

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for House Bill No. 1605, Page 1, in the Title, Lines 2-3, by
2 deleting the phrase "earned income tax credit" and inserting in lieu thereof the phrase "tax
3 incentives"; and
4
5 Further amend said bill, Page 2, Section 135.760, Line 51, by inserting immediately after all of said
6 line the following:

7
8 "143.1100. 1. This section shall be known and may be cited as the "Bring Jobs Home Act".

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

10 (1) "Business unit":

11 (a) Any trade or business; and

12 (b) Any line of business or function unit which is part of any trade or business;

13 (2) "Deduction":

14 (a) For individuals, an amount subtracted from the taxpayer's Missouri adjusted gross
15 income to determine Missouri taxable income for the tax year in which such deduction is claimed;
16 and

17 (b) For corporations, an amount subtracted from the taxpayer's Federal taxable income to
18 determine Missouri taxable income for the tax year in which such deduction is claimed;

19 (3) "Department", the department of economic development;

20 (4) "Eligible expenses":

21 (a) Any amount for which a deduction is allowed to the taxpayer under Section 162 of the
22 Internal Revenue Code of 1986, as amended, provided that such amounts shall be deductible to the
23 extent that such amounts are not deducted on the taxpayer's federal income tax return for that
24 taxable year; and

25 (b) Permit and license fees, lease brokerage fees, equipment installation costs, and other
26 similar expenses, provided that such expenses shall be deductible to the extent that such expenses
27 are not deducted on the taxpayer's federal income tax return for the taxable year;

28 (5) "Eligible insourcing expenses":

29 (a) Eligible expenses paid or incurred by the taxpayer in connection with the elimination of
30 any business unit of the taxpayer or of any member of any expanded affiliated group in which the
31 taxpayer is also a member located outside the state of Missouri; and

32 (b) Eligible expenses paid or incurred by the taxpayer in connection with the establishment
33 of any business unit of the taxpayer or of any member of any expanded affiliated group in which the
34 taxpayer is also a member located within the state of Missouri if such establishment constitutes the
35 relocation of the business unit so eliminated.

36 Standing Action Taken _____ Date _____

Select Action Taken _____ Date _____

1 For purposes of this subdivision, expenses shall be eligible if such elimination of the business unit
2 in another state or country occurs in a different taxable year from the establishment of the business
3 unit in Missouri;

4 (6) "Expanded affiliated group", an affiliated group as defined under Section 1504(a) of the
5 Internal Revenue Code of 1986, as amended, except to be determined without regard to Section
6 1504(b)(3) of the Internal Revenue Code of 1986, as amended, and determined by substituting "at
7 least eighty percent" with "more than fifty percent" each place the phrase appears under Section
8 1504(a) of the Internal Revenue Code of 1986, as amended. A partnership or any other entity other
9 than a corporation shall be treated as a member of an expanded affiliated group if such entity is
10 controlled by members of such group including any entity treated as a member of such group by
11 reason of this subdivision;

12 (7) "Full-time equivalent employee", a number of employees equal to the number
13 determined by dividing the total number of hours of service for which wages were paid by the
14 employer to employees during the taxable year, by two thousand eighty;

15 (8) "Insourcing plan", a written plan to carry out the establishment of a business unit in
16 Missouri as described in subdivision (5) of this subsection;

17 (9) "Taxpayer", any individual, firm, partner in a firm, corporation, partnership, shareholder
18 in an S corporation, or member of a limited liability company subject to the income tax imposed
19 under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265.

20 3. For all taxable years beginning on or after January 1, 2016, a taxpayer shall be allowed a
21 deduction equal to fifty percent of the taxpayer's eligible insourcing expenses in the taxable year
22 chosen under subsection 5 of this section. The amount of the deduction claimed shall not exceed the
23 amount of:

24 (1) For individuals, the taxpayer's Missouri adjusted gross income for the taxable year the
25 deduction is claimed; and

26 (2) For corporations, the taxpayer's Missouri taxable income for the taxable year the
27 deduction is claimed.

28 However, any amount of the deduction that cannot be claimed in the taxable year may be carried
29 over to the next five succeeding taxable years until the full deduction has been claimed.

30 4. No deduction shall be allowed under this section until the department determines that the
31 number of full-time equivalent employees of the taxpayer in the taxable year the deduction is
32 claimed exceeds the number of full-time equivalent employees of the taxpayer in the taxable year
33 prior to the taxpayer incurring any eligible insourcing expenses.

34 5. Only eligible insourcing expenses that occur in the taxable year such expenses are paid or
35 incurred and:

36 (1) The taxpayer's insourcing plan is completed; or

37 (2) The first taxable year after the taxpayer's insourcing plan is completed;

38 shall be used to calculate the deduction allowed under this section.

39 6. Notwithstanding any other provision of law to the contrary, no deduction shall be allowed
40 for any expenses incurred due to dissolving a business unit in Missouri and relocating such business
41 unit to another state.

42 7. The total amount of deductions authorized under this section shall not exceed five million
43 dollars in any taxable year. In the event that more than five million dollars in deductions are
44 claimed in a taxable year, deductions shall be issued on a first-come, first-served filing basis.

45 8. A taxpayer who receives a deduction under the provisions of this section shall be
46 ineligible to receive incentives under the provisions of any other state tax deduction program for the
47 same expenses incurred.
48

1 9. Any taxpayer allowed a deduction under this section who, within ten years of receiving
2 such deduction, eliminates the business unit for which the deduction was allowed shall repay the
3 amount of tax savings realized from the deduction to the state, prorated by the number of years the
4 business unit was in this state.

5 10. The department of economic development and the department of revenue shall
6 promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that
7 term is defined in section 536.010, that is created under the authority delegated in this section shall
8 become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
9 applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the
10 powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective
11 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
12 rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and
13 void.

14 11. Under section 23.253 of the Missouri sunset act:

15 (1) The provisions of the new program authorized under this section shall automatically
16 sunset six years after the effective date, unless reauthorized by an act of the general assembly; and

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

19 (3) This section shall terminate on September first of the calendar year immediately
20 following the calendar year in which the program authorized under this section is sunset." ; and

21
22 Further amend said bill by amending the title, enacting clause, and intersectional references
23 accordingly.
24