IMPORTANT TAXATION CHANGES FROM 2026 LEGISLATIVE SESSION

MISSOURI DEPARTMENT OF REVENUE

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The following legislative changes affect the Missouri Department of Revenue's taxation processes and are effective August 28, 2026 (unless otherwise noted).

Historic Preservation Tax Credit (HB 3080)
This legislation modifies the state's Historic Preservation Tax Credit program by increasing tax credit percentages for rural and smaller areas, including nonprofit properties. This tax credit is administered by the Department of Economic Development. (Sections 253.544, 253.545, 253.550, 253.557, and 253.559)

Missouri Defense and Energy Independence Act (SB 1553)
This legislation authorizes the Department of Economic Development to award tax credits to a qualified company for qualified project costs incurred by the qualified company on or after January 1, 2027. No tax credit shall be authorized for any qualified company that incurs less than $5 million in qualified project costs. The act shall sunset on December 31, 2036, unless reauthorized by the General Assembly. (Section 620.164)

Critical Materials and Critical Pharmaceuticals (SB 1553)
This legislation expands the current manufacturing exemption to allow critical materials and critical pharmaceuticals to be exempt from state and local sales and use tax. (Section 144.054)

Wood Energy Tax Credit (SB 913)
This legislation extends the expiration date of the Wood Energy Tax Credit, a tax credit for the production of certain wood-energy processed wood products, to June 30, 2033. (Section 135.305)

Meat Processing Facilities Tax Credit (SB 913)
This legislation extends the sunset date of the Meat Processing Facility Investment Tax Credit, a tax credit for the expansion or modernization of meat processing facilities, to December 31, 2033. (Section 135.686)

Ethanol Retailer and Distributor Tax Credit (SB 913)
This legislation extends the sunset date of the Ethanol Retailer and Distributor Tax credit, a tax credit for the sale of higher ethanol blend fuels, to December 31, 2033. (Section 135.772)

Biodiesel Retail Sale Tax Credit (SB 913)
This legislation extends the sunset date of the Biodiesel Retailer and Distributor Tax Credit, a tax credit for the sale of biodiesel fuels, to December 31, 2033. The legislation provides that a taxpayer shall not be liable for penalties or interest on an income tax balance due if such taxpayer is denied part or all of a tax credit to which the taxpayer has qualified due to lack of available funds, and such denial causes a balance-due notice to be generated by the Department of Revenue or any other redeeming agency. Such taxpayers shall pay the balance due within sixty days or be subject to penalties and interest pursuant to current law. (Section 135.775)

Biodiesel Producer Tax Credit (SB 913)
This legislation extends the sunset date of the Biodiesel Producer Tax Credit, a tax credit for the production of biodiesel fuels, to December 31, 2033. (Section 135.778)

Railroad Infrastructure Tax Credit (SB 913)
This legislation authorizes a tax credit for all tax years beginning on or after January 1, 2027, in the amount of fifty percent of an eligible taxpayer's qualified railroad expenditures and qualified new rail infrastructure expenditures. The tax credit is administered by the Department of Economic Development. This act shall sunset on December 31, 2032, unless reauthorized by the General Assembly. (Section 135.1210)

Urban Farms Tax Credit (SB 913)
This legislation extends the sunset date of the Urban Farms Tax Credit, a tax credit for the establishment or improvement of urban farms, to December 31, 2033. (Section 135.1610)

Rolling Stock Tax Credit (SB 913)
This legislation extends the sunset date of the Rolling Stock Tax Credit, a tax credit for eligible expenses incurred in the manufacture, maintenance, or improvement of a freight line company's qualified rolling stock, to December 31, 2033. (Section 137.1018)

Agriculture Production Tax Credits (SB 913)
This legislation extends the sunset date of the Agriculture Production Tax Credit, a tax credit for contributions to the Missouri Agriculture and Small Business Development Authority and investments in new generation cooperatives for the purpose of development of agricultural business, to December 31, 2033. (Section 348.436)

Specialty Agriculture Crops (SB 913)
This legislation extends the sunset date of the "Specialty Agricultural Crops Act" loan program for family farmers and tax credits for lenders, to December 31, 2033. (Sections 348.491 and 348.493)

Recorder Fees (SB 938)
This legislation states that user fees should be charged by every recorder in the state as a condition precedent to the recording of any instrument. A total of nine dollars is charged with three dollars being retained by the recorder to be deposited into the recorders fund, three dollars to be deposited to the Missouri Housing Trust Fund, two dollars to be deposited to the Missouri Land Survey Fund, and one dollar to be deposited to the Local Records Preservation Fund. (Section 59.319)

Certified Mailing (HB 2180)
This legislation authorizes the department to issue notices using first-class mail or electronic delivery, in lieu of certified or registered mail. (Sections 32.058 and 143.611)

Hemp-derived Cannabinoid Products (HB 2641)
Effective November 12, 2026, hemp-derived cannabinoid products are included in the definition of marijuana and subject to the legal framework contained in Article XIV of the Constitution of Missouri. Hemp-derived cannabinoid products will be taxed at the same rate as marijuana retail sales. (Section 195.900)

Cash Payment Rounding (HB 2819)
This legislation allows a business to round the total of a purchase after all items, discounts, and taxes have been calculated to the nearest nickel on cash transactions only. Businesses may round down to the nearest nickel if the final transaction total ends in 1, 2, 6 or 7. If the final transaction total ends in a 3, 4, 8, or 9, the business may round up to the nearest nickel. The required applicable tax must still be remitted to the department, regardless of payment method. (Section 144.285)

Regional Convention & Visitors District (HB 2934)
This legislation allows the regional convention and visitors commission to impose a regional convention and visitors district sales tax up to two percent. The tax must be approved by the registered voters that reside in the convention district for the tax to pass. (Section 67.618)

MO Innovation, Public Safety, and Accountability Act (HB 3231)
This legislation establishes the Missouri Innovation, Public Safety, and Accountability Act authorizing the following incentives to qualifying applicants or individuals located within a certified Missouri innovation zone: employer retention and reinvestment incentive (effective 01/01/27), employer relocation tax credit (effective 01/01/27), office-to-residential tax credit, Missouri angel investment tax credit (effective 01/01/27), and Missouri opportunity zone deferral. Incentives will become available upon certification of a Missouri Innovation Zone or the statutory effective date referenced above, whichever is later. The legislation reauthorizes the Missouri Downtown Economic Stimulus Act (MODESA) to allow projects approved prior to 01/01/2013 to expand their development area and new development projects to obtain current and new incentives. It authorizes a Capital Investment Tax Credit incentive for large capital investments. (Sections 99.918-99.980, 620.2012, 620.6000, 620.6003, 620.6006, 620.6009, 620.6012, 620.6018, 620.6021, 620.6024, 620.6027, 620.6030, and 620.6033)

Senior Property Tax Credit (HB's 594 & 508)
This legislation makes numerous changes to the Senior Property tax credit (PTC) that is administered by the Department. Those changes include increases in the income limits that qualify for the credit, increased credit awarded amounts, inflation adjustments to the income limits and credit amounts, and changes to the formula calculating the credit awarded to the taxpayer. **These changes will be effective as of January 1, 2026, and will be reflected on the 2026 PTC forms and instructions (Sections 135.010, 135.025 & 135.030).**

Capital Gains on Specie Legal Tender (HB 754)
This legislation states that the portion of capital gain on the sale of exchange of species, that is included in the taxpayer's federal adjusted gross income can be subtracted for determining Missouri adjusted gross income. **This change is effective for tax years beginning on or after January 1, 2026, (Section 143.121).**

Calculation of Taxable Income of Estates and Trusts (SB 98 & HB 754)
SB 98 & HB 754 contains identical language changing how resident estates and trusts can apportion their Missouri sourced income and receive a tax credit for income apportioned to another state. **These changes will be effective for tax years beginning on or after January 1, 2026, (Sections 143.081 & 143.341).**

Elimination of Certified Mail Requirement (HB 2180)
This provision modernizes state agency communications by allowing DOR and other state entities to use regular first-class mail or electronic delivery instead of expensive certified or registered mail saving the state over $2 million in general revenue.