



## State of Missouri REBUILDING COMMUNITIES TAX CREDIT Program Detail

**COMMON NAME:** Rebuilding Communities Tax Credit Program

**LEGAL NAME:** Rebuilding Communities Tax Credit Program

**STATUTORY CITATION:** §§ 135.535 RSMO

**PROGRAM TYPE:** Redevelopment

**FUNDING LIMITS:**

Program Limit:

- All credits: \$8,000,000 per year
- 25% Equipment Tax Credits: \$750,000 per year

Per Business Limit:

- 40% Income Tax Credit: \$125,000 per year
- 25% and 40% Equipment Tax Credits: \$75,000 per year

Eligibility Period:

- 40% Equipment Tax Credit: Year of commencement of operations plus three calendar years thereafter
- 40% Income Tax Credit: Three tax years after the year of commencement of operations
- 1.5% Employee Tax Credit: Three tax years after commencement of operations

**TYPE OF BENEFITS:** Tax Credits.

**DESCRIPTION OF BENEFITS:**

40% Income Tax Credit: State tax credit based on 40% of the amount of state income tax owed by the business.

40% Equipment Tax Credit: State tax credit based on 40% of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring or software development expense in the calendar year.



## State of Missouri REBUILDING COMMUNITIES TAX CREDIT Program Detail

1.5% Employee Tax Credit: Employees of an eligible business may receive a tax credit against state individual income tax equal to 1.5% of their gross annual salary paid at the project facility. The business must receive one of the 40% Tax Credits each year for the employees to be eligible for this credit.

25% Equipment Tax Credit: State tax credit based on 25% of the amount of funds expended for eligible equipment in a taxable year that exceeds the average of the prior two years' expenditures for such equipment. Eligible expenditures include: computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring and software development.

**ALLOWED USES OF BENEFITS:** The 40% Income Tax Credits and the 25% and 40% Equipment Tax Credits may be used against any of the following taxes otherwise due: a) state income tax under Chapter 143, RSMo; b) the corporation franchise tax under Chapter 147, RSMo; c) certain taxes on banks and other financial institutions under Chapter 148, RSMo; and d) the annual tax on gross premium receipts of insurance companies under Chapter 148, RSMo. Tax credits may be carried forward for up to five years and carried back for 3 years. Credits may be transferred or sold.

**ELIGIBLE GEOGRAPHIC AREA:** Statewide

**ELIGIBLE BUSINESS TYPES:**

New or Relocating Business: Eligible new or relocating business may choose one of the 40% Tax Credits and the employees may receive the 1.5% Employee Tax Credit.

Existing Business: Eligible business already located in a distressed community may be eligible for the 25% Equipment Tax Credit. Existing businesses that double the number of full time employees in the distressed community from the previous year, may choose one of the 40% Tax Credits.

**BENEFITS ELIGIBILITY REQUIREMENTS:** Businesses that locate, relocate or expand their business within a distressed area or distressed Missouri community.

**SPECIAL REQUIREMENTS:** The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.



## **State of Missouri REBUILDING COMMUNITIES TAX CREDIT Program Detail**

A business can only earn the 40% tax credits under this program for one eligibility period. No business can earn credits under this program if earning Missouri Quality Jobs, Enterprise Zone, Enhanced Enterprise Zone, Business Facility or Brownfield Jobs and Investment Tax Credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

### **INTERNET LINKS:**

Statutes: <http://www.moga.mo.gov/STATUTES/STATUTES.HTM>

Missouri Department of Economic Development: [www.MissouriDevelopment.org](http://www.MissouriDevelopment.org)

Missouri Development Finance Board: [www.mdfb.org](http://www.mdfb.org)

**SOURCES:** “BUILD Program” Missouri Department of Economic Development