

FIRST REGULAR SESSION

HOUSE BILL NO. 676

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROWDEN.

0504H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to the education innovation investment act.

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

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be
2 known as section 135.1680, to read as follows:

**135.1680. 1. This section shall be known and may be cited as the “Education
2 Innovation Investment Act”.**

3 2. As used in this section, the following terms mean:

**4 (1) “Business income”, income greater than zero arising from transactions and
5 activities in the regular course of the taxpayer's trade or business. Business income shall
6 not include compensation as such term is defined under subsection 1 of article IV of section
7 32.200, or any income arising from farming or agribusiness transactions or activities;**

8 (2) “Department”, the department of economic development;

**9 (3) “Eligible business”, a newly created business or expanding business which
10 creates new jobs that does not, as any percentage of its business activity, engage in retail
11 sales, real estate dealings, or any professional services as such term is defined in
12 subdivision (5) of section 356.021;**

13 (4) “Institution”, all public two-year and four-year higher education institutions;

**14 (5) “New job”, the number of newly created full-time employee positions located
15 in an unused or vacant area, less any decrease in the number of full-time employee
16 positions for the business. No job that was created prior to the effective date of this section
17 shall be deemed a new job. No employee who was employed by the eligible business in any**

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.

18 capacity prior to the effective date of this section shall be able to qualify for a new job. An
19 employee who spends less than fifty percent of his or her work time in an unused or vacant
20 area shall be considered to be located in an unused or vacant area if he or she receives his
21 or her directions and control from an unused or vacant area, one hundred percent of the
22 employee's income from such employment is Missouri income, and the employee is paid
23 at or above the county's average wage;

24 (6) "Qualified taxpayer", any resident employed at a new job in an unused or
25 vacant area;

26 (7) "Unused or vacant area", a portion of land or building or office space owned
27 by the institution that is vacant or unused by the institution.

28 3. Institutions may contract with eligible businesses to establish a presence within
29 an unused or vacant area provided that:

30 (1) The institution can demonstrate to the satisfaction of the department that the
31 eligible business is currently aligned with or would further the academic mission of the
32 institution;

33 (2) The business's participation would have a positive community and economic
34 impact, including an analysis of whether the business would compete with businesses
35 within the same community;

36 (3) The institution and department agree on reasonable performance metrics for the
37 eligible business, including the number of new jobs to be created; and

38 (4) No land that was acquired by the institution by right of condemnation after
39 August 28, 2015, is used.

40 4. For all taxable years beginning on or after January 1, 2016, in addition to all
41 other modifications allowed by law, an eligible business shall be allowed to subtract fifty
42 percent of the eligible business's business income from the eligible business's federal
43 adjusted gross income when determining Missouri adjusted gross income, to the extent
44 such business income is included in federally adjusted gross income for the first five years
45 the eligible business is located in an unused or vacant area.

46 5. For all taxable years beginning on or after January 1, 2016, in addition to all
47 other modifications allowed by law, a qualified taxpayer shall be allowed to subtract ten
48 thousand dollars of the qualified taxpayer's income from the qualified taxpayer's federal
49 adjusted gross income when determining Missouri adjusted gross income, to the extent
50 such income is included in federally adjusted gross income for the first five years the
51 qualified taxpayer is employed at a new job in an unused or vacant area.

52 6. An eligible business that relocates away from the unused or vacant area for any
53 reason shall immediately become ineligible for the tax benefits provided under this section.

54 **7. An eligible business that does not meet the performance metrics established**
55 **under subsection 3 of this section shall be subject to such sanctions as the institution and**
56 **the department see fit to impose including reduction of benefits, suspension, and**
57 **termination of the agreement.**

58 **8. The department shall promulgate rules and regulations necessary to implement**
59 **the provisions of this section. Any rule or portion of a rule, as that term is defined in**
60 **section 536.010, that is created under the authority delegated in this section shall become**
61 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**
62 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**
63 **of the powers vested with the general assembly under chapter 536 to review, to delay the**
64 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
65 **then the grant of rulemaking authority and any rule proposed or adopted after August 28,**
66 **2015, shall be invalid and void.**

67 **9. Under section 23.253 of the Missouri sunset act:**

68 **(1) The provisions of the program authorized under this section shall automatically**
69 **sunset six years after August 28, 2015, unless reauthorized by an act of the general**
70 **assembly; and**

71 **(2) If such program is reauthorized, this section shall automatically sunset twelve**
72 **years after the effective date of the reauthorization of this section; and**

73 **(3) This section shall terminate on September first of the calendar year immediately**
74 **following the calendar year in which the program authorized under this section is sunset.**

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