HCS HB 1480 -- ADVANCED MANUFACTURING RECRUITMENT (Christ)

COMMITTEE OF ORIGIN: Standing Committee on Economic Development

Beginning January 1, 2025, a qualified manufacturing company may be allowed a tax credit of up to 20% of a capital investment in property within the state of Missouri for a period of 5 years. Such capital investment must equal at least $1 billion and create 500 or more jobs, 150 of which shall be reserved for full-time Missouri residents at the time of hiring. Qualifying full-time employees must work an average of at 35 hours per week for a 12 month period and whose annual wage is equal to or above the county average. The total amount of tax credits issued annually under this section must not exceed 200 million dollars per tax year.

A qualified manufacturing company shall submit an application to the Missouri Department of Economic Development (DED) in order to be eligible for consideration. A qualified company shall also enter into a written agreement with DED that details performance requirements and repayment penalties in the event of non-performance. The agreement shall specify, at a minimum:

(1) The committed number of retained jobs, payroll, and new qualified manufacturing capital investment for each year during the project period;

(2) Clawback provisions, as may be required by the DED; and

(3) Any other provisions DED may require.

In determining the amount of tax credits to award to a qualified company, DED shall consider the following factors:

(1) The significance of the qualified manufacturing company's need for program benefits;

(2) The amount of projected economic impact to the state of the project and the period in which the state would realize such net fiscal benefit;

(3) The overall size and quality of the proposed project, including the number of new jobs, new qualified manufacturing capital investment, proposed wages, growth potential of the qualified manufacturing company, the potential multiplier effect of the project, and similar factors;

(4) The financial stability and creditworthiness of the qualified manufacturing company;

(5) The level of economic distress in the area; and

(6) An evaluation of the competitiveness of alternative locations for the project facility, as applicable.

DED shall award tax credits to a qualified manufacturing company that satisfies the qualified manufacturing capital investment requirement in four separate installments of equal value, equivalent to 1/4 of the total agreed upon value of awarded incentive when the value reaches:

(1) 25% of the agreed-upon qualified capital investment;

(2) 50% of the agreed-upon qualified capital investment;

(3) 75% of the agreed-upon qualified capital investment; and

(4) 100% of the agreed-upon qualified capital investment.

Qualified manufacturing companies shall have three years after DED has approved a tax credit to meet 25% of its qualified manufacturing capital investment. Once the 25% threshold is met, a qualified company has five years to receive the full agreed-upon tax credits. If a qualified company does not meet the 25% threshold by year three, the agreement shall be deemed void.

A qualified company shall provide an annual report detailing the number of jobs and such other information as may be required by DED no later than 90 days prior to the end of the qualified company's tax year. Tax credits may be claimed within one year of the close of the tax year for which they were issued.

If a qualified manufacturing company is owned by entities domiciled in the United States and such manufacturing company is relocating or reshoring from China or any country designated as a foreign adversary, as designated in 15 C.F.R 7.4, to a project facility in Missouri, DED shall expedite the approval process by giving priority to such applications. DED shall make a determination on expedited applications within 60 days of receipt.

Before January 1, 2026 and the first day of each quarter thereafter, DED must present a quarterly report to the General Assembly that details the benefits of the program.

These provisions sunset on December 31, 10 years after the effective date.