MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

1616 Missouri Boulevard
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Jefferson City, Missouri 65102-0630
agriculture.mo.gov

Telephone: (573) 751-2129
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March 2, 2020

Dear Contributor:

The Missouri Agricultural and Small Business Development Authority (MASBDA) is soliciting bids for a limited amount of Agricultural Product Utilization Contributor Tax Credits.

The contributions you make to the authority directly fund the Missouri Value-Added Agriculture and Missouri Value-Added Agriculture "*Farm to Table*" Grant Programs, which are available to agricultural producers and agricultural businesses in Missouri.

The Missouri Value-Added Agriculture Grant Program provides funding for planning grant projects that add value to Missouri agricultural products and aid the economies of rural communities. These grants fund feasibility studies, marketing plans, and business plans that lead to the development of new or expanded uses for agricultural products.

The Missouri Value-Added Agriculture "*Farm to Table*" Grant Program provides funding for Missouri agricultural producers and agricultural businesses to access resources for processing locally grown agricultural products for use in schools and institutions within the State of Missouri. Eligible resources may include coolers, freezers, and washing, bagging, and packing equipment. Institutions include schools, correctional facilities, hospitals, nursing homes, long-term care facilities, and military bases.

Applications for both grant programs are evaluated on a competitive basis, with economic development potential for Missouri agricultural producers and rural communities serving as a primary component.

Complete program guidelines and the application form for the Agricultural Product Utilization Contributor Tax Credit contributions are available at https://agriculture.mo.gov/abd/financial/agproductcontr.php

Please contact our office at (573) 751-2129 if you have any questions or need additional information regarding these programs. Should you have specific questions regarding the tax consequences or implications of these credits, feel free to contact Sid Douglas or Megan Miller, Gilmore & Bell, at (816) 221-1000.

Sincerely,

Jill S. Wood
Executive Director

MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

AGRICULTURAL PRODUCT UTILIZATION CONTRIBUTOR TAX CREDIT

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2. Application Form

7/1/2019

AGRICULTURAL PRODUCT UTILIZATION CONTRIBUTOR TAX CREDIT

PROGRAM GUIDELINES

BACKGROUND

The Missouri Agricultural and Small Business Development Authority (the "Authority") is authorized by Chapter 348.430 RSMo 1999 of the Missouri Statutes (the "Contributor Tax Credit Statute") to grant an Agricultural Product Utilization Contributor Tax Credit ("tax credit") in an amount up to 100% of funds contributed by a person, partnership, corporation, trust, limited liability company, or other entity (the "Donor"). The contribution must be made to the Authority to be used for Missouri Value-Added Grants as approved by the Authority. The contribution must be received no later than June 5, 2020.

THE AUTHORITY'S TAX CREDIT

Upon acceptance of contributions (the "Contribution") and submission of the necessary forms and $100 application fee, the Donor making the Contribution will be issued a certificate for a state tax credit (the "tax credits") in an amount up to 100% of the amount of the Contribution. The amount of the contribution will be equal to the amount of cash contributed or the proceeds of marketable securities net any costs and expenses incurred to liquidate those securities.

Tax Credits may be used against the tax otherwise due pursuant to Chapters 143 (other than taxes withheld pursuant to sections 143.191 to 143.265), 147, and 148 RSMo. Effective August 28, 2016, there is no carry-back provision. Tax credits may be carried forward for up to four years. Tax credits may be applied to estimated quarterly taxes. Credits may be assigned, transferred or sold.

FORM OF APPLICATION

Attached to this description of the Authority's Agricultural Product Utilization Contributor Tax Credit Program is an application which must be used by persons wanting to submit a contribution for the Authority's consideration. The Authority reserves the right to reject any Application.

THE APPLICATION PROCESS

Competitive Application and Submission of Bid for Tax Credits. The Authority is required by statute to approve tax credits based on the least amount of credits required for the Contributions. Therefore, tax credits for Contributions to the Authority will be offered on a competitive basis. The Authority will publicize the availability of the tax credits in a manner to solicit the greatest number of Applicants along with a deadline for accepting Applications. Each potential Donor must fully complete an Application describing the proposed Contribution and the requested amount of tax credit. The minimum contribution which will be considered for tax credits is $100. The Application must be submitted to:

Consideration of the Application. If the Executive Director determines that the Application is complete and received within the published deadline, the Executive Director will schedule the Application for consideration at the Authority's next meeting. At that meeting, the Authority will act upon each of the Applications received, beginning in order with the Application requesting the least percentage of tax credits in relation to the Contribution up to the Application requesting the highest percentage of tax credits in relation to the Contribution (offset by the amount of any associated costs to obtain the Contribution), but not to exceed the maximum amount of tax credits permitted to be issued by the Authority. The Authority may approve a tax credit for an amount up to 100% of the Contribution by the Donor. In the event that more than one Applicant requests the same percentage of tax credits for their contributions and the award of those requested tax credits would use more than the remaining amount of tax credits available, the tax credits will be awarded proportionately based on the proposed amount of contributions to fully use the tax credits available. The Authority reserves the right to reject any Application, to postpone any action on the Application and to request additional information the Authority determines is necessary to properly consider the Application.

Approval. If the Authority approves the Application, the Authority will adopt a Resolution to the effect that the Application has been approved by the Authority. The Authority reserves the right to approve in whole or in part or reject any request and to request any additional information it deems necessary. The Authority will then notify the Applicant of the approval.

Contribution. Upon notification that the Application has been accepted, the Donor will make the Contribution to the Authority. Securities can be submitted in either physical or electronic form. *Electronic form is preferred.* The Contribution will be considered received the same day as the Authority receives the Donor's check, cashier's check or money order, or if the Donor wishes to make the Contribution by electronic means, the Contribution will be considered received the same day as the Authority's account is credited. Upon receipt of the Contribution the Authority will provide the Donor with verification of the Contribution. Verification will also be provided to the Missouri Department of Revenue.

ELIGIBLE USES OF CONTRIBUTIONS

For the Authority to accept a Contribution under the Tax Credit Statute the Contribution must be used for purposes set forth in of the Missouri Statutes. In summary, the Authority is permitted to use Contributions to provide financial or technical assistance to projects that add value to agricultural products and benefit the economy of a rural community. The Authority may award competitive grants for limited uses such as feasibility studies, marketing studies, legal assistance for business formation, or for consulting services in the building of the physical facilities or operation of the business. The goal is to benefit Missouri's agricultural producers by creating value-added agricultural products through new uses, new markets or further processing of raw agricultural products. It is also the goal to stimulate the creation of new generation cooperatives that involve agricultural producers in further processing agricultural products they produce.

Financial assistance provided by the Authority is limited to $2 million per project or the net state economic impact for that project, whichever is less. Grants may not exceed $200,000 per project.

Contributions Conditioned Upon the Use of Contribution Proceeds. The Authority is prohibited from providing any Donor with any consideration for their Contribution, other than a federal tax deduction, if applicable, and goodwill.

TAX CONSEQUENCES

Contributions to the Authority qualify as a charitable contribution under Section 170 of the Internal Revenue Code. The tax credits received may impact the amount of the charitable contribution and any Article X distribution received from the State of Missouri. The Missouri Department of Revenue computes any Article X distributions on the tax liability determined after application of the tax credits. Prospective Donors should consult their own tax advisors on the treatment of income tax consequences of their contributions. The Authority makes no representations regarding federal, state, or local tax consequences arising from a Contribution.

ADDITIONAL INFORMATION

A $50 fee will be charged for each tax credit transfer.

If additional Agricultural Product Utilization Contributor Tax Credit Applications are needed please feel free to copy the attached application.

Persons desiring additional information concerning the Agricultural Product Utilization Contributor Tax Credit Program should contact the Authority at:

MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

1616 Missouri Boulevard
PO Box 630
Jefferson City, MO 65102

Contact Person: Jill Wood
Phone: (573) 751-2129
Fax: (573) 522-2416
E-Mail: masbda@mda.mo.gov

MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

AGRICULTURAL PRODUCT UTILIZATION CONTRIBUTOR TAX CREDIT APPLICATION

The undersigned Applicant hereby submits this Application and requests the Missouri Agricultural and Small Business Development Authority (the "Authority") accept a Contribution, and, to the extent described herein, apply the proceeds of such Contribution for the purpose of providing financial and technical assistance to value-added agricultural project pursuant to the Authority's Agricultural Product Utilization Contributor Tax Credit Program.

The undersigned has read the Authority's Agricultural Product Utilization Contributor Tax Credit Program Description and Guidelines and submitted the $100 fee with this application.

Individual Name(s) or Name of Business Making Contribution: (If individuals plan to claim tax credit jointly, list both names.) _____

Address (Street, P.O. Box): _____

City: _____ State: _____ Zip Code: _____

County: (if in Missouri)_____ E-Mail address: _____

Contact: _____Title: _____

Telephone: (_____)_____ Fax: (_____)_____

Individual or Business Tax Year (check one) ____ Calendar Year ____ Fiscal Year

Beginning Date of Tax Year _____ Ending Date of Tax Year _____

Tax Identification Number _____

Social Security Number(s) _____

Missouri Tax Identification Number _____

Taxpayer (check one)*

____ Corporation ____ Individual ____Trust

____ Partnership ____ S-Corporation ____Limited Liability Company

____ Other Business Entity (Describe)_____

*If taxpayer is a Trust, form of Partnership, Limited Liability Company or S-Corporation, attach separate sheet to this application and identify the names, social security numbers/ federal employer identification numbers, and proportioned share of ownership of each beneficiary, partner, or shareholder. Aggregate proportionate shares or percent of ownership may not exceed 100%.

Total Amount of Proposed Contribution: $_____

Form of Contribution (check one): _____ Cash _____ Marketable Securities

Stock symbol (name): _____ # of shares (or approximate) _____

Amount of Requested Tax Credit: $_____

Proposed Date of Contribution (must be after the Authority's approval but prior to June 5, 2020.)

_____

Any other requirements for receiving the proposed Contribution: (please describe) _____

_____

_____

_____

_____

_____

CERTIFICATION OF APPLICANT

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application contains no information or data that is false or incorrect.

Dated this___ day of _____, _____

SIGNATURE: _____ **SIGNATURE:** _____

NAME: _____ **NAME:** _____

TITLE: _____ **TITLE:** _____