

FIRST REGULAR SESSION

# HOUSE BILL NO. 482

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BARNES.

0067H.021

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 32.110, 32.115, 100.850, 135.020, 135.352, 135.750, 143.011, 144.010, 144.011, 144.014, 144.020, 144.030, 144.037, 144.039, 144.044, 144.045, 144.054, 144.057, 144.062, 144.518, 144.526, 253.550, 262.250, 313.821, 447.708, and 620.1881, RSMo, and to enact in lieu thereof twenty-six 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 32.110, 32.115, 100.850, 135.020, 135.352, 135.750, 143.011, 144.010, 144.011, 144.014, 144.020, 144.030, 144.037, 144.039, 144.044, 144.045, 144.054, 144.057, 144.062, 144.518, 144.526, 253.550, 262.250, 313.821, 447.708, and 620.1881, RSMo, are repealed and twenty-six new sections enacted in lieu thereof, to be known as sections 32.110, 32.115, 100.850, 135.020, 135.352, 135.750, 143.011, 144.010, 144.011, 144.014, 144.020, 144.030, 144.037, 144.039, 144.044, 144.045, 144.054, 144.057, 144.062, 144.518, 144.526, 253.550, 262.250, 313.821, 447.708, and 620.1881, to read as follows:

32.110. **1.** Any business firm which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the business firm; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the business firm is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans for implementing the program.

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

11 If, in the opinion of the director of the department of economic development, a business firm's  
12 contribution can more consistently with the purposes of sections 32.100 to 32.125 be made  
13 through contributions to a neighborhood organization as defined in subdivision (13) of section  
14 32.105, tax credits may be allowed as provided in section 32.115. The director of the department  
15 of economic development is hereby authorized to promulgate rules and regulations for  
16 establishing criteria for evaluating such proposals by business firms for approval or disapproval  
17 and for establishing priorities for approval or disapproval of such proposals by business firms  
18 with the assistance and approval of the director of the department of revenue. The total amount  
19 of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not  
20 exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars in fiscal year  
21 2000, and any subsequent fiscal year, except as otherwise provided for proposals approved  
22 pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the  
23 provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal  
24 funding.

25 **2. No new tax credits shall be authorized under the provisions of this section after**  
26 **December 31, 2015.**

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the  
2 following order until used, against:

- 3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148;
- 4 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section  
5 148.030;
- 6 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;
- 7 (4) The tax on other financial institutions in chapter 148;
- 8 (5) The corporation franchise tax in chapter 147;
- 9 (6) The state income tax in chapter 143; and
- 10 (7) The annual tax on gross receipts of express companies in chapter 153.

11 2. For proposals approved pursuant to section 32.110:

12 (1) The amount of the tax credit shall not exceed fifty percent of the total amount  
13 contributed during the taxable year by the business firm or, in the case of a financial institution,  
14 where applicable, during the relevant income period in programs approved pursuant to section  
15 32.110;

16 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy  
17 percent may be allowed for contributions to programs where activities fall within the scope of  
18 special program priorities as defined with the approval of the governor in regulations  
19 promulgated by the director of the department of economic development;

20 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for  
21 contributions to programs located in any community shall be equal to seventy percent of the total  
22 amount contributed where such community is a city, town or village which has fifteen thousand  
23 or less inhabitants as of the last decennial census and is located in a county which is either  
24 located in:

25 (a) An area that is not part of a standard metropolitan statistical area;

26 (b) A standard metropolitan statistical area but such county has only one city, town or  
27 village which has more than fifteen thousand inhabitants; or

28 (c) A standard metropolitan statistical area and a substantial number of persons in such  
29 county derive their income from agriculture. Such community may also be in an unincorporated  
30 area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no  
31 case shall the total economic benefit of the combined federal and state tax savings to the taxpayer  
32 exceed the amount contributed by the taxpayer during the tax year;

33 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,  
34 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000  
35 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit  
36 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty  
37 percent credit of the total amount contributed. Regulations establishing special program  
38 priorities are to be promulgated during the first month of each fiscal year and at such times  
39 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty  
40 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit  
41 shall be approved for any bank, bank and trust company, insurance company, trust company,  
42 national bank, savings association, or building and loan association for activities that are a part  
43 of its normal course of business. Any tax credit not used in the period the contribution was made  
44 may be carried over the next five succeeding calendar or fiscal years until the full credit has been  
45 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,  
46 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to  
47 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six  
48 million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are  
49 not approved, then the remaining credits may be used for programs approved pursuant to sections  
50 32.100 to 32.125. **No new tax credits shall be authorized under the provisions of sections**  
51 **32.110 and 135.460 after December 31, 2015;**

52 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be  
53 limited if community services, crime prevention, education, job training, physical revitalization  
54 or economic development, as defined by section 32.105, is rendered in an area defined by federal  
55 or state law as an impoverished, economically distressed, or blighted area or as a neighborhood

56 experiencing problems endangering its existence as a viable and stable neighborhood, or if the  
57 community services, crime prevention, education, job training, physical revitalization or  
58 economic development is limited to impoverished persons.

59 3. For proposals approved pursuant to section 32.111:

60 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount  
61 invested in affordable housing assistance activities or market rate housing in distressed  
62 communities as defined in section 135.530 by a business firm. Whenever such investment is  
63 made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits  
64 may be claimed only where the loan or equity investment is accompanied by a donation which  
65 is eligible for federal income tax charitable deduction, and where the total value of the tax credits  
66 herein plus the value of the federal income tax charitable deduction is less than or equal to the  
67 value of the donation. Any tax credit not used in the period for which the credit was approved  
68 may be carried over the next ten succeeding calendar or fiscal years until the full credit has been  
69 allowed. If the affordable housing units or market rate housing units in distressed communities  
70 for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax  
71 credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated  
72 basis in proportion to the ratio of the number of square feet devoted to the affordable housing  
73 units or market rate housing units in distressed communities, for purposes of determining the  
74 amount of the tax credit. The total amount of tax credit granted for programs approved pursuant  
75 to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars,  
76 to be increased by no more than two million dollars each succeeding fiscal year, until the total  
77 tax credits that may be approved reaches ten million dollars in any fiscal year;

78 (2) For any year during the compliance period indicated in the land use restriction  
79 agreement, the owner of the affordable housing rental units for which a credit is being claimed  
80 shall certify to the commission that all tenants renting claimed units are income eligible for  
81 affordable housing units and that the rentals for each claimed unit are in compliance with the  
82 provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit  
83 the records and accounts of the owner to verify such certification;

84 (3) In the case of owner-occupied affordable housing units, the qualifying owner  
85 occupant shall, before the end of the first year in which credits are claimed, certify to the  
86 commission that the occupant is income eligible during the preceding two years, and at the time  
87 of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further  
88 certify to the commission, before the end of the first year in which credits are claimed, that  
89 during the compliance period indicated in the land use restriction agreement, the cost of the  
90 affordable housing unit to the occupant for the claimed unit can reasonably be projected to be  
91 in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant

92 acquiring the affordable housing unit during the compliance period indicated in the land use  
93 restriction agreement shall make the same certification;

94 (4) If at any time during the compliance period the commission determines a project for  
95 which a proposal has been approved is not in compliance with the applicable provisions of  
96 sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one  
97 hundred fifty days of notice to the owner either seek injunctive enforcement action against the  
98 owner, or seek legal damages against the owner representing the value of the tax credits, or  
99 foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and  
100 paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all  
101 tax credits allowed herein. The commission shall remit to the director of revenue the portion of  
102 the legal damages collected or the sale proceeds representing the value of the tax credits.  
103 However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of  
104 eligibility for tax credits shall not be revoked.

105 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall  
106 not exceed fifty-five percent of the total amount contributed to a neighborhood organization by  
107 business firms. Any tax credit not used in the period for which the credit was approved may be  
108 carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed.  
109 The total amount of tax credit granted for programs approved pursuant to section 32.112 shall  
110 not exceed one million dollars for each fiscal year.

111 5. The total amount of tax credits used for market rate housing in distressed communities  
112 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all  
113 tax credits authorized pursuant to sections 32.111 and 32.112.

100.850. 1. The approved company shall remit to the board a job development  
2 assessment fee, not to exceed five percent of the gross wages of each eligible employee whose  
3 job was created as a result of the economic development project, or not to exceed ten percent if  
4 the economic development project is located within a distressed community as defined in section  
5 135.530, for the purpose of retiring bonds which fund the economic development project.

6 2. Any approved company remitting an assessment as provided in subsection 1 of this  
7 section shall make its payroll books and records available to the board at such reasonable times  
8 as the board shall request and shall file with the board documentation respecting the assessment  
9 as the board may require.

10 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the  
11 date the bonds are retired.

12 4. Any approved company which has paid an assessment for debt reduction shall be  
13 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed  
14 against taxes otherwise imposed by chapters 143 and 148, except withholding taxes imposed

15 under the provisions of sections 143.191 to 143.265, which were incurred during the tax period  
16 in which the assessment was made.

17 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this  
18 section exceed twenty-five million dollars annually. Of such amount, nine hundred fifty  
19 thousand dollars shall be reserved for an approved project for a world headquarters of a business  
20 whose primary function is tax return preparation that is located in any home rule city with more  
21 than four hundred thousand inhabitants and located in more than one county, which amount  
22 reserved shall end in the year of the final maturity of the certificates issued for such approved  
23 project.

24 6. The director of revenue shall issue a refund to the approved company to the extent that  
25 the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved  
26 company's income tax.

27 **7. No new tax credits shall be authorized under the provisions of this section after**  
28 **December 31, 2015.**

135.020. 1. A credit for property taxes shall be allowed for the amount provided in  
2 section 135.030. If the amount allowable as a credit exceeds the income tax reduced by other  
3 credits, then the excess shall be considered an overpayment of the income tax.

4 **2. No new tax credits shall be authorized under the provisions of sections 135.010**  
5 **to 135.030 after December 31, 2015.**

135.352. 1. A taxpayer owning an interest in a qualified Missouri project shall, subject  
2 to the limitations provided under the provisions of [subsection] **subsections 3 and 4** of this  
3 section, be allowed a state tax credit, whether or not allowed a federal tax credit, to be termed  
4 the Missouri low-income housing tax credit, if the commission issues an eligibility statement for  
5 that project.

6 2. For qualified Missouri projects placed in service after January 1, 1997, the Missouri  
7 low-income housing tax credit available to a project shall be such amount as the commission  
8 shall determine is necessary to ensure the feasibility of the project, up to an amount equal to the  
9 federal low-income housing tax credit for a qualified Missouri project, for a federal tax period,  
10 and such amount shall be subtracted from the amount of state tax otherwise due for the same tax  
11 period.

12 3. No more than six million dollars in tax credits shall be authorized each fiscal year for  
13 projects financed through tax-exempt bond issuance. **The total amount of tax credits eligible**  
14 **to be awarded for projects that are financed through tax exempt bond issuance shall be**  
15 **reduced for each year for ten years in equal amounts beginning with the 2017 fiscal year**  
16 **until the total amount of tax credits authorized is thirty million dollars.**

17           **4. The total amount of tax credits eligible to be awarded for projects that are not**  
18 **financed through tax exempt bond issuance shall be reduced each year for ten years in**  
19 **equal amounts beginning with the 2017 fiscal year until the total amount of tax credits**  
20 **authorized is one hundred five million dollars.**

21           **5.** The Missouri low-income housing tax credit shall be taken against the taxes and in  
22 the order specified pursuant to section 32.115. The credit authorized by this section shall not be  
23 refundable. Any amount of credit that exceeds the tax due for a taxpayer's taxable year may be  
24 carried back to any of the taxpayer's three prior taxable years or carried forward to any of the  
25 taxpayer's five subsequent taxable years.

26           **[5.] 6.** All or any portion of Missouri tax credits issued in accordance with the provisions  
27 of sections 135.350 to 135.362 may be allocated to parties who are eligible pursuant to the  
28 provisions of subsection 1 of this section. Beginning January 1, 1995, for qualified projects  
29 which began on or after January 1, 1994, an owner of a qualified Missouri project shall certify  
30 to the director the amount of credit allocated to each taxpayer. The owner of the project shall  
31 provide to the director appropriate information so that the low-income housing tax credit can be  
32 properly allocated.

33           **[6.] 7.** In the event that recapture of Missouri low-income housing tax credits is required  
34 pursuant to subsection 2 of section 135.355, any statement submitted to the director as provided  
35 in this section shall include the proportion of the state credit required to be recaptured, the  
36 identity of each taxpayer subject to the recapture and the amount of credit previously allocated  
37 to such taxpayer.

38           **[7.] 8.** The director of the department may promulgate rules and regulations necessary  
39 to administer the provisions of this section. No rule or portion of a rule promulgated pursuant  
40 to the authority of this section shall become effective unless it has been promulgated pursuant  
41 to the provisions of section 536.024.

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

2           (1) "Highly compensated individual", any individual who receives compensation in  
3 excess of one million dollars in connection with a single qualified film production project;

4           (2) "Qualified film production project", any film, video, commercial, or television  
5 production, as approved by the department of economic development and the office of the  
6 Missouri film commission, that is under thirty minutes in length with an expected in-state  
7 expenditure budget in excess of fifty thousand dollars, or that is over thirty minutes in length  
8 with an expected in-state expenditure budget in excess of one hundred thousand dollars.  
9 Regardless of the production costs, "qualified film production project" shall not include any:

10           (a) News or current events programming;

11           (b) Talk show;

- 12 (c) Production produced primarily for industrial, corporate, or institutional purposes, and  
13 for internal use;
- 14 (d) Sports event or sports program;
- 15 (e) Gala presentation or awards show;
- 16 (f) Infomercial or any production that directly solicits funds;
- 17 (g) Political ad;
- 18 (h) Production that is considered obscene, as defined in section 573.010;
- 19 (3) "Qualifying expenses", the sum of the total amount spent in this state for the  
20 following by a production company in connection with a qualified film production project:
- 21 (a) Goods and services leased or purchased by the production company. For goods with  
22 a purchase price of twenty-five thousand dollars or more, the amount included in qualifying  
23 expenses shall be the purchase price less the fair market value of the goods at the time the  
24 production is completed;
- 25 (b) Compensation and wages paid by the production company on which the production  
26 company remitted withholding payments to the department of revenue under chapter 143. For  
27 purposes of this section, compensation and wages shall not include any amounts paid to a highly  
28 compensated individual;
- 29 (4) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding  
30 withholding tax imposed by sections 143.191 to 143.265, or otherwise due under chapter 148;
- 31 (5) "Taxpayer", any individual, partnership, or corporation as described in section  
32 143.441, 143.471, or section 148.370 that is subject to the tax imposed in chapter 143, excluding  
33 withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in chapter 148 or  
34 any charitable organization which is exempt from federal income tax and whose Missouri  
35 unrelated business taxable income, if any, would be subject to the state income tax imposed  
36 under chapter 143.
- 37 2. For all taxable years beginning on or after January 1, 1999, but ending on or before  
38 December 31, 2007, a taxpayer shall be granted a tax credit for up to fifty percent of the amount  
39 of investment in production or production-related activities in any film production project with  
40 an expected in-state expenditure budget in excess of three hundred thousand dollars. For all  
41 taxable years beginning on or after January 1, 2008, a taxpayer shall be allowed a tax credit for  
42 up to thirty-five percent of the amount of qualifying expenses in a qualified film production  
43 project. Each film production company shall be limited to one qualified film production project  
44 per year. Activities qualifying a taxpayer for the tax credit pursuant to this subsection shall be  
45 approved by the office of the Missouri film commission and the department of economic  
46 development.

47           3. Taxpayers shall apply for the film production tax credit by submitting an application  
48 to the department of economic development, on a form provided by the department. As part of  
49 the application, the expected in-state expenditures of the qualified film production project shall  
50 be documented. In addition, the application shall include an economic impact statement,  
51 showing the economic impact from the activities of the film production project. Such economic  
52 impact statement shall indicate the impact on the region of the state in which the film production  
53 or production-related activities are located and on the state as a whole.

54           4. For all taxable years ending on or before December 31, 2007, tax credits certified  
55 pursuant to subsection 2 of this section shall not exceed one million dollars per taxpayer per year,  
56 and shall not exceed a total for all tax credits certified of one million five hundred thousand  
57 dollars per year. For all taxable years beginning on or after January 1, 2008, tax credits certified  
58 under subsection 1 of this section shall not exceed a total for all tax credits certified of four  
59 million five hundred thousand dollars per year. Taxpayers may carry forward unused credits for  
60 up to five tax periods, provided all such credits shall be claimed within ten tax periods following  
61 the tax period in which the film production or production-related activities for which the credits  
62 are certified by the department occurred.

63           5. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,  
64 exchange, convey or otherwise transfer tax credits allowed in subsection 2 of this section. The  
65 taxpayer acquiring the tax credits may use the acquired credits to offset the tax liabilities  
66 otherwise imposed by chapter 143, excluding withholding tax imposed by sections 143.191 to  
67 143.265, or chapter 148. Unused acquired credits may be carried forward for up to five tax  
68 periods, provided all such credits shall be claimed within ten tax periods following the tax period  
69 in which the film production or production-related activities for which the credits are certified  
70 by the department occurred.

71           6. [Under section 23.253 of the Missouri sunset act:

72           (1) The provisions of the new program authorized under this section shall automatically  
73 sunset six years after November 28, 2007, unless reauthorized by an act of the general assembly;  
74 and

75           (2) If such program is reauthorized, the program authorized under this section shall  
76 automatically sunset twelve years after the effective date of the reauthorization of this section;  
77 and

78           (3) This section shall terminate on September first of the calendar year immediately  
79 following the calendar year in which the program authorized under this section is sunset.] **No**  
80 **new tax credits shall be authorized under the provisions of this section after December 31,**  
81 **2015.**

143.011. 1. A tax is hereby imposed for every taxable year on the Missouri taxable income of every resident. The tax shall be determined by applying the tax table or the rate provided in section 143.021, which is based upon the following rates:

4 If the Missouri taxable income is: The tax is:

5 Not over \$1,000.00. ....	1 1/2% of the Missouri
6 taxable income	
7 Over \$1,000 but not over \$2,000	\$15 plus 2% of excess
8 over \$1,000	
9 Over \$2,000 but not over \$3,000	\$35 plus 2 1/2% of excess
10 over \$2,000	
11 Over \$3,000 but not over \$4,000	\$60 plus 3% of excess
12 over \$3,000	
13 Over \$4,000 but not over \$5,000	\$90 plus 3 1/2% of excess
14 over \$4,000	
15 Over \$5,000 but not over \$6,000	\$125 plus 4% of excess
16 over \$5,000	
17 Over \$6,000 but not over \$7,000	\$165 plus 4 1/2% of
18 excess over \$6,000	
19 Over \$7,000 but not over \$8,000	\$210 plus 5% of excess
20 over \$7,000	
21 Over \$8,000 but not over \$9,000	\$260 plus 5 1/2% of
22 excess over \$8,000	
23 Over \$9,000. ....	\$315 plus 6% of excess
24 over \$9,000	

25 2. The department of revenue shall calculate the amount of additional tax revenue  
26 resulting from this act. The director of the department of revenue shall, by rule, adjust the  
27 tax tables under subsection 1 of this section to offset any additional tax revenue so as to  
28 produce a revenue neutral effect. The resulting rates of tax shall be rounded to the nearest  
29 tenth of a percent. If the top rate of tax is reduced below an existing bracket, such bracket  
30 shall be eliminated. The director shall notify the revisor of statutes of any changes to the  
31 tax tables of subsection 1 of this section for updating as appropriate.

32 3. (1) Beginning with the 2017 calendar year, the top rate of tax under subsection 1 of  
33 this section may be reduced over a period of years. Each reduction in the top rate of tax shall be  
34 by one-tenth of a percent and no more than one reduction shall occur in a calendar year. The top  
35 rate of tax shall not be reduced below [five] **three** and one-half percent. Reductions in the rate

36 of tax shall take effect on January first of a calendar year and such reduced rates shall continue  
37 in effect until the next reduction occurs.

38 (2) A reduction in the rate of tax shall only occur if the amount of net general revenue  
39 collected in the previous fiscal year exceeds the highest amount of net general revenue collected  
40 in any of the three fiscal years prior to such fiscal year by at least one hundred fifty million  
41 dollars.

42 (3) Any modification of tax rates under this subsection shall only apply to tax years that  
43 begin on or after a modification takes effect.

44 (4) The director of the department of revenue shall, by rule, adjust the tax tables under  
45 subsection 1 of this section to effectuate the provisions of this subsection. The bracket for  
46 income subject to the top rate of tax shall be eliminated once the top rate of tax has been reduced  
47 to [five] **three** and one-half of a percent.

48 [3.] **4.** Beginning with the 2017 calendar year, the brackets of Missouri taxable income  
49 identified in subsection 1 of this section shall be adjusted annually by the percent increase in  
50 inflation. The director shall publish such brackets annually beginning on or after October 1,  
51 2016. Modifications to the brackets shall take effect on January first of each calendar year and  
52 shall apply to tax years beginning on or after the effective date of the new brackets.

53 [4.] **5.** As used in this section, the following terms mean:

54 (1) "CPI", the Consumer Price Index for All Urban Consumers for the United States as  
55 reported by the Bureau of Labor Statistics, or its successor index;

56 (2) "CPI for the preceding calendar year", the average of the CPI as of the close of the  
57 twelve month period ending on August thirty-first of such calendar year;

58 (3) "Percent increase in inflation", the percentage, if any, by which the CPI for the  
59 preceding calendar year exceeds the CPI for the year beginning September 1, 2014, and ending  
60 August 31, 2015.

144.010. 1. The following words, terms, and phrases when used in sections 144.010 to  
2 144.525 have the meanings ascribed to them in this section, except when the context indicates  
3 a different meaning:

4 (1) "Admission" includes seats and tables, reserved or otherwise, and other similar  
5 accommodations and charges made therefor and amount paid for admission, exclusive of any  
6 admission tax imposed by the federal government or by sections 144.010 to 144.525;

7 (2) "Business" includes any activity engaged in by any person, or caused to be engaged  
8 in by him, with the object of gain, benefit or advantage, either direct or indirect, and the  
9 classification of which business is of such character as to be subject to the terms of sections  
10 144.010 to 144.525. A person is "engaging in business" in this state for purposes of sections  
11 144.010 to 144.525 if such person "engages in business in this state" or "maintains a place of

12 business in this state" under section 144.605. The isolated or occasional sale of tangible personal  
13 property, service, substance, or thing, by a person not engaged in such business, does not  
14 constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the  
15 total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible  
16 personal property by persons which property is sold in the course of the partial or complete  
17 liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any  
18 calendar year. The provisions of this subdivision shall not be construed to make any sale of  
19 property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

20 (3) "Captive wildlife", includes but is not limited to exotic partridges, gray partridge,  
21 northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer,  
22 captive elk, and captive furbearers held under permit issued by the Missouri department of  
23 conservation for hunting purposes. The provisions of this subdivision shall not apply to sales  
24 tax on a harvested animal;

25 (4) "Gross receipts", except as provided in section 144.012, means the total amount of  
26 the sale price of the sales at retail including any services other than charges incident to the  
27 extension of credit that are a part of such sales made by the businesses herein referred to, capable  
28 of being valued in money, whether received in money or otherwise; except that, the term "gross  
29 receipts" shall not include the sale price of property returned by customers when the full sale  
30 price thereof is refunded either in cash or by credit. In determining any tax due under sections  
31 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be  
32 specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the  
33 sale price above mentioned shall be deemed to be the amount received. It shall also include the  
34 lease or rental consideration where the right to continuous possession or use of any article of  
35 tangible personal property is granted under a lease or contract and such transfer of possession  
36 would be taxable if outright sale were made and, in such cases, the same shall be taxable as if  
37 outright sale were made and considered as a sale of such article, and the tax shall be computed  
38 and paid by the lessee upon the rentals paid;

39 (5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to,  
40 ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo, elk  
41 documented as obtained from a legal source and not from the wild, goats, horses, other equine,  
42 or rabbits raised in confinement for human consumption;

43 (6) "Motor vehicle leasing company" shall be a company obtaining a permit from the  
44 director of revenue to operate as a motor vehicle leasing company. Not all persons renting or  
45 leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to  
46 obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section  
47 144.070, as hereinafter provided;

48 (7) "Person" includes any individual, firm, copartnership, joint adventure, association,  
49 corporation, municipal or private, and whether organized for profit or not, state, county, political  
50 subdivision, state department, commission, board, bureau or agency, except the state  
51 transportation department, estate, trust, business trust, receiver or trustee appointed by the state  
52 or federal court, syndicate, or any other group or combination acting as a unit, and the plural as  
53 well as the singular number;

54 (8) "Purchaser" means a person who purchases tangible personal property or to whom  
55 are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

56 (9) "Research or experimentation activities" are the development of an experimental or  
57 pilot model, plant process, formula, invention or similar property, and the improvement of  
58 existing property of such type. Research or experimentation activities do not include activities  
59 such as ordinary testing or inspection of materials or products for quality control, efficiency  
60 surveys, advertising promotions or research in connection with literary, historical or similar  
61 projects;

62 (10) "Sale" or "sales" includes installment and credit sales, and the exchange of  
63 properties as well as the sale thereof for money, every closed transaction constituting a sale, and  
64 means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means  
65 whatsoever, of tangible personal property for valuable consideration and the rendering,  
66 furnishing or selling for a valuable consideration any of the substances, things and services  
67 herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

68 (11) "Sale at retail" means any transfer made by any person engaged in business as  
69 defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use  
70 or consumption and not for resale in any form as tangible personal property, for a valuable  
71 consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed  
72 thereby:

73 (i) purchases of tangible personal property made by duly licensed physicians, dentists,  
74 optometrists and veterinarians and used in the practice of their professions shall be deemed to  
75 be purchases for use or consumption and not for resale; and

76 (ii) the selling of computer printouts, computer output or microfilm or microfiche and  
77 computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or  
78 her own use the desired information contained in such computer printouts, computer output on  
79 microfilm or microfiche and computer-assisted photo compositions shall be considered as the  
80 sale of a service and not as the sale of tangible personal property. **The provisions of this item**  
81 **shall expire on December 31, 2015.**

82 Where necessary to conform to the context of sections 144.010 to 144.525 and the tax  
83 imposed thereby, the term "sale at retail" shall be construed to embrace:

84 (a) Sales of admission tickets, cash admissions, charges and fees to or in places of  
85 amusement, entertainment and recreation, games and athletic events;

86 (b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic,  
87 commercial or industrial consumers;

88 (c) Sales of local and long distance telecommunications service to telecommunications  
89 subscribers and to others through equipment of telecommunications subscribers for the  
90 transmission of messages and conversations, and the sale, rental or leasing of all equipment or  
91 services pertaining or incidental thereto;

92 (d) Sales of service for transmission of messages by telegraph companies;

93 (e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern,  
94 inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in  
95 which rooms, meals or drinks are regularly served to the public;

96 (f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express  
97 car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and  
98 railroad safety of the department of economic development of Missouri, engaged in the  
99 transportation of persons for hire;

100 (12) "Seller" means a person selling or furnishing tangible personal property or rendering  
101 services, on the receipts from which a tax is imposed pursuant to section 144.020;

102 (13) The noun "tax" means either the tax payable by the purchaser of a commodity or  
103 service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities  
104 or services during the period for which he or she is required to report his or her collections, as  
105 the context may require;

106 (14) "Telecommunications service", for the purpose of this chapter, the transmission of  
107 information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar  
108 means. As used in this definition, "information" means knowledge or intelligence represented  
109 by any form of writing, signs, signals, pictures, sounds, or any other symbols.  
110 Telecommunications service does not include the following if such services are separately stated  
111 on the customer's bill or on records of the seller maintained in the ordinary course of business:

112 (a) Access to the internet, access to interactive computer services or electronic  
113 publishing services, except the amount paid for the telecommunications service used to provide  
114 such access;

115 (b) Answering services and one-way paging services;

116 (c) Private mobile radio services which are not two-way commercial mobile radio  
117 services such as wireless telephone, personal communications services or enhanced specialized  
118 mobile radio services as defined pursuant to federal law; or

119 (d) Cable or satellite television or music services; and

120 (15) "Product which is intended to be sold ultimately for final use or consumption"  
121 means tangible personal property, or any service that is subject to state or local sales or use taxes,  
122 or any tax that is substantially equivalent thereto, in this state or any other state.

123 2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other  
124 provisions of law pertaining to sales or use taxes which incorporate the provisions of sections  
125 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning  
126 given it in section 700.010.

127 3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

144.011. 1. For purposes of sections 144.010 to 144.525 and 144.600 to 144.748, and  
2 the taxes imposed thereby, the definition of "retail sale" or "sale at retail" shall not be construed  
3 to include any of the following:

4 (1) The transfer by one corporation of substantially all of its tangible personal property  
5 to another corporation pursuant to a merger or consolidation effected under the laws of the state  
6 of Missouri or any other jurisdiction;

7 (2) The transfer of tangible personal property incident to the liquidation or cessation of  
8 a taxpayer's trade or business, conducted in proprietorship, partnership or corporate form, except  
9 to the extent any transfer is made in the ordinary course of the taxpayer's trade or business;

10 (3) The transfer of tangible personal property to a corporation solely in exchange for its  
11 stock or securities;

12 (4) The transfer of tangible personal property to a corporation by a shareholder as a  
13 contribution to the capital of the transferee corporation;

14 (5) The transfer of tangible personal property to a partnership solely in exchange for a  
15 partnership interest therein;

16 (6) The transfer of tangible personal property by a partner as a contribution to the capital  
17 of the transferee partnership;

18 (7) The transfer of tangible personal property by a corporation to one or more of its  
19 shareholders as a dividend, return of capital, distribution in the partial or complete liquidation  
20 of the corporation or distribution in redemption of the shareholder's interest therein;

21 (8) The transfer of tangible personal property by a partnership to one or more of its  
22 partners as a current distribution, return of capital or distribution in the partial or complete  
23 liquidation of the partnership or of the partner's interest therein;

24 (9) The transfer of reusable containers used in connection with the sale of tangible  
25 personal property contained therein for which a deposit is required and refunded on return. **The**  
26 **provisions of this subdivision shall expire on December 31, 2015;**

27 (10) The purchase by persons operating eating or food service establishments, of items  
28 of a nonreusable nature which are furnished to the customers of such establishments with or in

29 conjunction with the retail sales of their food or beverage. Such items shall include, but not be  
30 limited to, wrapping or packaging materials and nonreusable paper, wood, plastic and aluminum  
31 articles such as containers, trays, napkins, dishes, silverware, cups, bags, boxes, straws, sticks  
32 and toothpicks;

33 (11) The purchase by persons operating hotels, motels or other transient accommodation  
34 establishments, of items of a nonreusable nature which are furnished to the guests in the guests'  
35 rooms of such establishments and such items are included in the charge made for such  
36 accommodations. Such items shall include, but not be limited to, soap, shampoo, tissue and  
37 other toiletries and food or confectionery items offered to the guests without charge. **The**  
38 **provisions of this subdivision shall expire on December 31, 2015;**

39 (12) The transfer of a manufactured home other than:

40 (a) A transfer which involves the delivery of the document known as the "Manufacturer's  
41 Statement of Origin" to a person other than a manufactured home dealer, as defined in section  
42 700.010, for purposes of allowing such person to obtain a title to the manufactured home from  
43 the department of revenue of this state or the appropriate agency or officer of any other state;

44 (b) A transfer which involves the delivery of a "Repossessed Title" to a resident of this  
45 state if the tax imposed by sections 144.010 to 144.525 was not paid on the transfer of the  
46 manufactured home described in paragraph (a) of this subdivision;

47 (c) The first transfer which occurs after December 31, 1985, if the tax imposed by  
48 sections 144.010 to 144.525 was not paid on any transfer of the same manufactured home which  
49 occurred before December 31, 1985; or

50 (13) Charges for initiation fees or dues to:

51 (a) Fraternal beneficiaries societies, or domestic fraternal societies, orders or associations  
52 operating under the lodge system a substantial part of the activities of which are devoted to  
53 religious, charitable, scientific, literary, educational or fraternal purposes; or

54 (b) Posts or organizations of past or present members of the Armed Forces of the United  
55 States or an auxiliary unit or society of, or a trust or foundation for, any such post or organization  
56 substantially all of the members of which are past or present members of the Armed Forces of  
57 the United States or who are cadets, spouses, widows, or widowers of past or present members  
58 of the Armed Forces of the United States, no part of the net earnings of which inures to the  
59 benefit of any private shareholder or individual.

60 2. The assumption of liabilities of the transferor by the transferee incident to any of the  
61 transactions enumerated in the above subdivisions (1) to (8) of subsection 1 of this section shall  
62 not disqualify the transfer from the exclusion described in this section, where such liability  
63 assumption is related to the property transferred and where the assumption does not have as its  
64 principal purpose the avoidance of Missouri sales or use tax.

144.014. 1. Notwithstanding other provisions of law to the contrary, beginning October 2 1, 1997, **and ending December 31, 2015**, the tax levied and imposed pursuant to sections 3 144.010 to 144.525 and sections 144.600 to 144.746 on all retail sales of food shall be at the rate 4 of one percent. The revenue derived from the one percent rate pursuant to this section shall be 5 deposited by the state treasurer in the school district trust fund and shall be distributed as 6 provided in section 144.701.

7 2. For the purposes of this section, the term "food" shall include only those products and 8 types of food for which food stamps may be redeemed pursuant to the provisions of the Federal 9 Food Stamp Program as contained in 7 U.S.C. Section 2012, as that section now reads or as it 10 may be amended hereafter, and shall include food dispensed by or through vending machines. 11 For the purpose of this section, except for vending machine sales, the term "food" shall not 12 include food or drink sold by any establishment where the gross receipts derived from the sale 13 of food prepared by such establishment for immediate consumption on or off the premises of the 14 establishment constitutes more than eighty percent of the total gross receipts of that 15 establishment, regardless of whether such prepared food is consumed on the premises of that 16 establishment, including, but not limited to, sales of food by any restaurant, fast food restaurant, 17 delicatessen, eating house, or cafe.

18 **3. The provisions of this section shall expire on December 31, 2015.**

144.020. 1. A tax is hereby levied and imposed for the privilege of titling new and used 2 motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the 3 highways or waters of this state which are required to be titled under the laws of the state of 4 Missouri and, except as provided in subdivision (9) of this subsection, upon all sellers for the 5 privilege of engaging in the business of selling tangible personal property or rendering taxable 6 service at retail in this state. The rate of tax shall be as follows:

7 (1) Upon every retail sale in this state of tangible personal property, excluding motor 8 vehicles, trailers, motorcycles, mopeds, motortricycles, boats and outboard motors required to 9 be titled under the laws of the state of Missouri and subject to tax under subdivision (9) of this 10 subsection, a tax equivalent to four percent of the purchase price paid or charged, or in case such 11 sale involves the exchange of property, a tax equivalent to four percent of the consideration paid 12 or charged, including the fair market value of the property exchanged at the time and place of 13 the exchange, except as otherwise provided in section 144.025;

14 (2) A tax equivalent to four percent of the amount paid for admission and seating 15 accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, 16 games and athletic events;

17 (3) A tax equivalent to four percent of the basic rate paid or charged on all sales of  
18 electricity or electrical current, water and gas, natural or artificial, to domestic, commercial or  
19 industrial consumers;

20 (4) A tax equivalent to four percent on the basic rate paid or charged on all sales of local  
21 and long distance telecommunications service to telecommunications subscribers and to others  
22 through equipment of telecommunications subscribers for the transmission of messages and  
23 conversations and upon the sale, rental or leasing of all equipment or services pertaining or  
24 incidental thereto; except that, the payment made by telecommunications subscribers or others,  
25 pursuant to section 144.060, and any amounts paid for access to the internet or interactive  
26 computer services shall not be considered as amounts paid for telecommunications services  
27 **prior to December 31, 2015;**

28 (5) A tax equivalent to four percent of the basic rate paid or charged for all sales of  
29 services for transmission of messages of telegraph companies;

30 (6) A tax equivalent to four percent on the amount of sales or charges for all rooms,  
31 meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore,  
32 dining car, tourist cabin, tourist camp or other place in which rooms, meals or drinks are  
33 regularly served to the public;

34 (7) A tax equivalent to four percent of the amount paid or charged for intrastate tickets  
35 by every person operating a railroad, sleeping car, dining car, express car, boat, airplane and such  
36 buses and trucks as are licensed by the division of motor carrier and railroad safety of the  
37 department of economic development of Missouri, engaged in the transportation of persons for  
38 hire;

39 (8) A tax equivalent to four percent of the amount paid or charged for rental or lease of  
40 tangible personal property, provided that if the lessor or renter of any tangible personal property  
41 had previously purchased the property under the conditions of "sale at retail" or leased or rented  
42 the property and the tax was paid at the time of purchase, lease or rental, the lessor, sublessor,  
43 renter or subrenter shall not apply or collect the tax on the subsequent lease, sublease, rental or  
44 subrental receipts from that property. The purchase, rental or lease of motor vehicles, trailers,  
45 motorcycles, mopeds, motortricycles, boats, and outboard motors shall be taxed and the tax paid  
46 as provided in this section and section 144.070. In no event shall the rental or lease of boats and  
47 outboard motors be considered a sale, charge, or fee to, for or in places of amusement,  
48 entertainment or recreation nor shall any such rental or lease be subject to any tax imposed to,  
49 for, or in such places of amusement, entertainment or recreation. Rental and leased boats or  
50 outboard motors shall be taxed under the provisions of the sales tax laws as provided under such  
51 laws for motor vehicles and trailers. Tangible personal property which is exempt from the sales

52 or use tax under section 144.030 upon a sale thereof is likewise exempt from the sales or use tax  
53 upon the lease or rental thereof;

54 (9) A tax equivalent to four percent of the purchase price, as defined in section 144.070,  
55 of new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for  
56 use on the highways or waters of this state which are required to be registered under the laws of  
57 the state of Missouri. This tax is imposed on the person titling such property, and shall be paid  
58 according to the procedures in section 144.440.

59 2. All tickets sold which are sold under the provisions of sections 144.010 to 144.525  
60 which are subject to the sales tax shall have printed, stamped or otherwise endorsed thereon, the  
61 words "This ticket is subject to a sales tax."

144.030. 1. There is hereby specifically exempted from the provisions of sections  
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to  
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and  
4 any other state of the United States, or between this state and any foreign country, and any retail  
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws  
6 of the United States of America, and such retail sales of tangible personal property which the  
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the  
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as  
10 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to  
11 144.761 and from the computation of the tax levied, assessed or payable pursuant to the local  
12 sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and  
13 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
15 such excise tax is refunded pursuant to section 142.824; or upon the sale at retail of fuel to be  
16 consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing  
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into  
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or  
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will  
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at  
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide  
22 registration law (sections 281.220 to 281.310) which are to be used in connection with the  
23 growth or production of crops, fruit trees or orchards applied before, during, or after planting,  
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which  
25 are to be sold ultimately in processed form at retail;

26           (2) Materials, manufactured goods, machinery and parts which when used in  
27 manufacturing, processing, compounding, mining, producing or fabricating become a component  
28 part or ingredient of the new personal property resulting from such manufacturing, processing,  
29 compounding, mining, producing or fabricating and which new personal property is intended to  
30 be sold ultimately for final use or consumption; and materials, including without limitation,  
31 gases and manufactured goods, including without limitation slagging materials and firebrick,  
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting  
33 with or by becoming, in whole or in part, component parts or ingredients of steel products  
34 intended to be sold ultimately for final use or consumption;

35           (3) Materials, replacement parts and equipment purchased for use directly upon, and for  
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock  
37 or aircraft engaged as common carriers of persons or property;

38           (4) Motor vehicles registered in excess of fifty-four thousand pounds, and the trailers  
39 pulled by such motor vehicles, that are actually used in the normal course of business to haul  
40 property on the public highways of the state, and that are capable of hauling loads commensurate  
41 with the motor vehicle's registered weight; and the materials, replacement parts, and equipment  
42 purchased for use directly upon, and for the repair and maintenance or manufacture of such  
43 vehicles. For purposes of this subdivision, "motor vehicle" and "public highway" shall have the  
44 meaning as ascribed in section 390.020;

45           (5) Replacement machinery, equipment, and parts and the materials and supplies solely  
46 required for the installation or construction of such replacement machinery, equipment, and  
47 parts, used directly in manufacturing, mining, fabricating or producing a product which is  
48 intended to be sold ultimately for final use or consumption; and machinery and equipment, and  
49 the materials and supplies required solely for the operation, installation or construction of such  
50 machinery and equipment, purchased and used to establish new, or to replace or expand existing,  
51 material recovery processing plants in this state. For the purposes of this subdivision, a "material  
52 recovery processing plant" means a facility that has as its primary purpose the recovery of  
53 materials into a usable product or a different form which is used in producing a new product and  
54 shall include a facility or equipment which are used exclusively for the collection of recovered  
55 materials for delivery to a material recovery processing plant but shall not include motor vehicles  
56 used on highways. For purposes of this section, the terms motor vehicle and highway shall have  
57 the same meaning pursuant to section 301.010. Material recovery is not the reuse of materials  
58 within a manufacturing process or the use of a product previously recovered. The material  
59 recovery processing plant shall qualify under the provisions of this section regardless of  
60 ownership of the material being recovered;

61 (6) Machinery and equipment, and parts and the materials and supplies solely required  
62 for the installation or construction of such machinery and equipment, purchased and used to  
63 establish new or to expand existing manufacturing, mining or fabricating plants in the state if  
64 such machinery and equipment is used directly in manufacturing, mining or fabricating a product  
65 which is intended to be sold ultimately for final use or consumption;

66 (7) Tangible personal property which is used exclusively in the manufacturing,  
67 processing, modification or assembling of products sold to the United States government or to  
68 any agency of the United States government;

69 (8) Animals or poultry used for breeding or feeding purposes, or captive wildlife;

70 (9) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and  
71 other machinery, equipment, replacement parts and supplies used in producing newspapers  
72 published for dissemination of news to the general public;

73 (10) The rentals of films, records or any type of sound or picture transcriptions for public  
74 commercial display. **The provisions of this subdivision shall expire on December 31, 2015;**

75 (11) Pumping machinery and equipment used to propel products delivered by pipelines  
76 engaged as common carriers;

77 (12) Railroad rolling stock for use in transporting persons or property in interstate  
78 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or  
79 more or trailers used by common carriers, as defined in section 390.020, in the transportation of  
80 persons or property;

81 (13) Electrical energy used in the actual primary manufacture, processing, compounding,  
82 mining or producing of a product, or electrical energy used in the actual secondary processing  
83 or fabricating of the product, or a material recovery processing plant as defined in subdivision  
84 (5) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical  
85 energy so used exceeds ten percent of the total cost of production, either primary or secondary,  
86 exclusive of the cost of electrical energy so used or if the raw materials used in such processing  
87 contain at least twenty-five percent recovered materials as defined in section 260.200. There  
88 shall be a rebuttable presumption that the raw materials used in the primary manufacture of  
89 automobiles contain at least twenty-five percent recovered materials. For purposes of this  
90 subdivision, "processing" means any mode of treatment, act or series of acts performed upon  
91 materials to transform and reduce them to a different state or thing, including treatment necessary  
92 to maintain or preserve such processing by the producer at the production facility;

93 (14) Anodes which are used or consumed in manufacturing, processing, compounding,  
94 mining, producing or fabricating and which have a useful life of less than one year;

95 (15) Machinery, equipment, appliances and devices purchased or leased and used solely  
96 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies

97 solely required for the installation, construction or reconstruction of such machinery, equipment,  
98 appliances and devices;

99 (16) Machinery, equipment, appliances and devices purchased or leased and used solely  
100 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies  
101 solely required for the installation, construction or reconstruction of such machinery, equipment,  
102 appliances and devices;

103 (17) Tangible personal property purchased by a rural water district;

104 (18) All amounts paid or charged for admission or participation or other fees paid by or  
105 other charges to individuals in or for any place of amusement, entertainment or recreation, games  
106 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a  
107 municipality or other political subdivision where all the proceeds derived therefrom benefit the  
108 municipality or other political subdivision and do not inure to any private person, firm, or  
109 corporation, provided, however, that a municipality or other political subdivision may enter into  
110 revenue-sharing agreements with private persons, firms, or corporations providing goods or  
111 services, including management services, in or for the place of amusement, entertainment or  
112 recreation, games or athletic events, and provided further that nothing in this subdivision shall  
113 exempt from tax any amounts retained by any private person, firm, or corporation under such  
114 revenue-sharing agreement. **The provisions of this subdivision shall expire on December 31,**  
115 **2015;**

116 (19) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,  
117 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
118 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
119 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
120 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
121 administer those items, including samples and materials used to manufacture samples which may  
122 be dispensed by a practitioner authorized to dispense such samples and all sales or rental of  
123 medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
124 ambulatory aids, all sales or rental of manual and powered wheelchairs, stairway lifts, Braille  
125 writers, electronic Braille equipment and, if purchased or rented by or on behalf of a person with  
126 one or more physical or mental disabilities to enable them to function more independently, all  
127 sales or rental of scooters, reading machines, electronic print enlargers and magnifiers, electronic  
128 alternative and augmentative communication devices, and items used solely to modify motor  
129 vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of  
130 over-the-counter or nonprescription drugs to individuals with disabilities, and drugs required by  
131 the Food and Drug Administration to meet the over-the-counter drug product labeling

132 requirements in 21 CFR 201.66, or its successor, as prescribed by a health care practitioner  
133 licensed to prescribe;

134 (20) All sales made by or to religious and charitable organizations and institutions in  
135 their religious, charitable or educational functions and activities and all sales made by or to all  
136 elementary and secondary schools operated at public expense in their educational functions and  
137 activities;

138 (21) All sales of aircraft to common carriers for storage or for use in interstate commerce  
139 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,  
140 including fraternal organizations which have been declared tax-exempt organizations pursuant  
141 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or  
142 charitable functions and activities and all sales made to eleemosynary **institutions**, and **all sales**  
143 **made to penal institutions prior to December 31, 2015**, and **all sales made to** industries of the  
144 state, and all sales made to any private not-for-profit institution of higher education not otherwise  
145 excluded pursuant to subdivision (20) of this subsection or any institution of higher education  
146 supported by public funds, and all sales made to a state relief agency in the exercise of relief  
147 functions and activities;

148 (22) All ticket sales made by benevolent, scientific and educational associations which  
149 are formed to foster, encourage, and promote progress and improvement in the science of  
150 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
151 organizations if such organizations are exempt from federal tax pursuant to the provisions of the  
152 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
153 fair conducted by a county agricultural and mechanical society organized and operated pursuant  
154 to sections 262.290 to 262.530;

155 (23) All sales made to any private not-for-profit elementary or secondary school, all sales  
156 of feed additives, medications or vaccines administered to livestock or poultry in the production  
157 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for  
158 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,  
159 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying  
160 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as  
161 defined in section 142.028, natural gas, propane, and electricity used by an eligible new  
162 generation cooperative or an eligible new generation processing entity as defined in section  
163 348.432, and all sales of farm machinery and equipment, other than airplanes, motor vehicles and  
164 trailers, and any freight charges on any exempt item. As used in this subdivision, the term "feed  
165 additives" means tangible personal property which, when mixed with feed for livestock or  
166 poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term  
167 "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted

168 pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark  
169 the application of pesticides and herbicides for the production of crops, livestock or poultry. As  
170 used in this subdivision, the term "farm machinery and equipment" means new or used farm  
171 tractors and such other new or used farm machinery and equipment and repair or replacement  
172 parts thereon and any accessories for and upgrades to such farm machinery and equipment, rotary  
173 mowers used exclusively for agricultural purposes, and supplies and lubricants used exclusively,  
174 solely, and directly for producing crops, raising and feeding livestock, fish, poultry, pheasants,  
175 chukar, quail, or for producing milk for ultimate sale at retail, including field drain tile, and  
176 one-half of each purchaser's purchase of diesel fuel therefor which is:

- 177 (a) Used exclusively for agricultural purposes;  
178 (b) Used on land owned or leased for the purpose of producing farm products; and  
179 (c) Used directly in producing farm products to be sold ultimately in processed form or  
180 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
181 ultimately in processed form at retail;

182 (24) Except as otherwise provided in section 144.032, all sales of metered water service,  
183 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil  
184 for domestic use and in any city not within a county, all sales of metered or unmetered water  
185 service for domestic use:

186 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
187 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
188 within a county, metered or unmetered water service, which an individual occupant of a  
189 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
190 service through a single or master meter for residential apartments or condominiums, including  
191 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.  
192 Each seller shall establish and maintain a system whereby individual purchases are determined  
193 as exempt or nonexempt;

194 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
195 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
196 with and approved by the Missouri public service commission. Sales and purchases made  
197 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf  
198 of the occupants of residential apartments or condominiums through a single or master meter,  
199 including service for common areas and facilities and vacant units, shall be considered as sales  
200 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
201 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility  
202 service rate classification and the provision of service thereunder shall be conclusive as to  
203 whether or not the utility must charge sales tax;

204 (c) Each person making domestic use purchases of services or property and who uses any  
205 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
206 of the fourth month following the year of purchase, and without assessment, notice or demand,  
207 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
208 nondomestic purchases of services or property and who uses any portion of the services or  
209 property so purchased for domestic use, and each person making domestic purchases on behalf  
210 of occupants of residential apartments or condominiums through a single or master meter,  
211 including service for common areas and facilities and vacant units, under a nonresidential utility  
212 service rate classification may, between the first day of the first month and the fifteenth day of  
213 the fourth month following the year of purchase, apply for credit or refund to the director of  
214 revenue and the director shall give credit or make refund for taxes paid on the domestic use  
215 portion of the purchase. The person making such purchases on behalf of occupants of residential  
216 apartments or condominiums shall have standing to apply to the director of revenue for such  
217 credit or refund;

218 (25) All sales of handicraft items made by the seller or the seller's spouse if the seller or  
219 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such  
220 sales do not constitute a majority of the annual gross income of the seller;

221 (26) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,  
222 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of  
223 revenue shall promulgate rules pursuant to chapter 536 to eliminate all state and local sales taxes  
224 on such excise taxes;

225 (27) Sales of fuel consumed or used in the operation of ships, barges, or waterborne  
226 vessels which are used primarily in or for the transportation of property or cargo, or the  
227 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,  
228 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while  
229 it is afloat upon such river;

230 (28) All sales made to an interstate compact agency created pursuant to sections 70.370  
231 to 70.441 or sections 238.010 to 238.100 in the exercise of the functions and activities of such  
232 agency as provided pursuant to the compact;

233 (29) Computers, computer software and computer security systems purchased for use  
234 by architectural or engineering firms headquartered in this state. For the purposes of this  
235 subdivision, "headquartered in this state" means the office for the administrative management  
236 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri.  
237 **The provisions of this subdivision shall expire on December 31, 2015;**

238 (30) All livestock sales when either the seller is engaged in the growing, producing or  
239 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering  
240 or leasing of such livestock;

241 (31) All sales of barges which are to be used primarily in the transportation of property  
242 or cargo on interstate waterways;

243 (32) Electrical energy or gas, whether natural, artificial or propane, water, or other  
244 utilities which are ultimately consumed in connection with the manufacturing of cellular glass  
245 products or in any material recovery processing plant as defined in subdivision (5) of this  
246 subsection;

247 (33) Notwithstanding other provisions of law to the contrary, all sales of pesticides or  
248 herbicides used in the production of crops, aquaculture, livestock or poultry;

249 (34) Tangible personal property and utilities purchased for use or consumption directly  
250 or exclusively in the research and development of agricultural/biotechnology and plant genomics  
251 products and prescription pharmaceuticals consumed by humans or animals;

252 (35) All sales of grain bins for storage of grain for resale;

253 (36) All sales of feed which are developed for and used in the feeding of pets owned by  
254 a commercial breeder when such sales are made to a commercial breeder, as defined in section  
255 273.325, and licensed pursuant to sections 273.325 to 273.357;

256 (37) All purchases by a contractor on behalf of an entity located in another state,  
257 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
258 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
259 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
260 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
261 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's  
262 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
263 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
264 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
265 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result  
266 of use of the invalid exemption certificate. Materials shall be exempt from all state and local  
267 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible  
268 personal property which is used in fulfilling a contract for the purpose of constructing, repairing  
269 or remodeling facilities for the following:

270 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
271 project exemption certificates in accordance with the provisions of section 144.062; or

272 (b) An exempt entity located outside the state if the exempt entity is authorized to issue  
273 an exemption certificate to contractors in accordance with the provisions of that state's law and  
274 the applicable provisions of this section;

275 (38) All sales or other transfers of tangible personal property to a lessor who leases the  
276 property under a lease of one year or longer executed or in effect at the time of the sale or other  
277 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441 or sections  
278 238.010 to 238.100;

279 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility  
280 owned or operated by a governmental authority or commission, a quasi-governmental agency,  
281 a state university or college or by the state or any political subdivision thereof, including a  
282 municipality, and that is played on a neutral site and may reasonably be played at a site located  
283 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that  
284 is not located on the campus of a conference member institution participating in the event. **The**  
285 **provisions of this subdivision shall expire on December 31, 2015;**

286 (40) All purchases by a sports complex authority created under section 64.920, and all  
287 sales of utilities by such authority at the authority's cost that are consumed in connection with  
288 the operation of a sports complex leased to a professional sports team. **The provisions of this**  
289 **subdivision shall expire on December 31, 2015;**

290 (41) All materials, replacement parts, and equipment purchased for use directly upon,  
291 and for the modification, replacement, repair, and maintenance of aircraft, aircraft power plants,  
292 and aircraft accessories;

293 (42) Sales of sporting clays, wobble, skeet, and trap targets to any shooting range or  
294 similar places of business for use in the normal course of business and money received by a  
295 shooting range or similar places of business from patrons and held by a shooting range or similar  
296 place of business for redistribution to patrons at the conclusion of a shooting event.

297 3. Any ruling, agreement, or contract, whether written or oral, express or implied,  
298 between a person and this state's executive branch, or any other state agency or department,  
299 stating, agreeing, or ruling that such person is not required to collect sales and use tax in this  
300 state despite the presence of a warehouse, distribution center, or fulfillment center in this state  
301 that is owned or operated by the person or an affiliated person shall be null and void unless it is  
302 specifically approved by a majority vote of each of the houses of the general assembly. For  
303 purposes of this subsection, an "affiliated person" means any person that is a member of the same  
304 controlled group of corporations as defined in Section 1563(a) of the Internal Revenue Code of  
305 1986, as amended, as the vendor or any other entity that, notwithstanding its form of  
306 organization, bears the same ownership relationship to the vendor as a corporation that is a

307 member of the same controlled group of corporations as defined in Section 1563(a) of the  
308 Internal Revenue Code, as amended.

144.037. In addition to the exemptions granted under the provisions of section 144.030,  
2 there is hereby specifically exempted from the provisions of sections 66.600 to 66.635, sections  
3 67.500 to 67.545, sections 67.671 to 67.685, sections 67.700 to 67.729, sections 92.400 to  
4 92.420, sections 94.500 to 94.570, sections 94.600 to 94.655, sections 94.700 to 94.755, and  
5 sections 144.010 to 144.510 and 144.600 to 144.745, and from the computation of the tax levied,  
6 assessed or payable under sections 66.600 to 66.635, sections 67.500 to 67.545, sections 67.671  
7 to 67.685, sections 67.700 to 67.729, sections 92.400 to 92.420, sections 94.500 to 94.570,  
8 sections 94.600 to 94.655, sections 94.700 to 94.755, and sections 144.010 to 144.510 and  
9 144.600 to 144.745, all sales at retail made through the use of federal food stamp coupons. **The**  
10 **provisions of this section shall expire on December 31, 2015.**

144.039. In addition to the exemptions granted under the provisions of section 144.030,  
2 there shall also be specifically exempted from the provisions of sections 66.600 to 66.635,  
3 sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730  
4 to 67.739, 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655,  
5 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745 and from the  
6 computation of the tax levied, assessed or payable under sections 66.600 to 66.635, sections  
7 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730 to 67.739,  
8 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655, 94.700 to  
9 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, purchases of all tangible  
10 personal property made by, or on behalf of, a state senator or state representative if such  
11 purchases are made from funds in such state senator's or state representative's state expense  
12 account. **The provisions of this section shall expire on December 31, 2015.**

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

2 (1) "Sale of a modular unit", a transfer of a modular unit as defined in section 700.010;  
3 (2) "Sale of a new manufactured home", a transfer of a manufactured home, as defined in section  
4 700.010, which involves the delivery of the document known as the manufacturer's statement of  
5 origin to a person other than a manufactured home dealer, as dealer is defined in section 700.010,  
6 for purposes of allowing such person to obtain a title to the manufactured home from the  
7 department of revenue of this state or the appropriate agency or officer of any other state.

8 2. In the event of the sale of a new manufactured home, forty percent of the purchase  
9 price, as defined in section 700.320, shall be considered the sale of a service and not the sale of  
10 tangible personal property. In addition to the exemptions granted under the provisions of section  
11 144.030, the sale of services as defined in this section shall be specifically exempted from the  
12 provisions of sections 238.235 and 238.410, the local sales tax law as defined in section 32.085,

13 sections 144.010 to 144.525 and 144.600 to 144.745, and from the computation of the tax levied,  
14 assessed or payable under sections 238.235 and 238.410, the local sales tax law as defined in  
15 section 32.085, sections 144.010 to 144.525 and 144.600 to 144.745, and section 238.235.

16 3. In the event of the sale of a new modular unit, forty percent of the retail sale of the unit  
17 or forty percent of the manufacturer's sales price of the unit if the manufacturer makes a sale to  
18 a consumer that is not a retail sale, plus any carrier charge and freight charges shall be considered  
19 the sale of a service and sixty percent shall be the retail sale of tangible personal property. In  
20 addition to the exemptions granted under the provisions of section 144.030, the sale of services  
21 as defined in this section shall be specifically exempted from the provisions of sections 238.235  
22 and 238.410, the local sales tax law as defined in section 32.085, sections 144.010 to 144.525  
23 and 144.600 to 144.745, and from the computation of the tax levied, assessed, or payable under  
24 sections 238.235 and 238.410, the local sales tax law as defined in section 32.085, sections  
25 144.010 to 144.525 and 144.600 to 144.745, and section 238.235.

26 **4. The provisions of this section shall expire on December 31, 2015.**

144.045. 1. Notwithstanding any other provision of law to the contrary, the department  
2 of revenue shall not consider the transfer for consideration of court transcripts, depositions,  
3 compressed transcripts, exhibits, computer disks containing any such item, or copies of any such  
4 item which are prepared by a court reporter as tangible personal property, but rather as a  
5 nontaxable service for purposes of administrative interpretation. [In addition, the department of  
6 revenue shall, for purposes of administrative interpretation, consider as nontaxable any  
7 machinery or equipment meeting the definition of "farm machinery" under subdivision (23) of  
8 subsection 2 of section 144.030, whether or not such machinery or equipment is attached to a  
9 vehicle or real property.]

10 2. In addition to the exemptions granted under the provisions of section 144.030, there  
11 shall also be specifically exempted from the provisions of sections 144.010 to 144.525, sections  
12 144.600 to 144.748, section 238.235, and from the provisions of any local sales tax law, as  
13 defined in section 32.085, and from the computation of the tax levied, assessed or payable under  
14 sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, and under any local  
15 sales tax law, as defined in section 32.085, all sales of court transcripts, depositions, compressed  
16 transcripts, exhibits, computer disks containing any such item, and all copies of any such item,  
17 which are prepared by a court reporter.

18 **3. The provisions of subsections 1 and 2 of this section shall expire on December 31,**  
19 **2015.**

20 **4. The department of revenue shall, for purposes of administrative interpretation,**  
21 **consider as nontaxable any machinery or equipment meeting the definition of "farm**

22 **machinery” under subdivision (23) of subsection 2 of section 144.030, whether or not such**  
23 **machinery or equipment is attached to a vehicle or real property.**

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

2 (1) "Processing", any mode of treatment, act, or series of acts performed upon materials  
3 to transform or reduce them to a different state or thing, including treatment necessary to  
4 maintain or preserve such processing by the producer at the production facility;

5 (2) "Recovered materials", those materials which have been diverted or removed from  
6 the solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent  
7 separation and processing.

8 2. In addition to all other exemptions granted under this chapter, there is hereby  
9 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to  
10 144.761, and from the computation of the tax levied, assessed, or payable under sections 144.010  
11 to 144.525 and 144.600 to 144.761, electrical energy and gas, whether natural, artificial, or  
12 propane, water, coal, and energy sources, chemicals, machinery, equipment, and materials used  
13 or consumed in the manufacturing, processing, compounding, mining, or producing of any  
14 product, or used or consumed in the processing of recovered materials, or used in research and  
15 development related to manufacturing, processing, compounding, mining, or producing any  
16 product. The exemptions granted in this subsection shall not apply to local sales taxes as defined  
17 in section 32.085 and the provisions of this subsection shall be in addition to any state and local  
18 sales tax exemption provided in section 144.030.

19 3. In addition to all other exemptions granted under this chapter, there is hereby  
20 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to  
21 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from  
22 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and  
23 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,  
24 all utilities, machinery, and equipment used or consumed directly in television or radio  
25 broadcasting and all sales and purchases of tangible personal property, utilities, services, or any  
26 other transaction that would otherwise be subject to the state or local sales or use tax when such  
27 sales are made to or purchases are made by a contractor for use in fulfillment of any obligation  
28 under a defense contract with the United States government **prior to December 31, 2015**, and  
29 all sales and leases of tangible personal property by any county, city, incorporated town, or  
30 village, **made prior to December 31, 2015**, provided such sale or lease is authorized under  
31 chapter 100, and such transaction is certified for sales tax exemption by the department of  
32 economic development, and tangible personal property used for railroad infrastructure brought  
33 into this state for processing, fabrication, or other modification for use outside the state in the  
34 regular course of business.

35 4. In addition to all other exemptions granted under this chapter, there is hereby  
36 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to  
37 144.761, and section 238.235, and the local sales tax law as defined in section 32.085, and from  
38 the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and  
39 144.600 to 144.761, and section 238.235, and the local sales tax law as defined in section 32.085,  
40 all sales and purchases of tangible personal property, utilities, services, or any other transaction  
41 that would otherwise be subject to the state or local sales or use tax when such sales are made  
42 to or purchases are made by a private partner for use in completing a project under sections  
43 227.600 to 227.669.

144.057. In addition to the exemptions granted under this chapter, there shall also be  
2 specifically exempted from state and local sales and use taxes defined, levied, or calculated under  
3 section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235,  
4 all tangible personal property included on the United States munitions list, as provided in 22  
5 CFR 121.1, sold to or purchased by any foreign government or agency or instrumentality of such  
6 foreign government which is used for a governmental purpose. **The provisions of this section**  
7 **shall expire on December 31, 2015.**

144.062. 1. With respect to exempt sales at retail of tangible personal property and  
2 materials for the purpose of constructing, repairing or remodeling facilities for:

3 (1) A county, other political subdivision or instrumentality thereof exempt from taxation  
4 under subdivision (10) of Section 39 of Article III of the Constitution of Missouri; or

5 (2) An organization sales to which are exempt from taxation under the provisions of  
6 subdivision (20) of subsection 2 of section 144.030; or

7 (3) Any institution of higher education supported by public funds or any private  
8 not-for-profit institution of higher education, exempt from taxation under subdivision (21) of  
9 subsection 2 of section 144.030; or

10 (4) Any private not-for-profit elementary or secondary school exempt from taxation  
11 under subdivision (23) of subsection 2 of section 144.030; or

12 (5) Any authority exempt from taxation under subdivision (40) of subsection 2 of section  
13 144.030; or

14 (6) After June 30, 2007, **but before December 31, 2015**, the department of  
15 transportation or the state highways and transportation commission; hereinafter collectively  
16 referred to as exempt entities, such exemptions shall be allowed for such purchases if the  
17 purchases are related to the entities' exempt functions and activities. In addition, the sales shall  
18 not be rendered nonexempt nor shall any material supplier or contractor be obligated to pay,  
19 collect or remit sales tax with respect to such purchases made by or on behalf of an exempt entity  
20 due to such purchases being billed to or paid for by a contractor or the exempt entity contracting

21 with any entity to render any services in relation to such purchases, including but not limited to  
22 selection of materials, ordering, pickup, delivery, approval on delivery, taking of delivery,  
23 transportation, storage, assumption of risk of loss to materials or providing warranties on  
24 materials as specified by contract, use of materials or other purchases for construction of the  
25 building or other facility, providing labor, management services, administrative services, design  
26 or technical services or advice to the exempt entity, whether or not the contractor or other entity  
27 exercises dominion or control in any other manner over the materials in conjunction with  
28 services or labor provided to the exempt entity.

29         2. When any exempt entity contracts for the purpose of constructing, repairing or  
30 remodeling facilities, and purchases of tangible personal property and materials to be  
31 incorporated into or consumed in the construction of the project are to be made on a tax-exempt  
32 basis, such entity shall furnish to the contractor an exemption certificate authorizing such  
33 purchases for the construction, repair or remodeling project. The form and content of such  
34 project exemption certificate shall be approved by the director of revenue. The project  
35 exemption certificate shall include but not be limited to:

36             (1) The exempt entity's name, address, Missouri tax identification number and signature  
37 of authorized representative;

38             (2) The project location, description, and unique identification number;

39             (3) The date the contract is entered into, which is the earliest date materials may be  
40 purchased for the project on a tax-exempt basis;

41             (4) The estimated project completion date; and

42             (5) The certificate expiration date.

43 Such certificate is renewable for a given project at the option of the exempt entity, only for the  
44 purpose of revising the certificate expiration date as necessary to complete the project.

45         3. The contractor shall furnish the certificate prescribed in subsection 2 of this section  
46 to all subcontractors, and any contractor purchasing materials shall present such certificate to all  
47 material suppliers as authorization to purchase, on behalf of the exempt entity, all tangible  
48 personal property and materials to be incorporated into or consumed in the construction of that  
49 project and no other on a tax-exempt basis. Such suppliers shall execute to the purchasing  
50 contractor invoices bearing the name of the exempt entity and the project identification number.  
51 Nothing in this section shall be deemed to exempt the purchase of any construction machinery,  
52 equipment or tools used in constructing, repairing or remodeling facilities for the exempt entity.  
53 All invoices for all personal property and materials purchased under a project exemption  
54 certificate shall be retained by the purchasing contractor for a period of five years and shall be  
55 subject to audit by the director of revenue.

56 4. Any excess resalable tangible personal property or materials which were purchased  
57 for the project by a contractor under a project exemption certificate but which were not  
58 incorporated into or consumed in the construction of the project shall either be returned to the  
59 supplier for credit or the appropriate sales or use tax on such excess property or materials shall  
60 be reported on a return and paid by such contractor not later than the due date of the contractor's  
61 Missouri sales or use tax return following the month in which it was determined that the  
62 materials were not to be used in the project.

63 5. No contractor or material supplier shall, upon audit, be required to pay tax on tangible  
64 personal property and materials incorporated into or consumed in the construction of the project  
65 due to the failure of the exempt entity to revise the certificate expiration date as necessary to  
66 complete any work required by the contract. If it is determined that tax is owed on such property  
67 and materials due to the failure of the exempt entity to revise such certificate expiration date, the  
68 exempt entity shall be liable for the tax owed.

69 6. If an entity issues exemption certificates for the purchase of tangible personal property  
70 and materials which are incorporated into or consumed in the construction of its project and such  
71 entity is found not to have had the authority granted by this section to issue such exemption  
72 certificates, then such entity shall be liable for the tax owed on such personal property and  
73 materials. In addition, if an entity which does have the authority granted by this section to issue  
74 exemption certificates issues such certificates for the purchase of tangible personal property and  
75 materials which are incorporated into or consumed in the construction of a project, or part of a  
76 project, which is found not to be related to such entity's exempt functions and activities, then  
77 such entity shall be liable for the tax owed on such personal property and materials.

144.518. 1. In addition to the exemptions granted pursuant to section 144.030, there is  
2 hereby specifically exempted from the provisions of sections 144.010 to 144.525, sections  
3 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236, section  
4 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax law as  
5 defined in section 32.085, and from the computation of the tax levied, assessed or payable  
6 pursuant to sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to  
7 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section 573.505,  
8 section 644.032, and any local sales tax law as defined in section 32.085, coin-operated  
9 amusement devices and parts for such devices purchased prior to September 1, 2007, where sales  
10 tax is paid on the gross receipts derived from the use of such devices. **The provisions of this**  
11 **subsection shall expire on December 31, 2015.**

12 2. Beginning September 1, 2007, in addition to any other exemption provided by law,  
13 there is hereby specifically exempted from the provisions of sections 144.010 to 144.525,  
14 sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section 238.236,

15 section 238.410, section 321.242, section 573.505, section 644.032, and any local sales tax law  
16 as defined in section 32.085, and from the computation of the tax levied, assessed, or payable  
17 pursuant to sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to  
18 190.337, section 238.235, section 238.236, section 238.410, section 321.242, section 573.505,  
19 section 644.032, and any local sales tax law as defined in section 32.085, amounts paid for the  
20 temporary use of a coin-operated amusement device. **The provisions of this subsection shall**  
21 **expire on December 31, 2015.**

22 3. As used in this section, "coin-operated amusement device" means a device accepting  
23 payment or items representing payments to allow one or more users temporary use of the device  
24 for entertainment or amusement purposes. Examples of coin-operated amusement devices  
25 include, but are not limited to, video games, pinball games, table games such as billiards and air  
26 hockey, and redemption games such as the claw and skee ball that may award prizes of tangible  
27 personal property.

28 4. In addition to any other exemptions provided by law, there is hereby specifically  
29 exempted from the provisions of sections 144.010 to 144.525, sections 144.600 to 144.761,  
30 sections 190.335 to 190.337, section 238.235, section 238.236, section 238.410, section 321.242,  
31 section 573.505, section 644.032, and any local sales tax law as defined in section 32.085, and  
32 from the computation of the tax levied, assessed, or payable pursuant to sections 144.010 to  
33 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, section 238.235, section  
34 238.236, section 238.410, section 321.242, section 573.505, section 644.032, and any local sales  
35 tax law as defined in section 32.085, vending machines or parts for vending machines used in  
36 a commercial vending business where sales tax is paid on the gross receipts derived from such  
37 vending machines.

144.526. 1. This section shall be known and may be cited as the "Show Me Green Sales  
2 Tax Holiday".

3 2. For purposes of this section, the following terms mean:

4 (1) "Appliance", clothes washers and dryers, water heaters, trash compactors,  
5 dishwashers, conventional ovens, ranges, stoves, air conditioners, furnaces, refrigerators and  
6 freezers; and

7 (2) "Energy star certified", any appliance approved by both the United States  
8 Environmental Protection Agency and the United States Department of Energy as eligible to  
9 display the energy star label, as amended from time to time.

10 3. In each year beginning on or after January 1, 2009, there is hereby specifically  
11 exempted from state sales tax law all retail sales of any energy star certified new appliance, up  
12 to one thousand five hundred dollars per appliance, during a seven-day period beginning at 12:01  
13 a.m. on April nineteenth and ending at midnight on April twenty-fifth.

14 4. A political subdivision may allow the sales tax holiday under this section to apply to  
15 its local sales taxes by enacting an ordinance to that effect. Any such political subdivision shall  
16 notify the department of revenue not less than forty-five calendar days prior to the beginning date  
17 of the sales tax holiday occurring in that year of any such ordinance or order.

18 5. This section may not apply to any retailer when less than two percent of the retailer's  
19 merchandise offered for sale qualifies for the sales tax holiday. The retailer shall offer a sales  
20 tax refund in lieu of the sales tax holiday.

21 **6. The provisions of this section shall expire on December 31, 2015.**

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

13 2. During the period beginning on January 1, 2010, but ending on or after June 30, 2010,  
14 the department of economic development shall not approve applications for tax credits under the  
15 provisions of subsections 3 and 8 of section 253.559 which, in the aggregate, exceed seventy  
16 million dollars, increased by any amount of tax credits for which approval shall be rescinded  
17 under the provisions of section 253.559. For each fiscal year beginning on or after July 1, 2010,  
18 **but ending on or before June 30, 2016**, the department of economic development shall not  
19 approve applications for tax credits under the provisions of subsections 3 and 8 of section  
20 253.559 which, in the aggregate, exceed one hundred forty million dollars, increased by any  
21 amount of tax credits for which approval shall be rescinded under the provisions of section  
22 253.559. **The total amount of tax credits eligible to be awarded under the provisions of**  
23 **subsections 3 and 8 of section 253.559 shall be reduced each year for ten years in equal**  
24 **amounts beginning with the 2017 fiscal year until the total amount of tax credits eligible**  
25 **to be awarded is one hundred twenty million dollars, increased by any amount of tax**  
26 **credits for which approval shall be rescinded under the provisions of section 253.559.** The  
27 limitations provided under this subsection shall not apply to applications approved under the  
28 provisions of subsection 3 of section 253.559 for projects to receive less than two hundred

29 seventy-five thousand dollars in tax credits. **The total amount of tax credits eligible to be**  
30 **awarded under the provisions of section 253.559 for projects to receive less than two**  
31 **hundred seventy-five thousand dollars in tax credits shall be reduced each year for ten**  
32 **years in equal amounts beginning with the 2017 fiscal year until the total amount of tax**  
33 **credits eligible to be awarded is twenty million dollars.**

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

39 4. The limitations on tax credit authorization provided under the provisions of  
40 subsections 2 and 3 of this section shall not apply to:

41 (1) Any application submitted by a taxpayer, which has received approval from the  
42 department prior to January 1, 2010; or

43 (2) Any taxpayer applying for tax credits, provided under this section, which, on or  
44 before January 1, 2010, has filed an application with the department evidencing that such  
45 taxpayer:

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

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

262.250. 1. The commission may charge a fee on any entry to be paid at the time of  
2 entry. All animals and articles must be entered in their proper classes and no other. The director  
3 shall determine all questions of classification.

4 2. In addition to any exemption in chapter 144, no sales taxes shall be levied and  
5 collected on any entry fee or charge authorized in this section. **The provisions of this**  
6 **subsection shall expire on December 31, 2015.**

313.821. 1. In addition to the exemptions granted under the provisions of section  
2 144.030, there shall also be specifically exempted from the provisions of sections 66.600 to  
3 66.635, sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729,  
4 67.730 to 67.739, and 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to  
5 94.655, and 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, and  
6 from the computation of the tax levied, assessed or payable under sections 66.600 to 66.635,

7 sections 67.500 to 67.545, 67.547, 67.581, 67.582, 67.671 to 67.685, 67.700 to 67.729, 67.730  
8 to 67.739, and 67.782, sections 92.400 to 92.420, sections 94.500 to 94.570, 94.600 to 94.655,  
9 and 94.700 to 94.755, and sections 144.010 to 144.510 and 144.600 to 144.745, any state or local  
10 admission fees imposed upon excursion gambling boat operators to be collected from each  
11 passenger boarding such excursion gambling boats. **The provisions of this subsection shall**  
12 **expire on December 31, 2015.**

13 2. Nothing in this section shall exempt from the taxes referenced in subsection 1 of this  
14 section any fees of admission voluntarily charged by excursion boat gambling operators to  
15 passengers boarding such excursion gambling boats.

447.708. 1. For eligible projects, the director of the department of economic  
2 development, with notice to the directors of the departments of natural resources and revenue,  
3 and subject to the other provisions of sections 447.700 to 447.718, may not create a new  
4 enterprise zone but may decide that a prospective operator of a facility being remedied and  
5 renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions  
6 pursuant to sections 135.100 to 135.150 and sections 135.200 to 135.257. The tax credits  
7 allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143,  
8 excluding withholding tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed  
9 by chapter 147, or the tax otherwise imposed by chapter 148. For purposes of this subsection:

10 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, the eligible  
11 project must create at least ten new jobs or retain businesses which supply at least twenty-five  
12 existing jobs. The city, or county if the eligible project is not located in a city, must provide ad  
13 valorem tax abatement of at least fifty percent for a period not less than ten years and not more  
14 than twenty-five years;

15 (2) For receipt of the income tax exemption pursuant to section 135.220 and tax credit  
16 for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225,  
17 the eligible project must create at least ten new jobs or retain businesses which supply at least  
18 twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718,  
19 the tax credits described in section 135.225 are modified as follows: the tax credit shall be four  
20 hundred dollars per employee per year, an additional four hundred dollars per year for each  
21 employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new  
22 and existing businesses, respectively, an additional four hundred dollars per year for each person  
23 who is a person difficult to employ as defined by section 135.240, and investment tax credits at  
24 the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225;

25 (3) For eligibility to receive the income tax refund pursuant to section 135.245, the  
26 eligible project must create at least ten new jobs or retain businesses which supply at least  
27 twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of

28 section 135.245 for application and use of the refund and the eligibility requirements of this  
29 section;

30 (4) The eligible project operates in compliance with applicable environmental laws and  
31 regulations, including permitting and registration requirements, of this state as well as the federal  
32 and local requirements;

33 (5) The eligible project operator shall file such reports as may be required by the director  
34 of economic development or the director's designee;

35 (6) The taxpayer may claim the state tax credits authorized by this subsection and the  
36 state income exemption for a period not in excess of ten consecutive tax years. For the purpose  
37 of this section, "taxpayer" means an individual proprietorship, partnership or corporation  
38 described in section 143.441 or 143.471 who operates an eligible project. The director shall  
39 determine the number of years the taxpayer may claim the state tax credits and the state income  
40 exemption based on the projected net state economic benefits attributed to the eligible project;

41 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1),  
42 (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and  
43 maintained during the taxpayer's tax period for which the credits are earned, in the case of an  
44 eligible project that does not replace a similar facility in Missouri. "New job" means a person  
45 who was not previously employed by the taxpayer or related taxpayer within the twelve-month  
46 period immediately preceding the time the person was employed by that taxpayer to work at, or  
47 in connection with, the eligible project on a full-time basis. "Full-time basis" means the  
48 employee works an average of at least thirty-five hours per week during the taxpayer's tax period  
49 for which the tax credits are earned. For the purposes of this section, related taxpayer has the  
50 same meaning as defined in subdivision (9) of section 135.100;

51 (8) For the purpose of meeting the existing job retention requirement, if the eligible  
52 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the  
53 taxpayer's tax period in which the tax credits are earned, it shall be required that at least  
54 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time  
55 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a  
56 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to  
57 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period  
58 in which the tax credits are earned, within the tax period immediately preceding the time the  
59 person was employed by the taxpayer to work at, or in connection with, the eligible project on  
60 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five  
61 hours per week during the taxpayer's tax period for which the tax credits are earned;

62 (9) In the case where an eligible project replaces a similar facility that closed elsewhere  
63 in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the

64 owner and operator of the eligible project shall provide the director with a written statement  
65 explaining the reason for discontinuing operations at the closed facility. The statement shall  
66 include a comparison of the activities performed at the closed facility prior to the date the facility  
67 ceased operating, to the activities performed at the eligible project, and a detailed account  
68 describing the need and rationale for relocating to the eligible project. If the director finds the  
69 relocation to the eligible project significantly impaired the economic stability of the area in  
70 which the closed facility was located, and that such move was detrimental to the overall  
71 economic development efforts of the state, the director may deny the taxpayer's request to claim  
72 tax benefits;

73 (10) Notwithstanding any provision of law to the contrary, for the purpose of this  
74 section, the number of new jobs created and maintained, the number of existing jobs retained,  
75 and the value of new qualified investment used at the eligible project during any tax year shall  
76 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals  
77 employed at the eligible project, or in the case of new qualified investment, the value of new  
78 qualified investment used at the eligible project, on the last business day of each full calendar  
79 month of the tax year. If the eligible project is in operation for less than the entire tax year, the  
80 number of new jobs created and maintained, the number of existing jobs retained, and the value  
81 of new qualified investment created at the eligible project during any tax year shall be  
82 determined by dividing the sum of the number of individuals employed at the eligible project,  
83 or in the case of new qualified investment, the value of new qualified investment used at the  
84 eligible project, on the last business day of each full calendar month during the portion of the tax  
85 year during which the eligible project was in operation, by the number of full calendar months  
86 during such period;

87 (11) For the purpose of this section, "new qualified investment" means new business  
88 facility investment as defined and as determined in subdivision (7) of section 135.100 which is  
89 used at and in connection with the eligible project. "New qualified investment" shall not include  
90 small tools, supplies and inventory. "Small tools" means tools that are portable and can be hand  
91 held.

92 2. The determination of the director of economic development pursuant to subsection  
93 1 of this section shall not affect requirements for the prospective purchaser to obtain the approval  
94 of the granting of real property tax abatement by the municipal or county government where the  
95 eligible project is located.

96 3. (1) The director of the department of economic development, with the approval of  
97 the director of the department of natural resources, may, in addition to the tax credits allowed  
98 in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one  
99 hundred percent of the costs of materials, supplies, equipment, labor, professional engineering,

100 consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement,  
101 and direct utility charges for performing the voluntary remediation activities for the preexisting  
102 hazardous substance contamination and releases, including, but not limited to, the costs of  
103 performing operation and maintenance of the remediation equipment at the property beyond the  
104 year in which the systems and equipment are built and installed at the eligible project and the  
105 costs of performing the voluntary remediation activities over a period not in excess of four tax  
106 years following the taxpayer's tax year in which the system and equipment were first put into use  
107 at the eligible project, provided the remediation activities are the subject of a plan submitted to,  
108 and approved by, the director of natural resources pursuant to sections 260.565 to 260.575. The  
109 tax credit may also include up to one hundred percent of the costs of demolition that are not  
110 directly part of the remediation activities, provided that the demolition is on the property where  
111 the voluntary remediation activities are occurring, the demolition is necessary to accomplish the  
112 planned use of the facility where the remediation activities are occurring, and the demolition is  
113 part of a redevelopment plan approved by the municipal or county government and the  
114 department of economic development. The demolition may occur on an adjacent property if the  
115 project is located in a municipality which has a population less than twenty thousand and the  
116 above conditions are otherwise met. The adjacent property shall independently qualify as  
117 abandoned or underutilized. The amount of the credit available for demolition not associated  
118 with remediation cannot exceed the total amount of credits approved for remediation including  
119 demolition required for remediation.

120 (2) The amount of remediation tax credits issued shall be limited to the least amount  
121 necessary to cause the project to occur, as determined by the director of the department of  
122 economic development.

123 (3) The director may, with the approval of the director of natural resources, extend the  
124 tax credits allowed for performing voluntary remediation maintenance activities, in increments  
125 of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed  
126 in this subsection shall be used to offset the tax imposed by chapter 143, excluding withholding  
127 tax imposed by sections 143.191 to 143.265, or the tax otherwise imposed by chapter 147, or the  
128 tax otherwise imposed by chapter 148. The remediation tax credit may be taken in the same tax  
129 year in which the tax credits are received or may be taken over a period not to exceed twenty  
130 years.

131 (4) The project facility shall be projected to create at least ten new jobs or at least  
132 twenty-five retained jobs, or a combination thereof, as determined by the department of  
133 economic development, to be eligible for tax credits pursuant to this section.

134 (5) No more than seventy-five percent of earned remediation tax credits may be issued  
135 when the remediation costs were paid, and the remaining percentage may be issued when the

136 department of natural resources issues a letter of completion letter or covenant not to sue  
137 following completion of the voluntary remediation activities. It shall not include any costs  
138 associated with ongoing operational environmental compliance of the facility or remediation  
139 costs arising out of spills, leaks, or other releases arising out of the ongoing business operations  
140 of the facility. In the event the department of natural resources issues a letter of completion for  
141 a portion of a property, an impacted media such as soil or groundwater, or for a site or a portion  
142 of a site improvement, a prorated amount of the remaining percentage may be released based on  
143 the percentage of the total site receiving a letter of completion.

144 4. In the exercise of the sound discretion of the director of the department of economic  
145 development or the director's designee, the tax credits and exemptions described in this section  
146 may be terminated, suspended or revoked, if the eligible project fails to continue to meet the  
147 conditions set forth in this section. In making such a determination, the director shall consider  
148 the severity of the condition violation, actions taken to correct the violation, the frequency of any  
149 condition violations and whether the actions exhibit a pattern of conduct by the eligible facility  
150 owner and operator. The director shall also consider changes in general economic conditions and  
151 the recommendation of the director of the department of natural resources, or his or her designee,  
152 concerning the severity, scope, nature, frequency and extent of any violations of the  
153 environmental compliance conditions. The taxpayer or person claiming the tax credits or  
154 exemptions may appeal the decision regarding termination, suspension or revocation of any tax  
155 credit or exemption in accordance with the procedures outlined in subsections 4 [to 6] **and 5** of  
156 section 135.250. The director of the department of economic development shall notify the  
157 directors of the departments of natural resources and revenue of the termination, suspension or  
158 revocation of any tax credits as determined in this section or pursuant to the provisions of section  
159 447.716.

160 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax  
161 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1  
162 of this section and the tax credits otherwise allowed in section 135.110, or the tax credits,  
163 exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245,  
164 respectively, for the same facility for the same tax period.

165 6. The total amount of the tax credits allowed in subsection 1 of this section may not  
166 exceed the greater of:

167 (1) That portion of the taxpayer's income attributed to the eligible project; or

168 (2) One hundred percent of the total business' income tax if the eligible facility does not  
169 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax  
170 period in which the tax credits are earned, and further provided the taxpayer does not operate any  
171 other facilities besides the eligible project in Missouri; fifty percent of the total business' income

172 tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the  
173 end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer  
174 does not operate any other facilities besides the eligible project in Missouri; or twenty-five  
175 percent of the total business income if the taxpayer operates, in addition to the eligible facility,  
176 any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible  
177 project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business  
178 income in any tax period. That portion of the taxpayer's income attributed to the eligible project  
179 as referenced in subdivision (1) of this subsection, for which the credits allowed in sections  
180 135.110 and 135.225 and subsection 3 of this section, may apply, shall be determined in the same  
181 manner as prescribed in subdivision [(6)] (7) of section 135.100. That portion of the taxpayer's  
182 franchise tax attributed to the eligible project for which the remediation tax credit may offset,  
183 shall be determined in the same manner as prescribed in paragraph (a) of subdivision [(6)] (7)  
184 of section 135.100.

185 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of  
186 subsection 1 of this section shall be required to file all applicable tax credit applications, forms  
187 and schedules prescribed by the director during the taxpayer's tax period immediately after the  
188 tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to  
189 claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax  
190 credits shall not be carried forward but shall be initially claimed for the tax period during which  
191 the eligible project was first capable of being used, and during any applicable subsequent tax  
192 periods.

193 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section  
194 shall be required to file all applicable tax credit applications, forms and schedules prescribed by  
195 the director during the taxpayer's tax period immediately after the tax period in which the eligible  
196 project was first put into use, or during the taxpayer's tax period immediately after the tax period  
197 in which the voluntary remediation activities were performed.

198 9. The recipient of remediation tax credits, for the purpose of this subsection referred to  
199 as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed  
200 in subsection 3 of this section to any other person, for the purpose of this subsection referred to  
201 as assignee. To perfect the transfer, the assignor shall provide written notice to the director of  
202 the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective,  
203 the assignee's name, address and the assignee's tax period and the amount of tax credits to be  
204 transferred. The number of tax periods during which the assignee may subsequently claim the  
205 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor  
206 previously claimed the credits before the transfer occurred.

207           10. In the case where an operator and assignor of an eligible project has been certified  
208 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and  
209 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who  
210 continues the same or substantially similar operations at the eligible project, the director shall  
211 allow the assignee to claim the credits for a period of time to be determined by the director;  
212 except that, the total number of tax periods the tax credits may be earned by the assignor and the  
213 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice  
214 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the  
215 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount  
216 of tax credits to be transferred.

217           11. For the purpose of the state tax benefits described in this section, in the case of a  
218 corporation described in section 143.471 or partnership, in computing Missouri's tax liability,  
219 such state benefits shall be allowed to the following:

220           (1) The shareholders of the corporation described in section 143.471;

221           (2) The partners of the partnership. The credit provided in this subsection shall be  
222 apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion  
223 to their share of ownership on the last day of the taxpayer's tax period.

224           **12. No new tax credits shall be authorized under the provisions of this section after**  
225 **December 31, 2015.**

620.1881. 1. The department of economic development shall respond within thirty days  
2 to a company who provides a notice of intent with either an approval or a rejection of the notice  
3 of intent. The department shall give preference to qualified companies and projects targeted at  
4 an area of the state which has recently been classified as a disaster area by the federal  
5 government. Failure to respond on behalf of the department of economic development shall  
6 result in the notice of intent being deemed an approval for the purposes of this section. A  
7 qualified company who is provided an approval for a project shall be allowed a benefit as  
8 provided in this program in the amount and duration provided in this section. A qualified  
9 company may receive additional periods for subsequent new jobs at the same facility after the  
10 full initial period if the minimum thresholds are met as set forth in sections 620.1875 to  
11 620.1890. There is no limit on the number of periods a qualified company may participate in the  
12 program, as long as the minimum thresholds are achieved and the qualified company provides  
13 the department with the required reporting and is in proper compliance for this program or other  
14 state programs. A qualified company may elect to file a notice of intent to start a new project  
15 period concurrent with an existing project period if the minimum thresholds are achieved and  
16 the qualified company provides the department with the required reporting and is in proper  
17 compliance for this program and other state programs; however, the qualified company may not

18 receive any further benefit under the original approval for jobs created after the date of the new  
19 notice of intent, and any jobs created before the new notice of intent may not be included as new  
20 jobs for the purpose of benefit calculation in relation to the new approval. When a qualified  
21 company has filed and received approval of a notice of intent and subsequently files another  
22 notice of intent, the department shall apply the definition of project facility under subdivision  
23 (19) of section 620.1878 to the new notice of intent as well as all previously approved notices  
24 of intent and shall determine the application of the definitions of new job, new payroll, project  
25 facility base employment, and project facility base payroll accordingly.

26         2. Notwithstanding any provision of law to the contrary, any qualified company that is  
27 awarded benefits under this program may not simultaneously receive tax credits or exemptions  
28 under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections  
29 135.900 to 135.906 at the same project facility. The benefits available to the company under any  
30 other state programs for which the company is eligible and which utilize withholding tax from  
31 the new jobs of the company must first be credited to the other state program before the  
32 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.  
33 These other state programs include, but are not limited to, the Missouri works jobs training  
34 program under sections 620.800 to 620.809, the real property tax increment allocation  
35 redevelopment act, sections 99.800 to 99.865, or the Missouri downtown and rural economic  
36 stimulus act under sections 99.915 to 99.980. If any qualified company also participates in the  
37 Missouri works jobs training program in sections 620.800 to 620.809, the company shall retain  
38 no withholding tax, but the department shall issue a refundable tax credit for the full amount of  
39 benefit allowed under this subdivision. The calendar year annual maximum amount of tax  
40 credits which may be issued to a qualifying company that also participates in the new job training  
41 program shall be increased by an amount equivalent to the withholding tax retained by that  
42 company under the new jobs training program. However, if the combined benefits of the quality  
43 jobs program and the new jobs training program exceed the projected state benefit of the project,  
44 as determined by the department of economic development through a cost-benefit analysis, the  
45 increase in the maximum tax credits shall be limited to the amount that would not cause the  
46 combined benefits to exceed the projected state benefit. Any taxpayer who is awarded benefits  
47 under this program who knowingly hires individuals who are not allowed to work legally in the  
48 United States shall immediately forfeit such benefits and shall repay the state an amount equal  
49 to any state tax credits already redeemed and any withholding taxes already retained.

50         3. The types of projects and the amount of benefits to be provided are:

51         (1) Small and expanding business projects: in exchange for the consideration provided  
52 by the new tax revenues and other economic stimuli that will be generated by the new jobs  
53 created by the program, a qualified company may retain an amount equal to the withholding tax

54 as calculated under subdivision (33) of section 620.1878 from the new jobs that would otherwise  
55 be withheld and remitted by the qualified company under the provisions of sections 143.191 to  
56 143.265 for a period of three years from the date the required number of new jobs were created  
57 if the average wage of the new payroll equals or exceeds the county average wage or for a period  
58 of five years from the date the required number of new jobs were created if the average wage of  
59 the new payroll equals or exceeds one hundred twenty percent of the county average wage;

60 (2) Technology business projects: in exchange for the consideration provided by the new  
61 tax revenues and other economic stimuli that will be generated by the new jobs created by the  
62 program, a qualified company may retain an amount equal to a maximum of five percent of new  
63 payroll for a period of five years from the date the required number of jobs were created from  
64 the withholding tax of the new jobs that would otherwise be withheld and remitted by the  
65 qualified company under the provisions of sections 143.191 to 143.265 if the average wage of  
66 the new payroll equals or exceeds the county average wage. An additional one-half percent of  
67 new payroll may be added to the five percent maximum if the average wage of the new payroll  
68 in any year exceeds one hundred twenty percent of the county average wage in the county in  
69 which the project facility is located, plus an additional one-half percent of new payroll may be  
70 added if the average wage of the new payroll in any year exceeds one hundred forty percent of  
71 the average wage in the county in which the project facility is located. The department shall  
72 issue a refundable tax credit for any difference between the amount of benefit allowed under this  
73 subdivision and the amount of withholding tax retained by the company, in the event the  
74 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified  
75 company under this subdivision;

76 (3) High impact projects: in exchange for the consideration provided by the new tax  
77 revenues and other economic stimuli that will be generated by the new jobs created by the  
78 program, a qualified company may retain an amount from the withholding tax of the new jobs  
79 that would otherwise be withheld and remitted by the qualified company under the provisions  
80 of sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years  
81 from the date the required number of jobs were created if the average wage of the new payroll  
82 equals or exceeds the county average wage of the county in which the project facility is located.  
83 For high-impact projects in a facility located within two adjacent counties, the new payroll shall  
84 equal or exceed the higher county average wage of the adjacent counties. The percentage of  
85 payroll allowed under this subdivision shall be three and one-half percent of new payroll if the  
86 average wage of the new payroll in any year exceeds one hundred twenty percent of the county  
87 average wage in the county in which the project facility is located. The percentage of payroll  
88 allowed under this subdivision shall be four percent of new payroll if the average wage of the  
89 new payroll in any year exceeds one hundred forty percent of the county average wage in the

90 county in which the project facility is located. An additional one percent of new payroll may be  
91 added to these percentages if local incentives equal between ten percent and twenty-four percent  
92 of the new direct local revenue; an additional two percent of new payroll is added to these  
93 percentages if the local incentives equal between twenty-five percent and forty-nine percent of  
94 the new direct local revenue; or an additional three percent of payroll is added to these  
95 percentages if the local incentives equal fifty percent or more of the new direct local revenue.  
96 The department shall issue a refundable tax credit for any difference between the amount of  
97 benefit allowed under this subdivision and the amount of withholding tax retained by the  
98 company, in the event the withholding tax is not sufficient to provide the entire amount of benefit  
99 due to the qualified company under this subdivision;

100 (4) Job retention projects: a qualified company may receive a tax credit for the retention  
101 of jobs in this state, provided the qualified company and the project meets all of the following  
102 conditions:

103 (a) For each of the twenty-four months preceding the year in which application for the  
104 program is made the qualified company must have maintained at least one thousand full-time  
105 employees at the employer's site in the state at which the jobs are based, and the average wage  
106 of such employees must meet or exceed the county average wage;

107 (b) The qualified company retained at the project facility the level of full-time employees  
108 that existed in the taxable year immediately preceding the year in which application for the  
109 program is made;

110 (c) The qualified company is considered to have a significant statewide effect on the  
111 economy, and has been determined to represent a substantial risk of relocation from the state by  
112 the quality jobs advisory task force established in section 620.1887; provided, however, until  
113 such time as the initial at-large members of the quality jobs advisory task force are appointed,  
114 this determination shall be made by the director of the department of economic development;

115 (d) The qualified company in the project facility will cause to be invested a minimum  
116 of seventy million dollars in new investment prior to the end of two years or will cause to be  
117 invested a minimum of thirty million dollars in new investment prior to the end of two years and  
118 maintain an annual payroll of at least seventy million dollars during each of the years for which  
119 a credit is claimed; and

120 (e) The local taxing entities shall provide local incentives of at least fifty percent of the  
121 new direct local revenues created by the project over a ten-year period.

122 The quality jobs advisory task force may recommend to the department of economic  
123 development that appropriate penalties be applied to the company for violating the agreement.  
124 The amount of the job retention credit granted may be equal to up to fifty percent of the amount  
125 of withholding tax generated by the full-time jobs at the project facility for a period of five years.

126 The calendar year annual maximum amount of tax credit that may be issued to any qualified  
127 company for a job retention project or combination of job retention projects shall be seven  
128 hundred fifty thousand dollars per year, but the maximum amount may be increased up to one  
129 million dollars if such action is proposed by the department and approved by the quality jobs  
130 advisory task force established in section 620.1887; provided, however, until such time as the  
131 initial at-large members of the quality jobs advisory task force are appointed, this determination  
132 shall be made by the director of the department of economic development. In considering such  
133 a request, the task force shall rely on economic modeling and other information supplied by the  
134 department when requesting the increased limit on behalf of the job retention project. In no  
135 event shall the total amount of all tax credits issued for the entire job retention program under  
136 this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits  
137 shall be issued for job retention projects approved by the department after August 30, 2013;

138 (5) Small business job retention and flood survivor relief: a qualified company may  
139 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood  
140 survivor relief in this state for each job retained over a three-year period, provided that:

141 (a) The qualified company did not receive any state or federal benefits, incentives, or tax  
142 relief or abatement in locating its facility in a flood plain;

143 (b) The qualified company and related companies have fewer than one hundred  
144 employees at the time application for the program is made;

145 (c) The average wage of the qualified company's and related companies' employees must  
146 meet or exceed the county average wage;

147 (d) All of the qualified company's and related companies' facilities are located in this  
148 state;

149 (e) The facilities at the primary business site in this state have been directly damaged by  
150 floodwater rising above the level of a five hundred year flood at least two years, but fewer than  
151 eight years, prior to the time application is made;

152 (f) The qualified company made significant efforts to protect the facilities prior to any  
153 impending danger from rising floodwaters;

154 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the  
155 qualified company and related companies retained, at the company's facilities in this state, at  
156 least the level of full-time, year-round employees that existed in the taxable year immediately  
157 preceding the year in which application for the program is made; and

158 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company  
159 cumulatively invests at least two million dollars in capital improvements in facilities and  
160 equipment located at such facilities that are not located within a five hundred year flood plain  
161 as designated by the Federal Emergency Management Agency, and amended from time to time.

162 The amount of the small business job retention and flood survivor relief credit granted may be  
163 equal to up to one hundred percent of the amount of withholding tax generated by the full-time  
164 jobs at the project facility for a period of three years. The calendar year annual maximum  
165 amount of tax credit that may be issued to any qualified company for a small business job  
166 retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the  
167 maximum amount may be increased up to five hundred thousand dollars if such action is  
168 proposed by the department and approved by the quality jobs advisory task force established in  
169 section 620.1887. In considering such a request, the task force shall rely on economic modeling  
170 and other information supplied by the department when requesting an increase in the limit on  
171 behalf of the small business job retention and flood survivor relief project. In no event shall the  
172 total amount of all tax credits issued for the entire small business job retention and flood survivor  
173 relief program under this subdivision exceed five hundred thousand dollars annually.  
174 Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued  
175 for small business job retention and flood survivor relief projects approved by the department  
176 after August 30, 2010.

177 4. The qualified company shall provide an annual report of the number of jobs and such  
178 other information as may be required by the department to document the basis for the benefits  
179 of this program. The department may withhold the approval of any benefits until it is satisfied  
180 that proper documentation has been provided, and shall reduce the benefits to reflect any  
181 reduction in full-time employees or new payroll. Upon approval by the department, the qualified  
182 company may begin the retention of the withholding taxes when it reaches the minimum number  
183 of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be  
184 issued upon satisfaction by the department that the qualified company has exceeded the county  
185 average wage and the minimum number of new jobs. In such annual report, if the average wage  
186 is below the county average wage, the qualified company has not maintained the employee  
187 insurance as required, or if the number of new jobs is below the minimum, the qualified  
188 company shall not receive tax credits or retain the withholding tax for the balance of the benefit  
189 period. In the case of a qualified company that initially filed a notice of intent and received an  
190 approval from the department for high-impact benefits and the minimum number of new jobs  
191 in an annual report is below the minimum for high-impact projects, the company shall not  
192 receive tax credits for the balance of the benefit period but may continue to retain the  
193 withholding taxes if it otherwise meets the requirements of a small and expanding business under  
194 this program.

195 5. The maximum calendar year annual tax credits issued for the entire program shall not  
196 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the  
197 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten

198 million dollars to eight million dollars, with the balance of two million dollars transferred to this  
199 program. There shall be no limit on the amount of withholding taxes that may be retained by  
200 approved companies under this program.

201           6. The department shall allocate the annual tax credits based on the date of the approval,  
202 reserving such tax credits based on the department's best estimate of new jobs and new payroll  
203 of the project, and the other factors in the determination of benefits of this program. However,  
204 the annual issuance of tax credits is subject to the annual verification of the actual new payroll.  
205 The allocation of tax credits for the period assigned to a project shall expire if, within two years  
206 from the date of commencement of operations, or approval if applicable, the minimum  
207 thresholds have not been achieved. The qualified company may retain authorized amounts from  
208 the withholding tax under this section once the minimum new jobs thresholds are met for the  
209 duration of the project period. No benefits shall be provided under this program until the  
210 qualified company meets the minimum new jobs thresholds. In the event the qualified company  
211 does not meet the minimum new job threshold, the qualified company may submit a new notice  
212 of intent or the department may provide a new approval for a new project of the qualified  
213 company at the project facility or other facilities.

214           7. For a qualified company with flow-through tax treatment to its members, partners, or  
215 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion  
216 to their share of ownership on the last day of the qualified company's tax period.

217           8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,  
218 and may not be carried forward but shall be claimed within one year of the close of the taxable  
219 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this  
220 section.

221           9. Tax credits authorized by this section may be transferred, sold, or assigned by filing  
222 a notarized endorsement thereof with the department that names the transferee, the amount of  
223 tax credit transferred, and the value received for the credit, as well as any other information  
224 reasonably requested by the department.

225           10. Prior to the issuance of tax credits, the department shall verify through the  
226 department of revenue, or any other state department, that the tax credit applicant does not owe  
227 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent  
228 fees or assessments levied by any state department and through the department of insurance,  
229 financial institutions and professional registration that the applicant does not owe any delinquent  
230 insurance taxes. Such delinquency shall not affect the authorization of the application for such  
231 tax credits, except that at issuance credits shall be first applied to the delinquency and any  
232 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue  
233 or the department of insurance, financial institutions and professional registration, or any other

234 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first  
235 of any year and the application of tax credits to such delinquency causes a tax deficiency on  
236 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the  
237 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all  
238 available credits toward a tax delinquency, the administering agency shall notify the appropriate  
239 department and that department shall update the amount of outstanding delinquent tax owed by  
240 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax  
241 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions  
242 of other provisions of law.

243         11. Except as provided under subdivision (4) of subsection 3 of this section, the director  
244 of revenue shall issue a refund to the qualified company to the extent that the amount of credits  
245 allowed in this section exceeds the amount of the qualified company's income tax.

246         12. An employee of a qualified company will receive full credit for the amount of tax  
247 withheld as provided in section 143.211.

248         13. If any provision of sections 620.1875 to 620.1890 or application thereof to any  
249 person or circumstance is held invalid, the invalidity shall not affect other provisions or  
250 application of these sections which can be given effect without the invalid provisions or  
251 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared  
252 severable.

253         **14. The provisions of this section shall expire on December 31, 2027. The total**  
254 **amount of tax credits eligible to be awarded under subsection 5 of this section shall be**  
255 **reduced each year for ten years in equal amounts beginning with the 2017 fiscal year until**  
256 **no tax credits are eligible to be awarded under this section.**

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