

MISSOURI DEVELOPMENT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

The Development Tax Credit (DTC) program facilitates the creation of jobs for Full-Time, Year-Around Employees by a business. The DTC program provides a state tax credit to eligible donors who make a contribution to projects approved by the Department of Economic Development. The tax credit is based on 50% of the approved contribution amount.

Eligible Contributions: Contributions must be made to a Not-For-Profit Corporation (NPC) and must consist of cash, real estate or machinery and equipment. For cash donations the NPC must purchase machinery and equipment to be used in an existing facility, or pay for acquisition, renovation and improvements, of an existing building or land. The NPC will then lease these assets back to the business.

Eligible Not-For-Profit Corporation (NPC): Any organization performing community services or economic development activities in the state of Missouri and is one of the following: Incorporated in the state as a NPC; or Holding a ruling from the IRS or the US Dept. of the Treasury that the organization is exempt from income taxation; or designated as a community development corporation by the US Government. Ineligible NPC are churches and their denominational headquarters, units of government and any affiliated organization under their direct supervision, partisan organizations and public or tuition-based private schools.

Application Procedure: *The project must meet all other program requirements as listed in the program guidelines and applications.* The program application must be received within 6 months of the business' acceptance of this proposal.

Approval Method: DED will then send an Approval Letter along with the DTC Program Agreement and a sample Lease Agreement to the business and NPC. The Program Agreement, Lease Agreement and Tax

Credit Application must be received within 6 months from the date of the approval letter. DED will issue the tax credits after approval of the Application for Tax Credits.

Lease Agreement: The NPC must retain ownership of all properties acquired by the contribution for a minimum of (5) five years. There must not be a sublease or change in lessees without DED approval. If the assets acquired by the DTC Program are sold, the amount must be no less than seventy-five percent (75%) of the fair market value of the assets. Lease payments will be determined by the NPC but cannot exceed the tax credit value

Tax Credits: The tax credits may be claimed against the contributor's tax liability for the following: Ch. 143 – Income tax (excluding withholding tax); Ch. 147 – Corporate Franchise tax; Ch. 148 – Bank Tax, Insurance Premium Tax, and/or other Financial Institution Tax; Ch. 153 – Express Companies Tax.

The tax credits can be applied towards tax liability the year the tax credit is earned and the next 5 succeeding tax years. These tax credits may be sold or transferred.

Non-Performance: In the event the business/lessee does not create the new jobs indicated in the project assumptions within 2 years from the date of the approval letter and maintain the new and existing jobs indicated for a minimum of five (5) years, the business/lessee must repay the DTC credits received. DED may, at its discretion, reduce such payments in the event of unforeseen economic events that significantly affected the businesses' ability to create/maintain the jobs indicated.

This summary is for guidance only and does not state the complete program requirements.



The St. Louis Regional Chamber & Growth Association (RCGA) is the chamber of commerce and economic development organization for Greater St. Louis, which includes 16 counties in Missouri and Illinois. RCGA markets the St. Louis region nationally and internationally to attract targeted industries to the area. It further spurs economic development by aiding the expansion and startup of companies within the region.

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