

MISSOURI INCENTIVE PROGRAMS

Missouri's favorable business climate is highlighted by the economic incentives it offers to businesses seeking to locate a new facility or expand operations in the state.

Missouri Quality Jobs Program

The program provides significant incentives to for-profit and non-profit businesses, not including retail trade and some others. To qualify, the average wage of the new jobs must equal or exceed the county average, the company must offer health insurance and pay at least 50% of the premium, and create net new jobs at the project facility, based on the type of project:

- Technology businesses:
10-99 new jobs within two years.
- Small/Existing businesses:
20-99 new jobs (rural areas) within two years.
40-99 new jobs (other areas) within two years.
- High Impact businesses:
100 or more new jobs within two years.

Program Benefits

For "Technology" and "High Impact" businesses, the benefits of the program are: (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable, transferrable and/or sellable. The program benefits are based on a percentage of the payroll of the new jobs. "New jobs" are defined as full-time (35+ hours/week), year-round employees of the company that are employed at the project facility, based on the increase from the base employment. Base employment is the average employment at the project facility for the prior twelve months. In the event the company reduced jobs at a related facility in Missouri, the new jobs would be reduced by any such reduction. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

The program benefits are calculated as follows:

Technology businesses:

- **5%** of the payroll of the new jobs plus Average Wage Bonus each year for **five** years.
- Maximum annual tax credits per company are \$500,000. (No limit on the withholding tax.)

Small/Existing businesses:

- Retain 100% of the withholding tax of the new jobs, each year for **three** years (if the average wage of new jobs is 100-119% of county average wage); or **five** years (if the average wage of new jobs is 120%+ of county average wage).

High Impact businesses:

- **3%** of the payroll of the new jobs plus Average Wage Bonus and Local Incentives Bonus each year for **five** years.
Maximum annual tax credits per company are \$750,000 (or \$1 million, if approved by the Quality Jobs Task Force). No limit on the withholding tax.
- Average Wage Bonus (company average wage as a percentage of county average wage):
Greater than 120%: **1/2 %** bonus of payroll of the new jobs.
Greater than 140%: **1%** bonus of payroll of the new jobs.
- Local Incentives Bonus (amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years):
10-24%: **1%** bonus of payroll of the new jobs.
25-49%: **2%** bonus of payroll of the new jobs.
50% or more: **3%** bonus of payroll of the new jobs.

Enhanced Enterprise Zone

The Enhanced Enterprise Zone (EEZ) program provides discretionary state tax credits, which are refundable and/or sellable, to new or expanding businesses located within a Missouri Enhanced Enterprise Zone. Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development (DED). Individual business eligibility will be determined by the zone, based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Headquarters or administrative offices of an otherwise excluded business may qualify if the offices serve a multi-state territory.

Tax credits may be provided each year for up to five tax years after the project commences operations. To receive tax credits for any of the years, the facility must create and maintain the minimum:

- New or expanded business facility – 2 new employees and \$100,000 new investment;
- Replacement business facility – 2 new employees and \$1,000,000 new investment
- Health insurance at all times, of which at least 50% is paid by the employer.

Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same.

The state tax credits are accompanied by local real property tax abatement. The level of tax abatement is determined at the time the EEZ is set up and established by the local city/county.



BUILD Missouri Bonds (Business Use Incentives for Large-scale Development)

The BUILD program provides state tax credits, which are refundable, to the business in the amount of debt service payments for industrial revenue bonds related to a portion of project infrastructure costs. Manufacturing and services (interstate commerce) projects are eligible if the capital improvements exceed \$15 million and at least 100 new jobs are created within three years. Office projects are eligible if the capital improvements exceed \$10 million and at least 500 (200 in distressed areas) new jobs are created within three years.

The BUILD Missouri Program is an incentive tool that allows the Department of Economic Development and the Missouri Development Finance Board to finance a portion of the costs of qualifying capital investments for eligible businesses which seek to locate or expand in Missouri. This is a discretionary program and the amount offered to a company is determined by both the Department of Economic Development and the MDFB Board. The Board meets monthly to approve projects

New Jobs Training Program

The New Jobs Training Program provides education and training to workers employed in newly created jobs in Missouri. Whether the new jobs are as a result of new industry locating in Missouri or an existing industry that is expanding its work force in the State, the Missouri Community College New Jobs Training Program can offer the resources necessary to train workers in new jobs at a reduced cost to the new or expanding business. This program provides assistance in reducing the cost associated with expanding a workforce or locating a new facility in the State of Missouri through these training services:

- Customized training for the specific needs of the industry
- Adult basic education
- General occupational skills training

Training assistance can include skills assessment, orientation, pre-employment training, training facilities and equipment, instructors, curriculum development, travel and a variety of other training related services.

Customized Training Program

The Customized Training Program provides assistance to eligible Missouri businesses to reduce training costs and improve productivity. The program is available for businesses to help train their workers through skill training, including technical or soft skills, which can take place in a classroom setting at the business facility or at one of more than 80 educational facilities throughout Missouri. Whether the new jobs are a result of new industry locating in Missouri or an existing industry that is expanding its work force in the State, the Customized Training Program can offer the resources necessary to train workers in new jobs at a reduced cost to the new or expanding industry.



Training assistance may be available for costs such as curriculum development, instructional salaries, training materials and a variety of other training related services. Instruction may be provided by local educational agencies, vendor trainers or employees of the business involved. Funding is provided as a grant to the company and can be applied for on an annual basis.

Property Tax Abatement

Missouri cities and counties have a variety of methods that provide property tax abatement for improvements to real and/or personal property. The methods include Enhanced Enterprise Zones, Chapter 353 Urban Redevelopment Corporations, Chapter 100 bond financing, Tax Increment Financing, Land Clearance for Redevelopment Authorities, and other methods in certain specific communities. Each city/county has its own policies regarding the type of project, size (investment, job creation, other), wage levels, and other requirements. The approval of abatement is solely at the discretion of the city/county government.

MissouriCareerSource.com Employee Recruitment

Missouri Career Source offers no-cost access to Missouri's largest hiring pool and broadest variety of skill sets. It is a streamlined five-step job posting process, that provides increased control over a firm's ability to ensure qualified matches. It provides ranking of candidates for a more precise match to business needs. It can provide an individual internet home page with a consolidated list of all job postings, searches, and communication.

All MissouriCareerSource.com customers can receive personal assistance from staff at Missouri Career Centers, which provide a variety of assistance for worker recruitment, screening, training, and other related services. See MissouriCareerSource.com or call 1-888-728-JOBS.

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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