

APPENDIX 1

SUMMARY ITEMS THAT REDUCE TAX LIABILITY FOR MISSOURI TAXES BY TAX TYPE

BANK FRANCHISE

1. Net bad debt charge offs
2. Federal income tax deduction
3. Charitable contribution deduction
4. Other deductions (meals and entertainment, country club dues, bad debt recapture, officer life insurance)
5. Taxes deducted on federal return, shown on Schedule A (All taxes paid to the state of Missouri or any political subdivision thereof except taxes on real estate, unemployment taxes, bank tax, and taxes on tangible personal property owned by the taxpayer and held for lease or rental to others.)
6. Numerous tax credits (listed elsewhere)
7. Enterprise zone credit
8. Bank franchise tax credit

SAVINGS & LOAN ASSOCIATION – BUILDING & LOAN ASSOCIATION

1. Net bad debt charge offs
2. Federal income tax deduction
3. Charitable contribution deduction
4. Other deductions (meals and entertainment, country club dues, bad debt recapture, and officer life insurance)
5. Taxes deducted on federal return, shown on Schedule A (All taxes paid to the state of Missouri or any political subdivision thereof, except taxes on tangible personal property owned by the taxpayer and held for lease or rental to others, contributions paid pursuant to the unemployment compensation law of Missouri, real estate taxes, social security taxes, and sales and use taxes)
6. Numerous tax credits (listed elsewhere)
7. Enterprise zone credit

CREDIT UNION

1. Total operating expenses from NASCUS/NCUA Call Report
2. Dividends and interest paid on general shares (NASCUS/NCUA Call Report)
3. Loans charged off as bad debts
4. Other deductions (meals and entertainment, country club dues, bad debt recapture, and officer life insurance)
5. Taxes deducted on federal return, shown on Schedule A (All taxes paid to the state of Missouri or any political subdivision thereof, except taxes on tangible personal property owned by the taxpayer and held for lease or

rental to others, contributions paid pursuant to the unemployment compensation law of Missouri, real estate taxes, social security taxes, and sales and use taxes)

6. Numerous tax credits (listed elsewhere)
7. Enterprise zone credit

CREDIT INSTITUTION

1. Net bad debt charge offs
2. Federal income tax deduction
3. Charitable contribution deduction
4. Other deductions (meals and entertainment, country club dues, bad debt recapture, and officer life insurance)
5. Taxes deducted on federal return (All taxes paid to the State of Missouri or any political subdivision thereof are eligible except taxes on real estate, unemployment taxes, credit institution tax, and taxes on tangible personal property owned by the taxpayer and held for lease or rental to others.)
6. Numerous tax credits (listed elsewhere)
7. Enterprise zone credit

FRANCHISE

Line 2b – reduces total assets by amount of investments in and advances to subsidiaries over 50 percent owned

Line 3(a-d) – allows corporations with assets out of Missouri to apportion them

Line 7b – allows new corporations or corporations with changes in their accounting periods to prorate their tax based on the months of the short period.

Tax Credits – the following tax credits are allowable for the franchise tax:

- Affordable Housing Credit
- Agricultural Products Utilization Contributor
- Adoption Tax Credit
- Brownfield Jobs & Investment Credit
- Demolition Tax Credit
- Community Bank Investment Credit
- Development Reserve Credit
- Domestic Violence Tax Credit
- Export Finance Credit
- Family Development Account Credit
- Higher Education Scholarship Fund Credit
- Infrastructure Development Credit
- Small Business Investment Credit
- Low Income Housing Credit
- Maternity Home Credit
- Neighborhood Assistance Credit
- New Enterprise Creation Credit

New Generation Cooperative Incentive
Rebuilding Communities Credit
Transportation Development Tax Credit
Remediation Tax Credit
Small Business Incubator
Business Modernization and Tech
Rebuilding Communities and Neighborhood Preservation Act
Mature Worker Child Care Credit

CORPORATE INCOME

- 1 Net operating loss carrybacks and forwards.
- 2 Capital loss carryback and forward.
- 3 Separate excess contributions (contributions are limited by the Internal Revenue Service to 10 percent of the modified federal taxable income. Excess contributions may be carried forward five years).
- 4 Exempt U.S. obligation interest.
- 5 Federally taxable – Missouri exempt obligations.
- 6 Amount of any state income tax refund included in federal taxable income.
- 7 Capital gain exclusion from the sale of a low income housing project.
- 8 Fiduciary and Partnership modifications (items above associated with fiduciary and partnership income).
- 9 Federal income tax deduction.
- 10 Items which reduce the apportionment factor – non-Missouri source income and non-business income.
- 11 Missouri dividend deduction.
- 12 Enterprise zone modification.
- 13 Tax Credits.

INDIVIDUAL INCOME

Missouri Tax Credits

New or Expanded Business Facility
Development Reserve
Infrastructure Development
Export Finance
Missouri Low Income Housing
Missouri Business Modernization and Technology (Seed Capital)
Neighborhood Assistance
Affordable Housing Assistance
Special Needs Adoption
Enterprise Zone
Small Business Incubator
Small Business Investment (Capital)
Community Bank Investment
Qualified Research Expense
Higher Education Scholarship Fund

Brownfield "Jobs and Investment"
Youth Opportunities
Processed Wood Energy
Missouri Business Use Incentives for Large-Scale Development (BUILD)
Maternity Home
Shelter for Victims of Domestic Violence
Historic Preservation
Sponsorship and Mentoring Program
Charcoal Producers
Film Product
Wine and Grape Production
Rebuilding Communities
Skills Development
Advantage Missouri
Dry Fire Hydrant
Agricultural Product Utilization Contributor
New Generation Cooperative Incentive
Bank Tax Credit for S Corporation Shareholders
Family Development Account
New Enterprise Creation
Remediation
Disabled Access
Share Care Tax
Mature Worker Childcare Program
Rebuilding Communities and Neighborhood Preservation Act
Transportation Development
Demolition

Other Credits, Subtractions, and Deductions

Interest from exempt federal obligations
State income tax refund
Negative adjustments from Partnerships, Fiduciaries, S corporations
Railroad Retirement Benefits
Missouri Individual Medical Account Contributions
Capital Gain Deduction Due to Difference in Basis
Accumulation Distribution
Capital Gain Exclusion on Sale of Low Income Housing
Annual Deposits to Family Development Account
Missouri Higher Education Loan Authority Bond issuance and interest or
proceeds from sale
Annual contributions to MOST
Missouri Depreciation Adjustment
Pension Exemption
Filing status exemption
Standard Deduction:
or

Itemized Deduction:

- federal itemized
- social security and Medicare
- railroad retirement tax
- self-employment tax
- state and local income taxes

Federal tax deduction

Other federal tax

Dependent exemption

Dependents over 65 exemption

Self-employed health insurance deduction

Long-term care insurance deduction

Enterprise zone income modification

Credit for taxes paid to other states

Apportionment of Missouri source income

Property tax credit