponsors", a nonprofit organization



- 10 which is an active member of the National Association of Sports Commissions;
- 11 (4) "Department", the Missouri department of economic development;
- 12 (5) "Director", the director of revenue;
- 13 (6) "Eligible costs" shall include:
- 14 (a) Costs necessary for conducting the sporting event;
- 15 (b) Costs relating to the preparations necessary for the conduct of the
- 16 sporting event; and
- 17 (c) An applicant's pledged obligations to the site selection organization as
- 18 evidenced by the support contract for the sporting event **including, but not**
- 19 **limited to, bid fees and financial guarantees.**
- 20 "Eligible costs" shall not include any cost associated with the rehabilitation or
- 21 construction of any facilities used to host the sporting event or direct payments
- 22 to a for-profit site selection organization, but may include costs associated with
- 23 the retrofitting of a facility necessary to accommodate the sporting event;
- 24 (7) "Eligible donation", donations received, by a certified sponsor or local
- 25 organizing committee, from a taxpayer that may include cash, publicly traded
- 26 stocks and bonds, and real estate that will be valued and documented according
- 27 to rules promulgated by the department. Such donations shall be used solely to
- 28 provide funding to attract sporting events to this state;
- 29 (8) "Endorsing municipality" or "endorsing municipalities", any city, town,
- 30 incorporated village, or county that contains a site selected by a site selection
- 31 organization for one or more sporting events;
- 32 (9) "Joinder agreement", an agreement entered into by one or more
- 33 applicants, acting individually or collectively, and a site selection organization
- 34 setting out representations and assurances by each applicant in connection with
- 35 the selection of a site in this state for the location of a sporting event;
- 36 (10) "Joinder undertaking", an agreement entered into by one or more
- 37 applicants, acting individually or collectively, and a site selection organization
- 38 that each applicant will execute a joinder agreement in the event that the site
- 39 selection organization selects a site in this state for a sporting event;
- 40 (11) "Local organizing committee", a nonprofit corporation or its successor
- 41 in interest that:
- 42 (a) Has been authorized by one or more certified sponsors, endorsing
- 43 municipalities, or endorsing counties, acting individually or collectively, to pursue
- 44 an application and bid on its or the applicant's behalf to a site selection
- 45 organization for selection as the host of one or more sporting events; or
- 46 (b) With the authorization of one or more certified sponsors, endorsing

47 municipalities, or endorsing counties, acting individually or collectively, executes  
48 an agreement with a site selection organization regarding a bid to host one or  
49 more sporting events;

50 (12) "Site selection organization", the National Collegiate Athletic  
51 Association (NCAA); an NCAA member conference, university, or institution; the  
52 National Association of Intercollegiate Athletics (NAIA); the United States  
53 Olympic Committee (USOC); a national governing body (NGB) or international  
54 federation of a sport recognized by the USOC; the United States Golf Association  
55 (USGA); the United States Tennis Association (USTA); the Amateur [Softball  
56 Association of America (ASA)] **Athletic Union (AAU); the National Christian  
57 College Athletic Association (NCCAA); the National Junior College  
58 Athletic Association (NJCAA); the United States Sports Specialty  
59 Association (USSSA); any rights holder member of the National  
60 Association of Sports Commissions (NASC);** other major regional, national,  
61 and international sports associations, and amateur organizations that promote,  
62 organize, or administer sporting games or competitions; or other major regional,  
63 national, and international organizations that promote or organize sporting  
64 events;

65 (13) "Sporting event" or "sporting events", an amateur, **collegiate**, or  
66 Olympic sporting event that is competitively bid or is awarded by a site selection  
67 organization;

68 (14) "Support contract" or "support contracts", an event award notification,  
69 joinder undertaking, joinder agreement, or contract executed by an applicant and  
70 a site selection organization;

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

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

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

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

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

83 (d) Any other financial institution paying taxes to the state of Missouri

84 or any political subdivision of this state under chapter 148;

85 (e) An individual subject to the state income tax imposed under chapter  
86 143;

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

90 2. An applicant may submit a copy of a support contract for a sporting  
91 event to the department. Within sixty days of receipt of the sporting event  
92 support contract, the department may review the applicant's support contract and  
93 certify such support contract if it complies with the requirements of this  
94 section. Upon certification of the support contract by the department, the  
95 applicant may be authorized to receive the tax credit under subsection 4 of this  
96 section.

97 3. No more than ~~[thirty]~~ **ninety** days following the conclusion of the  
98 sporting event, the applicant shall submit eligible costs and documentation of the  
99 costs evidenced by receipts, paid invoices, **event settlements**, or other  
100 documentation in a manner prescribed by the department. **Eligible costs may**  
101 **be paid by the applicant or an entity cohosting the event with the**  
102 **applicant.**

103 4. **(1)** No later than seven days following the conclusion of the sporting  
104 event, the department, in consultation with the director, ~~[may]~~ **shall** determine  
105 the total number of tickets sold at face value for such event **or, if such event**  
106 **was participant-based and did not sell admission tickets, the total**  
107 **number of paid participant registrations.**

108 **(2)** No later than sixty days following the receipt of eligible costs and  
109 documentation of such costs from the applicant as required in subsection 3 of this  
110 section, the department ~~[may]~~ **shall, except for the limitations under**  
111 **subsection 5 of this section**, issue a refundable tax credit to the applicant for  
112 the ~~[lesser]~~ **least of:**

113 **(a)** One hundred percent of eligible costs incurred by the applicant ~~[or];~~

114 **(b)** An amount equal to five dollars for every admission ticket sold to such  
115 event; **or**

116 **(c)** An amount equal to ten dollars for every **paid participant**  
117 **registration if such event was participant-based and did not sell**  
118 **admission tickets.**

119 **The calculations under paragraphs (b) and (c) of this subdivision shall**  
120 **use the actual number of tickets sold or registrations paid, not an**

121 **estimated amount.**

122 **(3)** Tax credits authorized by this section may be claimed against taxes  
123 imposed by chapters 143 and 148 and shall be claimed within one year of the  
124 close of the [taxable] **tax** year for which the credits were issued. Tax credits  
125 authorized by this section may be transferred, sold, or assigned by filing a  
126 notarized endorsement thereof with the department that names the transferee,  
127 the amount of tax credit transferred, and the value received for the credit, as well  
128 as any other information reasonably requested by the department.

129 5. In no event shall the amount of tax credits issued by the department  
130 under subsection 4 of this section exceed three million dollars in any fiscal  
131 year. **For all events located within the following counties, the total**  
132 **amount of tax credits issued shall not exceed two million seven**  
133 **hundred thousand dollars in any fiscal year:**

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

136 **(2) A city not within a county.**

137 6. An applicant shall provide any information necessary as determined by  
138 the department for the department and the director to fulfill the duties required  
139 by this section. At any time upon the request of the state of Missouri, a certified  
140 sponsor shall subject itself to an audit conducted by the state.

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

145 8. The department shall only certify an applicant's support contract for  
146 a sporting event in which the site selection organization has yet to select a  
147 location for the sporting event as of December 1, 2012. No support contract shall  
148 be certified unless the site selection organization has chosen to use a location in  
149 this state from competitive bids, at least one of which was a bid for a location  
150 outside of this state, **except that competitive bids shall not be required for**  
151 **any previously-awarded event whose site selection organization**  
152 **extends its contractual agreement with the event's certified sponsor or**  
153 **for any post-season collegiate football game or other neutral-site game**  
154 **with at least one out-of-state team.** Support contracts shall not be certified  
155 by the department after August 28, [2019] **2024**, provided that the support  
156 contracts may be certified on or prior to August 28, [2019] **2024**, for sporting  
157 events that will be held after such date.

158           9. The department may promulgate rules as necessary to implement the  
159 provisions of this section. Any rule or portion of a rule, as that term is defined  
160 in section 536.010, that is created under the authority delegated in this section  
161 shall become effective only if it complies with and is subject to all of the  
162 provisions of chapter 536 and, if applicable, section 536.028. This section and  
163 chapter 536 are nonseverable and if any of the powers vested with the general  
164 assembly pursuant to chapter 536 to review, to delay the effective date, or to  
165 disapprove and annul a rule are subsequently held unconstitutional, then the  
166 grant of rulemaking authority and any rule proposed or adopted after August 28,  
167 2013, shall be invalid and void.

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

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

- 16           (1) A valid application in the form and format required by the department;
- 17           (2) A statement attesting to the eligible donation received, which shall  
18 include the name and taxpayer identification number of the individual making  
19 the eligible donation, the amount of the eligible donation, and the date the  
20 eligible donation was received; and
- 21           (3) Payment from the certified sponsor or local organizing committee equal  
22 to the value of the tax credit for which application is made.

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

26           3. Tax credits issued under this section may be assigned, transferred,  
27 sold, or otherwise conveyed, and the new owner of the tax credit shall have the

28 same rights in the credit as the taxpayer. Whenever a certificate is assigned,  
29 transferred, sold, or otherwise conveyed, a notarized endorsement shall be filed  
30 with the department specifying the name and address of the new owner of the tax  
31 credit or the value of the credit. In no event shall the amount of tax credits  
32 issued by the department under this section exceed ten million dollars in any  
33 fiscal year.

34 4. The department shall promulgate rules to implement the provisions of  
35 this section. Any rule or portion of a rule, as that term is defined in section  
36 536.010, that is created under the authority delegated in this section shall  
37 become effective only if it complies with and is subject to all of the provisions of  
38 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
39 nonseverable and if any of the powers vested with the general assembly pursuant  
40 to chapter 536 to review, to delay the effective date, or to disapprove and annul  
41 a rule are subsequently held unconstitutional, then the grant of rulemaking  
42 authority and any rule proposed or adopted after August 28, 2013, shall be  
43 invalid and void.

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

45 (1) The provisions of the new program authorized under section 67.3000  
46 and under this section shall automatically sunset six years after August 28,  
47 [2013] **2018**, unless reauthorized by an act of the general assembly; and

48 (2) If such program is reauthorized, the program authorized under section  
49 67.3000 and under this section shall automatically sunset twelve years after the  
50 effective date of the reauthorization of these sections; and

51 (3) Section 67.3000 and this section shall terminate on September first of  
52 the calendar year immediately following the calendar year in which the program  
53 authorized under these sections is sunset.

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

2 (1) "Nonresident entertainer", a person residing or registered as a  
3 corporation outside this state who, for compensation, performs any vocal,  
4 instrumental, musical, comedy, dramatic, dance or other performance in this state  
5 before a live audience and any other person traveling with and performing  
6 services on behalf of a nonresident entertainer, including a nonresident  
7 entertainer who is paid compensation for providing entertainment as an  
8 independent contractor, a partnership that is paid compensation for  
9 entertainment provided by nonresident entertainers, a corporation that is paid  
10 compensation for entertainment provided by nonresident entertainers, or any  
11 other entity that is paid compensation for entertainment provided by nonresident

12 entertainers;

13           (2) "Nonresident member of a professional athletic team", a professional  
14 athletic team member who resides outside this state, including any active player,  
15 any player on the disabled list if such player is in uniform on the day of the game  
16 at the site of the game, and any other person traveling with and performing  
17 services on behalf of a professional athletic team;

18           (3) "Personal service income" includes exhibition and regular season  
19 salaries and wages, guaranteed payments, strike benefits, deferred payments,  
20 severance pay, bonuses, and any other type of compensation paid to the  
21 nonresident entertainer or nonresident member of a professional athletic team,  
22 but does not include prizes, bonuses or incentive money received from competition  
23 in a livestock, equine or rodeo performance, exhibition or show;

24           (4) "Professional athletic team" includes, but is not limited to, any  
25 professional baseball, basketball, football, soccer and hockey team.

26           2. Any person, venue, or entity who pays compensation to a nonresident  
27 entertainer shall deduct and withhold from such compensation as a prepayment  
28 of tax an amount equal to two percent of the total compensation if the amount of  
29 compensation is in excess of three hundred dollars paid to the nonresident  
30 entertainer. For purposes of this section, the term "person, venue, or entity who  
31 pays compensation" shall not be construed to include any person, venue, or entity  
32 that is exempt from taxation under 26 U.S.C. Section 501(c)(3), as amended, and  
33 that pays an amount to the nonresident entertainer for the entertainer's  
34 appearance but receives no benefit from the entertainer's appearance other than  
35 the entertainer's performance.

36           3. Any person, venue, or entity required to deduct and withhold tax  
37 pursuant to subsection 2 of this section shall, for each calendar quarter, on or  
38 before the last day of the month following the close of such calendar quarter,  
39 remit the taxes withheld in such form or return as prescribed by the director of  
40 revenue and pay over to the director of revenue or to a depository designated by  
41 the director of revenue the taxes so required to be deducted and withheld.

42           4. Any person, venue, or entity subject to this section shall be considered  
43 an employer for purposes of section 143.191, and shall be subject to all penalties,  
44 interest, and additions to tax provided in this chapter for failure to comply with  
45 this section.

46           5. Notwithstanding other provisions of this chapter to the contrary, the  
47 commissioner of administration, for all taxable years beginning on or after  
48 January 1, 1999, but none after December 31, [2020] **2030**, shall annually

49 estimate the amount of state income tax revenues collected pursuant to this  
50 chapter which are received from nonresident members of professional athletic  
51 teams and nonresident entertainers. For fiscal year 2000, and for each  
52 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, sixty  
53 percent of the annual estimate of taxes generated from the nonresident  
54 entertainer and professional athletic team income tax shall be allocated annually  
55 to the Missouri arts council trust fund, and shall be transferred, subject to  
56 appropriations, from the general revenue fund to the Missouri arts council trust  
57 fund established in section 185.100 and any amount transferred shall be in  
58 addition to such agency's budget base for each fiscal year. The director shall by  
59 rule establish the method of determining the portion of personal service income  
60 of such persons that is allocable to Missouri.

61           6. Notwithstanding the provisions of sections 186.050 to 186.067 to the  
62 contrary, the commissioner of administration, for all taxable years beginning on  
63 or after January 1, 1999, but for none after December 31, [2020] **2030**, shall  
64 estimate annually the amount of state income tax revenues collected pursuant to  
65 this chapter which are received from nonresident members of professional athletic  
66 teams and nonresident entertainers. For fiscal year 2000, and for each  
67 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
68 of the annual estimate of taxes generated from the nonresident entertainer and  
69 professional athletic team income tax shall be allocated annually to the Missouri  
70 humanities council trust fund, and shall be transferred, subject to appropriations,  
71 from the general revenue fund to the Missouri humanities council trust fund  
72 established in section 186.055 and any amount transferred shall be in addition  
73 to such agency's budget base for each fiscal year.

74           7. Notwithstanding other provisions of section 182.812 to the contrary, the  
75 commissioner of administration, for all taxable years beginning on or after  
76 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
77 annually the amount of state income tax revenues collected pursuant to this  
78 chapter which are received from nonresident members of professional athletic  
79 teams and nonresident entertainers. For fiscal year 2000, and for each  
80 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
81 of the annual estimate of taxes generated from the nonresident entertainer and  
82 professional athletic team income tax shall be allocated annually to the Missouri  
83 state library networking fund, and shall be transferred, subject to appropriations,  
84 from the general revenue fund to the secretary of state for distribution to public  
85 libraries for acquisition of library materials as established in section 182.812 and



86 any amount transferred shall be in addition to such agency's budget base for each  
87 fiscal year.

88           8. Notwithstanding other provisions of section 185.200 to the contrary, the  
89 commissioner of administration, for all taxable years beginning on or after  
90 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
91 annually the amount of state income tax revenues collected pursuant to this  
92 chapter which are received from nonresident members of professional athletic  
93 teams and nonresident entertainers. For fiscal year 2000, and for each  
94 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent  
95 of the annual estimate of taxes generated from the nonresident entertainer and  
96 professional athletic team income tax shall be allocated annually to the Missouri  
97 public television broadcasting corporation special fund, and shall be transferred,  
98 subject to appropriations, from the general revenue fund to the Missouri public  
99 television broadcasting corporation special fund, and any amount transferred  
100 shall be in addition to such agency's budget base for each fiscal year; provided,  
101 however, that twenty-five percent of such allocation shall be used for grants to  
102 public radio stations which were qualified by the corporation for public  
103 broadcasting as of November 1, 1996. Such grants shall be distributed to each  
104 of such public radio stations in this state after receipt of the station's certification  
105 of operating and programming expenses for the prior fiscal year. Certification  
106 shall consist of the most recent fiscal year financial statement submitted by a  
107 station to the corporation for public broadcasting. The grants shall be divided  
108 into two categories, an annual basic service grant and an operating grant. The  
109 basic service grant shall be equal to thirty-five percent of the total amount and  
110 shall be divided equally among the public radio stations receiving grants. The  
111 remaining amount shall be distributed as an operating grant to the stations on  
112 the basis of the proportion that the total operating expenses of the individual  
113 station in the prior fiscal year bears to the aggregate total of operating expenses  
114 for the same fiscal year for all Missouri public radio stations which are receiving  
115 grants.

116           9. Notwithstanding other provisions of section 253.402 to the contrary, the  
117 commissioner of administration, for all taxable years beginning on or after  
118 January 1, 1999, but for none after December 31, [2020] **2030**, shall estimate  
119 annually the amount of state income tax revenues collected pursuant to this  
120 chapter which are received from nonresident members of professional athletic  
121 teams and nonresident entertainers. For fiscal year 2000, and for each  
122 subsequent fiscal year for a period of [twenty-one] **thirty-one** years, ten percent

123 of the annual estimate of taxes generated from the nonresident entertainer and  
124 professional athletic team income tax shall be allocated annually to the Missouri  
125 department of natural resources Missouri historic preservation revolving fund,  
126 and shall be transferred, subject to appropriations, from the general revenue fund  
127 to the Missouri department of natural resources Missouri historic preservation  
128 revolving fund established in section 253.402 and any amount transferred shall  
129 be in addition to such agency's budget base for each fiscal year.

130           10. This section shall not be construed to apply to any person who makes  
131 a presentation for professional or technical education purposes or to apply to any  
132 presentation that is part of a seminar, conference, convention, school, or similar  
133 program format designed to provide professional or technical education.

          143.451. 1. Missouri taxable income of a corporation shall include all  
2 income derived from sources within this state.

3           2. A corporation described in subdivision (1) of subsection 1 of section  
4 143.441 shall include in its Missouri taxable income all income from sources  
5 within this state, including that from the transaction of business in this state and  
6 that from the transaction of business partly done in this state and partly done in  
7 another state or states. However:

8           (1) Where income results from a transaction partially in this state and  
9 partially in another state or states, and income and deductions of the portion in  
10 the state cannot be segregated, then such portions of income and deductions shall  
11 be allocated in this state and the other state or states as will distribute to this  
12 state a portion based upon the portion of the transaction in this state and the  
13 portion in such other state or states.

14           (2) The taxpayer may elect to compute the portion of income from all  
15 sources in this state in the following manner, or the manner set forth in  
16 subdivision (3) of this subsection:

17           (a) The income from all sources shall be determined as provided,  
18 excluding therefrom the figures for the operation of any bridge connecting this  
19 state with another state.

20           (b) The amount of sales which are transactions wholly in this state shall  
21 be added to one-half of the amount of sales which are transactions partly within  
22 this state and partly without this state, and the amount thus obtained shall be  
23 divided by the total sales or in cases where sales do not express the volume of  
24 business, the amount of business transacted wholly in this state shall be added  
25 to one-half of the amount of business transacted partly in this state and partly  
26 outside this state and the amount thus obtained shall be divided by the total

27 amount of business transacted, and the net income shall be multiplied by the  
28 fraction thus obtained, to determine the proportion of income to be used to arrive  
29 at the amount of Missouri taxable income. The investment or reinvestment of its  
30 own funds, or sale of any such investment or reinvestment, shall not be  
31 considered as sales or other business transacted for the determination of said  
32 fraction.

33 (c) For the purposes of this subdivision, a transaction involving the sale  
34 of tangible property is:

35 a. "Wholly in this state" if both the seller's shipping point and the  
36 purchaser's destination point are in this state;

37 b. "Partly within this state and partly without this state" if the seller's  
38 shipping point is in this state and the purchaser's destination point is outside  
39 this state, or the seller's shipping point is outside this state and the purchaser's  
40 destination point is in this state;

41 c. Not "wholly in this state" or not "partly within this state and partly  
42 without this state" only if both the seller's shipping point and the purchaser's  
43 destination point are outside this state.

44 (d) For purposes of this subdivision:

45 a. The purchaser's destination point shall be determined without regard  
46 to the FOB point or other conditions of the sale; and

47 b. The seller's shipping point is determined without regard to the location  
48 of the seller's principle office or place of business.

49 (3) The taxpayer may elect to compute the portion of income from all  
50 sources in this state in the following manner:

51 (a) The income from all sources shall be determined as provided,  
52 excluding therefrom the figures for the operation of any bridge connecting this  
53 state with another state;

54 (b) The amount of sales which are transactions in this state shall be  
55 divided by the total sales, and the net income shall be multiplied by the fraction  
56 thus obtained, to determine the proportion of income to be used to arrive at the  
57 amount of Missouri taxable income. The investment or reinvestment of its own  
58 funds, or sale of any such investment or reinvestment, shall not be considered as  
59 sales or other business transacted for the determination of said fraction;

60 (c) For the purposes of this subdivision, a transaction involving the sale  
61 of tangible property is:

62 a. "In this state" if the purchaser's destination point is in this state;

63 b. Not "in this state" if the purchaser's destination point is outside this

64 state;

65 (d) For purposes of this subdivision, the purchaser's destination point  
66 shall be determined without regard to the FOB point or other conditions of the  
67 sale and shall not be in this state if the purchaser received the tangible personal  
68 property from the seller in this state for delivery to the purchaser's location  
69 outside this state;

70 (e) For the purposes of this subdivision, a transaction involving the sale  
71 other than the sale of tangible property is "in this state" if the taxpayer's market  
72 for the sales is in this state. The taxpayer's market for sales is in this state:

73 a. In the case of sale, rental, lease, or license of real property, if and to  
74 the extent the property is located in this state;

75 b. In the case of rental, lease, or license of tangible personal property, if  
76 and to the extent the property is located in this state;

77 c. In the case of sale of a service, if and to the extent the ultimate  
78 beneficiary of the service is located in this state and shall not be in this state if  
79 the ultimate beneficiary of the service rendered by the taxpayer or the taxpayer's  
80 designee is located outside this state; and

81 d. In the case of intangible property:

82 (i) That is rented, leased, or licensed, if and to the extent the property is  
83 used in this state by the rentee, lessee, or licensee, provided that intangible  
84 property utilized in marketing a good or service to a consumer is "used in this  
85 state" if that good or service is purchased by a consumer who is in this  
86 state. Franchise fees or royalties received for the rent, lease, license, or use of a  
87 trade name, trademark, service mark, or franchise system or provides a right to  
88 conduct business activity in a specific geographic area are "used in this state" to  
89 the extent the franchise location is in this state; and

90 (ii) That is sold, if and to the extent the property is used in this state,  
91 provided that:

92 i. A contract right, government license, or similar intangible property that  
93 authorizes the holder to conduct a business activity in a specific geographic area  
94 is "used in this state" if the geographic area includes all or part of this state;

95 ii. Receipts from intangible property sales that are contingent on the  
96 productivity, use, or disposition of the intangible property shall be treated as  
97 receipts from the rental, lease, or licensing of such intangible property under item  
98 (i) of this subparagraph; and

99 iii. All other receipts from a sales of intangible property shall be excluded  
100 from the numerator and denominator of the sales factor;

101 (f) If the state or states of assignment under paragraph (e) of this  
102 subdivision cannot be determined, the state or states of assignment shall be  
103 reasonably approximated;

104 (g) If the state of assignment cannot be determined under paragraph (e)  
105 of this subdivision or reasonably approximated under paragraph (f) of this  
106 subdivision, such sales shall be excluded from the denominator of the sales factor;

107 (h) The director may prescribe such rules and regulations as necessary or  
108 appropriate to carry out the purposes of this section.

109 (4) For purposes of this subsection, the following words shall, unless the  
110 context otherwise requires, have the following meaning:

111 (a) "Administration services" include, but are not limited to, clerical, fund  
112 or shareholder accounting, participant record keeping, transfer agency,  
113 bookkeeping, data processing, custodial, internal auditing, legal and tax services  
114 performed for an investment company;

115 (b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C),  
116 as may be amended from time to time;

117 (c) "Distribution services" include, but are not limited to, the services of  
118 advertising, servicing, marketing, underwriting or selling shares of an investment  
119 company, but, in the case of advertising, servicing or marketing shares, only  
120 where such service is performed by a person who is, or in the case of a closed end  
121 company, was, either engaged in the services of underwriting or selling  
122 investment company shares or affiliated with a person that is engaged in the  
123 service of underwriting or selling investment company shares. In the case of an  
124 open end company, such service of underwriting or selling shares must be  
125 performed pursuant to a contract entered into pursuant to 15 U.S.C. Section 80a-  
126 15(b), as from time to time amended;

127 (d) "Investment company", any person registered under the federal  
128 Investment Company Act of 1940, as amended from time to time, (the act) or a  
129 company which would be required to register as an investment company under  
130 the act except that such person is exempt to such registration pursuant to Section  
131 80a-3(c)(1) of the act;

132 (e) "Investment funds service corporation" includes any corporation or S  
133 corporation doing business in the state which derives more than fifty percent of  
134 its gross income in the ordinary course of business from the provision directly or  
135 indirectly of management, distribution or administration services to or on behalf  
136 of an investment company or from trustees, sponsors and participants of employee  
137 benefit plans which have accounts in an investment company. An investment

138 funds service corporation shall include any corporation or S corporation providing  
139 management services as an investment advisory firm registered under Section  
140 203 of the Investment Advisors Act of 1940, as amended from time to time,  
141 regardless of the percentage of gross revenues consisting of fees from  
142 management services provided to or on behalf of an investment company;

143 (f) "Management services" include but are not limited to, the rendering of  
144 investment advice directly or indirectly to an investment company making  
145 determinations as to when sales and purchases of securities are to be made on  
146 behalf of the investment company, or the selling or purchasing of securities  
147 constituting assets of an investment company, and related activities, but only  
148 where such activity or activities are performed:

149 a. Pursuant to a contract with the investment company entered into  
150 pursuant to 15 U.S.C. Section 80a-15(a), as from time to time amended;

151 b. For a person that has entered into such contract with the investment  
152 company; or

153 c. For a person that is affiliated with a person that has entered into such  
154 contract with an investment company;

155 (g) "Qualifying sales", gross income derived from the provision directly or  
156 indirectly of management, distribution or administration services to or on behalf  
157 of an investment company or from trustees, sponsors and participants of employee  
158 benefit plans which have accounts in an investment company. For purposes of  
159 this section, "gross income" is defined as that amount of income earned from  
160 qualifying sources without deduction of expenses related to the generation of such  
161 income;

162 (h) "Residence", presumptively the fund shareholder's mailing address on  
163 the records of the investment company. If, however, the investment company or  
164 the investment funds service corporation has actual knowledge that the fund  
165 shareholder's primary residence or principal place of business is different than  
166 the fund shareholder's mailing address such presumption shall not control. To  
167 the extent an investment funds service corporation does not have access to the  
168 records of the investment company, the investment funds service corporation may  
169 employ reasonable methods to determine the investment company fund  
170 shareholder's residence.

171 (5) Notwithstanding other provisions of law to the contrary, qualifying  
172 sales of an investment funds service corporation, or S corporation, shall be  
173 considered wholly in this state only to the extent that the fund shareholders of  
174 the investment companies, to which the investment funds service corporation, or

175 S corporation, provide services, are resided in this state. Wholly in this state  
176 qualifying sales of an investment funds service corporation, or S corporation, shall  
177 be determined as follows:

178 (a) By multiplying the investment funds service corporation's total dollar  
179 amount of qualifying sales from services provided to each investment company by  
180 a fraction, the numerator of which shall be the average of the number of shares  
181 owned by the investment company's fund shareholders resided in this state  
182 at the beginning of and at the end of the investment company's taxable year that  
183 ends with or within the investment funds service corporation's taxable year, and  
184 the denominator of which shall be the average of the number of shares owned by  
185 the investment company's fund shareholders everywhere at the beginning of and  
186 at the end of the investment company's taxable year that ends with or within the  
187 investment funds service corporation's taxable year;

188 (b) A separate computation shall be made to determine the wholly in this  
189 state qualifying sales from each investment company. The qualifying sales for  
190 each investment company shall be multiplied by the respective percentage of each  
191 fund, as calculated pursuant to paragraph (a) of this subdivision. The product of  
192 this equation shall result in the wholly in this state qualifying sales. The  
193 qualifying sales for each investment company which are not wholly in this state  
194 will be considered wholly without this state;

195 (c) To the extent an investment funds service corporation has sales which  
196 are not qualifying sales, those nonqualified sales shall be apportioned to this  
197 state based on the methodology utilized by the investment funds service  
198 corporation without regard to this subdivision.

199 **(6) Notwithstanding the Multistate Tax Compact, sections 32.200**  
200 **to 32.240, this section, and section 143.461 to the contrary, sales and**  
201 **business transactions shall not include any intercompany transactions,**  
202 **as that term is defined under 26 C.F.R. 1.1502-13, between corporations**  
203 **that file a consolidated income tax return in this state.**

204 3. Any corporation described in subdivision (1) of subsection 1 of section  
205 143.441 organized in this state or granted a permit to operate in this state for the  
206 transportation or care of passengers shall report its gross earnings within the  
207 state on intrastate business and shall also report its gross earnings on all  
208 interstate business done in this state which report shall be subject to inquiry for  
209 the purpose of determining the amount of income to be included in Missouri  
210 taxable income. The previous sentence shall not apply to a railroad.

211 4. A corporation described in subdivision (2) of subsection 1 of section

212 143.441 shall include in its Missouri taxable income all income arising from all  
213 sources in this state and all income from each transportation service wholly  
214 within this state, from each service where the only lines of such corporation used  
215 are those in this state, and such proportion of revenue from each service where  
216 the facilities of such corporation in this state and in another state or states are  
217 used, as the mileage used over the lines of such corporation in the state shall  
218 bear to the total mileage used over the lines of such corporation. The taxpayer  
219 may elect to compute the portion of income from all sources within this state in  
220 the following manner:

221 (1) The income from all sources shall be determined as provided;

222 (2) The amount of investment of such corporation on December thirty-first  
223 of each year in this state in fixed transportation facilities, real estate and  
224 improvements, plus the value on December thirty-first of each year of any fixed  
225 transportation facilities, real estate and improvements in this state leased from  
226 any other railroad shall be divided by the sum of the total amount of investment  
227 of such corporation on December thirty-first of each year in fixed transportation  
228 facilities, real estate and improvements, plus the value on December thirty-first  
229 of each year, of any fixed transportation facilities, real estate and improvements  
230 leased from any other railroad. Where any fixed transportation facilities, real  
231 estate or improvements are leased by more than one railroad, such portion of the  
232 value shall be used by each railroad as the rental paid by each shall bear to the  
233 rental paid by all lessees. The income shall be multiplied by the fraction thus  
234 obtained to determine the proportion to be used to arrive at the amount of  
235 Missouri taxable income.

236 5. A corporation described in subdivision (3) of subsection 1 of section  
237 143.441 shall include in its Missouri taxable income one-half of the net income  
238 from the operation of a bridge between this and another state. If any such bridge  
239 is owned or operated by a railroad corporation or corporations, or by a corporation  
240 owning a railroad corporation using such bridge, then the figures for operation  
241 of such bridge may be included in the return of such railroad or railroads; or if  
242 such bridge is owned or operated by any other corporation which may now or  
243 hereafter be required to file an income tax return, one-half of the income or loss  
244 to such corporation from such bridge may be included in such return by adding  
245 or subtracting same to or from another net income or loss shown by the return.

246 6. A corporation described in subdivision (4) of subsection 1 of section  
247 143.441 shall include in its Missouri taxable income all income arising from all  
248 sources within this state. Income shall include revenue from each telephonic or



249 telegraphic service rendered wholly within this state; from each service rendered  
250 for which the only facilities of such corporation used are those in this state; and  
251 from each service rendered over the facilities of such corporation in this state and  
252 in other state or states, such proportion of such revenue as the mileage involved  
253 in this state shall bear to the total mileage involved over the lines of said  
254 company in all states. The taxpayer may elect to compute the portion of income  
255 from all sources within this state in the following manner:

256 (1) The income from all sources shall be determined as provided;  
257 (2) The amount of investment of such corporation on December thirty-first  
258 of each year in this state in telephonic or telegraphic facilities, real estate and  
259 improvements thereon, shall be divided by the amount of the total investment of  
260 such corporation on December thirty-first of each year in telephonic or telegraphic  
261 facilities, real estate and improvements. The income of the taxpayer shall be  
262 multiplied by ~~the~~ fraction thus obtained to determine the proportion to be used  
263 to arrive at the amount of Missouri taxable income.

264 7. From the income determined in subsections 2, 3, 4, 5 and 6 of this  
265 section to be from all sources within this state shall be deducted such of the  
266 deductions for expenses in determining Missouri taxable income as were incurred  
267 in this state to produce such income and all losses actually sustained in this state  
268 in the business of the corporation.

269 8. If a corporation derives only part of its income from sources within  
270 Missouri, its Missouri taxable income shall only reflect the effect of the following  
271 listed deductions to the extent applicable to Missouri. The deductions are: (a)  
272 its deduction for federal income taxes pursuant to section 143.171, and (b) the  
273 effect on Missouri taxable income of the deduction for net operating loss allowed  
274 by Section 172 of the Internal Revenue Code. The extent applicable to Missouri  
275 shall be determined by multiplying the amount that would otherwise affect  
276 Missouri taxable income by the ratio for the year of the Missouri taxable income  
277 of the corporation for the year divided by the Missouri taxable income for the year  
278 as though the corporation had derived all of its income from sources within  
279 Missouri. For the purpose of the preceding sentence, Missouri taxable income  
280 shall not reflect the listed deductions.

281 9. Any investment funds service corporation organized as a corporation  
282 or S corporation which has any shareholders resided in this state shall be  
283 subject to Missouri income tax as provided in this chapter.

284 10. The provisions of this section do not impact any other apportionment  
285 election available to a taxpayer under Missouri statutes **unless explicitly**

286 **stated in this section.**

253.545. As used in sections 253.545 to 253.559, the following terms  
2 mean, unless the context requires otherwise:

3 (1) "Certified historic structure", a property located in Missouri and listed  
4 individually on the National Register of Historic Places;

5 (2) "Deed in lieu of foreclosure or voluntary conveyance", a transfer of title  
6 from a borrower to the lender to satisfy the mortgage debt and avoid foreclosure;

7 (3) "Eligible property", property located in Missouri and offered or used  
8 for residential or business purposes;

9 (4) "Leasehold interest", a lease in an eligible property for a term of not  
10 less than thirty years;

11 (5) "Principal", a managing partner, general partner, or president of a  
12 taxpayer;

13 (6) **"Projected net fiscal benefit", the total net fiscal benefit to the**  
14 **state or municipality, less any state or local benefits offered to the**  
15 **taxpayer for a project, as determined by the department of economic**  
16 **development;**

17 (7) **"Qualified census tract", a census tract with a poverty rate of**  
18 **twenty percent or higher as determined by a map and listing of census**  
19 **tracts which shall be published by the department of economic**  
20 **development and updated on a five-year cycle, and which map and**  
21 **listing shall depict census tracts with twenty percent poverty rate or**  
22 **higher, grouped by census tracts with twenty percent to forty-two**  
23 **percent poverty, and forty-two percent to eighty-one percent poverty**  
24 **as determined by the most current five-year figures published by the**  
25 **American Community Survey conducted by the United States Census**  
26 **Bureau;**

27 (8) "Structure in a certified historic district", a structure located in  
28 Missouri which is certified by the department of natural resources as contributing  
29 to the historic significance of a certified historic district listed on the National  
30 Register of Historic Places, or a local district that has been certified by the  
31 United States Department of the Interior;

32 [(7)] (9) "Taxpayer", any person, firm, partnership, trust, estate, limited  
33 liability company, or corporation.

253.550. 1. Any taxpayer incurring costs and expenses for the  
2 rehabilitation of eligible property, which is a certified historic structure or  
3 structure in a certified historic district, may, subject to the provisions of this

4 section and section 253.559, receive a credit against the taxes imposed pursuant  
5 to chapters 143 and 148, except for sections 143.191 to 143.265, on such taxpayer  
6 in an amount equal to twenty-five percent of the total costs and expenses of  
7 rehabilitation incurred after January 1, 1998, which shall include, but not be  
8 limited to, qualified rehabilitation expenditures as defined under section  
9 47(c)(2)(A) of the Internal Revenue Code of 1986, as amended, and the related  
10 regulations thereunder, provided the rehabilitation costs associated with  
11 rehabilitation and the expenses exceed fifty percent of the total basis in the  
12 property and the rehabilitation meets standards consistent with the standards  
13 of the Secretary of the United States Department of the Interior for rehabilitation  
14 as determined by the state historic preservation officer of the Missouri  
15 department of natural resources.

16 2. **(1)** During the period beginning on January 1, 2010, but ending on or  
17 after June 30, 2010, the department of economic development shall not approve  
18 applications for tax credits under the provisions of subsections [3] 4 and [8] 10  
19 of section 253.559 which, in the aggregate, exceed seventy million dollars,  
20 increased by any amount of tax credits for which approval shall be rescinded  
21 under the provisions of section 253.559. For each fiscal year beginning on or after  
22 July 1, 2010, **but ending before June 30, 2018**, the department of economic  
23 development shall not approve applications for tax credits under the provisions  
24 of subsections [3] 4 and [8] 10 of section 253.559 which, in the aggregate, exceed  
25 one hundred forty million dollars, increased by any amount of tax credits for  
26 which approval shall be rescinded under the provisions of section 253.559. **For**  
27 **each fiscal year beginning on or after July 1, 2018, the department of**  
28 **economic development shall not approve applications for tax credits**  
29 **under the provisions of subsections 4 and 10 of section 253.559 which,**  
30 **in the aggregate, exceed ninety million dollars, increased by any**  
31 **amount of tax credits for which approval shall be rescinded under the**  
32 **provisions of section 253.559.** The limitations provided under this subsection  
33 shall not apply to applications approved under the provisions of subsection [3] 4  
34 of section 253.559 for projects to receive less than two hundred seventy-five  
35 thousand dollars in tax credits.

36 **(2)** **For each fiscal year beginning on or after July 1, 2018, the**  
37 **department shall authorize an amount up to, but not to exceed, an**  
38 **additional thirty million dollars in tax credits issued under subsections**  
39 **4 and 10 of section 253.559, provided that such tax credits are**  
40 **authorized solely for projects located in a qualified census tract.**

41           **(3) For each fiscal year beginning on or after July 1, 2018, if the**  
42 **maximum amount of tax credits allowed in any fiscal year as provided**  
43 **under subdivisions (1) and (2) of this subsection is authorized, the**  
44 **maximum amount of tax credits allowed under subdivision (1) of this**  
45 **subsection shall be adjusted by the percentage increase in the**  
46 **Consumer Price Index for All Urban Consumers, or its successor index,**  
47 **as such index is defined and officially reported by the United States**  
48 **Department of Labor, or its successor agency. Only one such**  
49 **adjustment shall be made for each instance in which the provisions of**  
50 **this subdivision apply. The director of the department of economic**  
51 **development shall publish such adjusted amount.**

52           3. For all applications for tax credits approved on or after January 1,  
53 2010, no more than two hundred fifty thousand dollars in tax credits may be  
54 issued for eligible costs and expenses incurred in the rehabilitation of an eligible  
55 property which is a nonincome producing single-family, owner-occupied  
56 residential property and is either a certified historic structure or a structure in  
57 a certified historic district.

58           4. The limitations on tax credit authorization provided under the  
59 provisions of [subsections] **subsection 2 [and 3]** of this section shall not apply  
60 to:

61           (1) Any application submitted by a taxpayer, which has received approval  
62 from the department prior to [January 1, 2010] **October 1, 2018**; or

63           (2) Any taxpayer applying for tax credits, provided under this section,  
64 which, on or before [January 1, 2010] **October 1, 2018**, has filed an application  
65 with the department evidencing that such taxpayer:

66           (a) Has incurred costs and expenses for an eligible property which exceed  
67 the lesser of five percent of the total project costs or one million dollars and  
68 received an approved Part I from the Secretary of the United States Department  
69 of Interior; or

70           (b) Has received certification, by the state historic preservation officer,  
71 that the rehabilitation plan meets the standards consistent with the standards  
72 of the Secretary of the United States Department of the Interior, and the  
73 rehabilitation costs and expenses associated with such rehabilitation shall exceed  
74 fifty percent of the total basis in the property.

253.559. 1. To obtain approval for tax credits allowed under sections  
2 253.545 to 253.559, a taxpayer shall submit an application for tax credits to the  
3 department of economic development. Each application for approval, including

4 any applications received for supplemental allocations of tax credits as provided  
5 under subsection 8 of this section, shall be prioritized for review and approval,  
6 in the order of the date on which the application was postmarked, with the oldest  
7 postmarked date receiving priority. Applications postmarked on the same day  
8 shall go through a lottery process to determine the order in which such  
9 applications shall be reviewed.

10 2. Each application shall be reviewed by the department of economic  
11 development for approval. In order to receive approval, an application, other  
12 than applications submitted under the provisions of subsection [8] 10 of this  
13 section, shall include:

14 (1) Proof of ownership or site control. Proof of ownership shall include  
15 evidence that the taxpayer is the fee simple owner of the eligible property, such  
16 as a warranty deed or a closing statement. Proof of site control may be evidenced  
17 by a leasehold interest or an option to acquire such an interest. If the taxpayer  
18 is in the process of acquiring fee simple ownership, proof of site control shall  
19 include an executed sales contract or an executed option to purchase the eligible  
20 property;

21 (2) Floor plans of the existing structure, architectural plans, and, where  
22 applicable, plans of the proposed alterations to the structure, as well as proposed  
23 additions;

24 (3) The estimated cost of rehabilitation, the anticipated total costs of the  
25 project, the actual basis of the property, as shown by proof of actual acquisition  
26 costs, the anticipated total labor costs, the estimated project start date, and the  
27 estimated project completion date;

28 (4) Proof that the property is an eligible property and a certified historic  
29 structure or a structure in a certified historic district; [and]

30 (5) **A copy of all land use and building approvals reasonably**  
31 **necessary for the commencement of the project; and**

32 (6) Any other information which the department of economic development  
33 may reasonably require to review the project for approval.

34 Only the property for which a property address is provided in the application  
35 shall be reviewed for approval. Once selected for review, a taxpayer shall not be  
36 permitted to request the review of another property for approval in the place of  
37 the property contained in such application. Any disapproved application shall be  
38 removed from the review process. If an application is removed from the review  
39 process, the department of economic development shall notify the taxpayer in  
40 writing of the decision to remove such application. Disapproved applications

41 shall lose priority in the review process. A disapproved application, which is  
42 removed from the review process, may be resubmitted, but shall be deemed to be  
43 a new submission for purposes of the priority procedures described in this section.

44 **3. (1) In evaluating an application for tax credits submitted**  
45 **under this section, the department of economic development shall also**  
46 **consider:**

47 **(a) The amount of projected net fiscal benefit of the project to**  
48 **the state and local municipality, and the period in which the state and**  
49 **municipality would realize such net fiscal benefit;**

50 **(b) The overall size and quality of the proposed project,**  
51 **including the estimated number of new jobs to be created by the**  
52 **project, the potential multiplier effect of the project, and similar**  
53 **factors;**

54 **(c) The level of economic distress in the area; and**

55 **(d) Input from the local elected officials in the local municipality**  
56 **in which the proposed project is located as to the importance of the**  
57 **proposed project to the municipality. For any proposed project in any**  
58 **city not within a county, input from the local elected officials shall**  
59 **include, but shall not be limited to, the president of the board of**  
60 **aldermen.**

61 **(2) The provisions of this subsection shall not apply to**  
62 **applications for projects to receive less than two hundred seventy-five**  
63 **thousand dollars in tax credits.**

64 **4. If the department of economic development deems the application**  
65 **sufficient, the taxpayer shall be notified in writing of the approval for an amount**  
66 **of tax credits equal to the amount provided under section 253.550 less any**  
67 **amount of tax credits previously approved. Such approvals shall be granted to**  
68 **applications in the order of priority established under this section and shall**  
69 **require full compliance thereafter with all other requirements of law as a**  
70 **condition to any claim for such credits. If the department of economic**  
71 **development disapproves an application, the taxpayer shall be notified**  
72 **in writing of the reasons for such disapproval. A disapproved**  
73 **application may be resubmitted.**

74 **[4.] 5. Following approval of an application, the identity of the taxpayer**  
75 **contained in such application shall not be modified except:**

76 **(1) The taxpayer may add partners, members, or shareholders as part of**  
77 **the ownership structure, so long as the principal remains the same, provided**

78 however, that subsequent to the commencement of renovation and the  
79 expenditure of at least ten percent of the proposed rehabilitation budget, removal  
80 of the principal for failure to perform duties and the appointment of a new  
81 principal thereafter shall not constitute a change of the principal; or

82 (2) Where the ownership of the project is changed due to a foreclosure,  
83 deed in lieu of a foreclosure or voluntary conveyance, or a transfer in bankruptcy.

84 [5.] 6. In the event that the department of economic development grants  
85 approval for tax credits equal to the total amount available under subsection 2  
86 of section 253.550, or sufficient that when totaled with all other approvals, the  
87 amount available under subsection 2 of section 253.550 is exhausted, all  
88 taxpayers with applications then awaiting approval or thereafter submitted for  
89 approval shall be notified by the department of economic development that no  
90 additional approvals shall be granted during the fiscal year and shall be notified  
91 of the priority given to such taxpayer's application then awaiting approval. Such  
92 applications shall be kept on file by the department of economic development and  
93 shall be considered for approval for tax credits in the order established in this  
94 section in the event that additional credits become available due to the rescission  
95 of approvals or when a new fiscal year's allocation of credits becomes available  
96 for approval.

97 7. **All taxpayers with applications receiving approval on or after**  
98 **July 1, 2019, shall submit within sixty days following the award of**  
99 **credits evidence of the capacity of the applicant to finance the costs**  
100 **and expenses for the rehabilitation of the eligible property in the form**  
101 **of a line of credit or letter of commitment subject to the lender's**  
102 **termination for a material adverse change impacting the extension of**  
103 **credit. If the department of economic development determines that a**  
104 **taxpayer has failed to comply with the requirements under this**  
105 **subsection, then the department shall notify the applicant of such**  
106 **failure and the applicant shall have a thirty day period from the date**  
107 **of such notice to submit additional evidence to remedy the failure.**

108 [6.] 8. All taxpayers with applications receiving approval on or after the  
109 effective date of this act shall commence rehabilitation within [two years] **nine**  
110 **months** of the date of issuance of the letter from the department of economic  
111 development granting the approval for tax credits. "Commencement of  
112 rehabilitation" shall mean that as of the date in which actual physical work,  
113 contemplated by the architectural plans submitted with the application, has  
114 begun, the taxpayer has incurred no less than ten percent of the estimated costs

115 of rehabilitation provided in the application. Taxpayers with approval of a  
116 project shall submit evidence of compliance with the provisions of this subsection.  
117 If the department of economic development determines that a taxpayer has failed  
118 to comply with the requirements provided under this section, the approval for the  
119 amount of tax credits for such taxpayer shall be rescinded and such amount of tax  
120 credits shall then be included in the total amount of tax credits, provided under  
121 subsection 2 of section 253.550, from which approvals may be granted. Any  
122 taxpayer whose approval shall be subject to rescission shall be notified of such  
123 from the department of economic development and, upon receipt of such notice,  
124 may submit a new application for the project.

125 [7.] 9. To claim the credit authorized under sections 253.550 to 253.559,  
126 a taxpayer with approval shall apply for final approval and issuance of tax credits  
127 from the department of economic development which, in consultation with the  
128 department of natural resources, shall determine the final amount of eligible  
129 rehabilitation costs and expenses and whether the completed rehabilitation meets  
130 the standards of the Secretary of the United States Department of the Interior  
131 for rehabilitation as determined by the state historic preservation officer of the  
132 Missouri department of natural resources. For financial institutions credits  
133 authorized pursuant to sections 253.550 to 253.561 shall be deemed to be  
134 economic development credits for purposes of section 148.064. The approval of all  
135 applications and the issuing of certificates of eligible credits to taxpayers shall  
136 be performed by the department of economic development. The department of  
137 economic development shall inform a taxpayer of final approval by letter and  
138 shall issue, to the taxpayer, tax credit certificates. The taxpayer shall attach the  
139 certificate to all Missouri income tax returns on which the credit is claimed.

140 [8.] 10. Except as expressly provided in this subsection, tax credit  
141 certificates shall be issued in the final year that costs and expenses of  
142 rehabilitation of the project are incurred, or within the twelve-month period  
143 immediately following the conclusion of such rehabilitation. In the event the  
144 amount of eligible rehabilitation costs and expenses incurred by a taxpayer would  
145 result in the issuance of an amount of tax credits in excess of the amount  
146 provided under such taxpayer's approval granted under subsection [3] 4 of this  
147 section, such taxpayer may apply to the department for issuance of tax credits in  
148 an amount equal to such excess. Applications for issuance of tax credits in excess  
149 of the amount provided under a taxpayer's application shall be made on a form  
150 prescribed by the department. Such applications shall be subject to all provisions  
151 regarding priority provided under subsection 1 of this section.



152 [9.] 11. The department of economic development shall determine, on an  
153 annual basis, the overall economic impact to the state from the rehabilitation of  
154 eligible property.

620.1900. 1. The department of economic development may charge a fee  
2 to the recipient of any tax credits issued by the department, in an amount up to  
3 two and one-half percent of the amount of tax credits issued, **or for tax credits**  
4 **issued under sections 253.545 to 253.559 in an amount equal to four**  
5 **percent of the amount of tax credits issued.** The fee shall be paid by the  
6 recipient upon the issuance of the tax credits. However, no fee shall be charged  
7 for the tax credits issued under section 135.460, or section 208.770, or under  
8 sections 32.100 to 32.125, if issued for community services, crime prevention,  
9 education, job training, or physical revitalization.

10 2. (1) All fees received by the department of economic development under  
11 this section shall be deposited solely to the credit of the economic development  
12 advancement fund, created under subsection 3 of this section.

13 (2) **Thirty-seven and one-half percent of the revenue derived**  
14 **from the four percent fee charged on tax credits issued under sections**  
15 **253.545 to 253.559 shall be appropriated from the economic**  
16 **development advancement fund for business recruitment and**  
17 **marketing.**

18 3. There is hereby created in the state treasury the "Economic  
19 Development Advancement Fund", which shall consist of money collected under  
20 this section. The state treasurer shall be custodian of the fund and shall approve  
21 disbursements from the fund in accordance with sections 30.170 and 30.180. Upon  
22 appropriation, money in the fund shall be used solely for the administration of  
23 this section. Notwithstanding the provisions of section 33.080 to the contrary,  
24 any moneys remaining in the fund at the end of the biennium shall not revert to  
25 the credit of the general revenue fund. The state treasurer shall invest moneys  
26 in the fund in the same manner as other funds are invested. Any interest and  
27 moneys earned on such investments shall be credited to the fund.

28 4. Such fund shall consist of any fees charged under subsection 1 of this  
29 section, any gifts, contributions, grants, or bequests received from federal,  
30 private, or other sources, fees or administrative charges from private activity  
31 bond allocations, moneys transferred or paid to the department in return for  
32 goods or services provided by the department, and any appropriations to the fund.

33 5. At least fifty percent of the fees and other moneys deposited in the fund  
34 shall be appropriated for marketing, technical assistance, and training, contracts

35 for specialized economic development services, and new initiatives and pilot  
36 programming to address economic trends. The remainder may be appropriated  
37 toward the costs of staffing and operating expenses for the program activities of  
38 the department of economic development, and for accountability functions.

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