Rules of
Department of Agriculture
Division 100—Missouri Agricultural and Small Business Development Authority
Chapter 10—New Generation Cooperative Incentive Tax Credit Program

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Chapter 10—New Generation Cooperative Incentive Tax Credit Program

PURPOSE: This rule describes the operation of the program, defines terms, establishes the method used to distribute the tax credits, and repayment of tax credits.

(1) General Organization.
(A) The Missouri Agricultural and Small Business Development Authority is authorized to issue new generation cooperative incentive tax credits to members of an eligible new generation cooperative as defined in section 348.432, RSMo.
(B) Issuance—Tax credits will be issued on a first-come, first-serve basis when the required criteria specified herein is met. If the authority receives more tax credit applications (FORM A) than the amount of available tax credits, the authority will issue the credit payback amount of tax credits which exceed the available amount will be placed on a waiting list to be issued once additional tax credits become available.
(C) Allocation—In allocating tax credits to projects, priority will be given to those projects not having previously received a new generation cooperative incentive tax credit allocation. The authority will provide a letter of conditional approval to any eligible new generation cooperative applicant that conforms to the law and guidelines stated herein.

(2) Definitions. As used in this rule, the following shall mean:
(A) “Employee Qualified Capital Project”: Sixty (60) full-time employees or equivalent must be employed no later than twenty-four (24) months from the time the eligible new generation cooperative becomes operational.
(B) “Employee”: An employee of the eligible new generation cooperative is someone who works a minimum of thirty-five (35) hours per week as defined in section 348.432, RSMo.
(C) “Maintenance of sixty (60) employees”: Sixty (60) employees, once reached during or at the end of the twenty-four (24)-month period, must be maintained on a continual basis for sixty (60) months.
(D) Proration—If members’ investment in a new generation “large capital project” cooperative is someone who works a minimum of thirty-five (35) hours per week as defined in section 348.432, RSMo.

(3) Operation of the Program.
(A) Application—New generation cooperative applicants may submit applications to the authority on a continuous basis. In Fiscal Year 2001 through December 31, 2010 (when the tax credit provision expires), up to six (6) million dollars in tax credits are available per fiscal year. Of these tax credit allocation amounts, each year the authority will reserve ten percent (10%) of the credits for “small capital projects.” The balance of tax credits will be available for “large capital projects” and “employee qualified capital projects.” After December 31 of each year, the authority will release any unallocated “small capital project” tax credits for “large capital projects” and “employee qualified capital projects” or any unallocated “large capital projects” and “employee qualified capital projects” tax credits to “small capital project.”
(B) Issuance—Tax credits will be issued on a first-come, first-serve basis when the required criteria specified herein is met. If the authority receives more tax credit applications (FORM A) than the amount of available tax credits, the authority will issue the credit payback amount of tax credits which exceed the available amount will be placed on a waiting list to be issued once additional tax credits become available.

(4) Percentage of proration multiplied by the member’s maximum eligible tax credit equals the amount of tax credit which may be issued to each member.

(E) Repayment of Tax Credits—The authority may revoke, in full or part, any credits if—1) any representation made to the authority in connection with an application proves to have been false when made; 2) the application violates any conditions established by the Authority; or 3) the full-time employees or equivalency requirements are not met. In the event credits must be revoked as a result of underemployment for “employee qualified capital projects,” the credit payback amount will be prorated over a sixty (60)-month percentage basis. Repayment may be in the form of a cash payment or by voluntary relinquishment of the tax credits.
