

SECOND REGULAR SESSION

HOUSE BILL NO. 2894

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOGLE.

5932H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 620.2005 and 620.2010, RSMo, and to enact in lieu thereof two new sections relating to financial incentives for business development.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 620.2005 and 620.2010, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 620.2005 and 620.2010, to read as follows:

620.2005. 1. As used in sections 620.2000 to 620.2020, the following terms mean:

(1) "Average wage", the **aggregate gross** new payroll divided by the ~~[number of new jobs]~~ **aggregate actual hours worked for new jobs multiplied by two thousand eighty**, or the **aggregate gross** payroll of the retained jobs divided by the ~~[number of retained jobs]~~ **aggregate actual hours worked for retained jobs multiplied by two thousand eighty**;

(2) "Commencement of operations", the starting date for the qualified company's first new employee, which shall be no later than twelve months from the date of the approval;

(3) "Contractor", a person, employer, or business entity that enters into an agreement to perform any service or work or to provide a certain product in exchange for valuable consideration. This definition shall include but not be limited to a general contractor, subcontractor, independent contractor, contract employee, project manager, or a recruiting or staffing entity;

(4) "County average wage", the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility.

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 The department shall publish the county average wage for each county at least annually.
18 Notwithstanding the provisions of this subdivision to the contrary, for any qualified company
19 that in conjunction with their project is relocating employees from a Missouri county with a
20 higher county average wage, the company shall obtain the endorsement of the governing body
21 of the community from which jobs are being relocated or the county average wage for their
22 project shall be the county average wage for the county from which the employees are being
23 relocated;

24 (5) "Department", the Missouri department of economic development;

25 (6) "Director", the director of the department of economic development;

26 (7) "Employee", a person employed by a qualified company, excluding:

27 (a) Owners of the qualified company unless the qualified company is participating in
28 an employee stock ownership plan; or

29 (b) Owners of a noncontrolling interest in stock of a qualified company that is
30 publicly traded;

31 (8) "Existing Missouri business", a qualified company that, for the ten-year period
32 preceding submission of a notice of intent to the department, had a physical location in
33 Missouri and full-time employees who routinely performed job duties within Missouri;

34 (9) "Full-time employee", an employee of the qualified company that is scheduled to
35 work an average of at least thirty-five hours per week for a twelve-month period, and one for
36 which the qualified company offers health insurance and pays at least fifty percent of such
37 insurance premiums. An employee that spends less than fifty percent of the employee's work
38 time at the facility shall be considered to be located at a facility if the employee receives his
39 or her directions and control from that facility, is on the facility's payroll, one hundred percent
40 of the employee's income from such employment is Missouri income, and the employee is
41 paid at or above the applicable percentage of the county average wage;

42 (10) **"Gross wages", the total compensation paid by an employer to an employee**
43 **as reported in box 5 of the employee's W-2;**

44 (11) "Industrial development authority", an industrial development authority
45 organized under chapter 349 that has entered into a formal written memorandum of
46 understanding with an entity of the United States Department of Defense regarding a
47 qualified military project;

48 ~~[(11)]~~ (12) "Infrastructure projects", highways, roads, streets, bridges, sewers, traffic
49 control systems and devices, water distribution and supply systems, curbing, sidewalks, storm
50 water and drainage systems, broadband internet infrastructure, and any other similar public
51 improvements, but in no case shall infrastructure projects include private structures;

52 ~~[(12)]~~ (13) "Local incentives", the present value of the dollar amount of direct benefit
53 received by a qualified company for a project facility from one or more local political

54 subdivisions, but this term shall not include loans or other funds provided to the qualified
55 company that shall be repaid by the qualified company to the political subdivision;

56 ~~[(13)]~~ **(14)** "Manufacturing capital investment", expenditures made by a qualified
57 manufacturing company to retool or reconfigure a manufacturing project facility directly
58 related to the manufacturing of a new product or the expansion or modification of the
59 manufacture of an existing product;

60 ~~[(14)]~~ **(15)** "Memorandum of understanding", an agreement executed by an industrial
61 development authority and an entity of the United States Department of Defense, a copy of
62 which is provided to the department of economic development, that states, but is not limited
63 to:

64 (a) A requirement for the military to provide the total number of existing jobs, jobs
65 directly created by a qualified military project, and average salaries of such jobs to the
66 industrial development authority and the department of economic development annually for
67 the term of the benefit;

68 (b) A requirement for the military to provide an accounting of the expenditures of
69 capital investment made by the military directly related to the qualified military project to the
70 industrial development authority and the department of economic development annually for
71 the term of the benefit;

72 (c) The process by which the industrial development authority shall monetize the tax
73 credits annually and any transaction cost or administrative fee charged by the industrial
74 development authority to the military on an annual basis;

75 (d) A requirement for the industrial development authority to provide proof to the
76 department of economic development of the payment made to the qualified military project
77 annually, including the amount of such payment;

78 (e) The schedule of the maximum amount of tax credits which may be authorized in
79 each year for the project and the specified term of the benefit, as provided by the department
80 of economic development; and

81 (f) A requirement that the annual benefit paid shall be the lesser of:

82 a. The maximum amount of tax credits authorized; or

83 b. The actual calculated benefit derived from the number of new jobs and average
84 salaries;

85 ~~[(15)]~~ **(16)** "NAICS" or "NAICS industry classification", the classification provided
86 by the most recent edition of the North American Industry Classification System as prepared
87 by the Executive Office of the President, Office of Management and Budget;

88 ~~[(16)]~~ **(17)** "New capital investment", shall include costs incurred by the qualified
89 company at the project facility after acceptance by the qualified company of the proposal for
90 benefits from the department or the approval notice of intent, whichever occurs first, for real

91 or personal property, and may include the value of finance or capital leases for real or
92 personal property for the term of such lease at the project facility executed after acceptance by
93 the qualified company of the proposal for benefits from the department or the approval of the
94 notice of intent;

95 ~~[(17)]~~ **(18)** "New direct local revenue", the present value of the dollar amount of
96 direct net new tax revenues of the local political subdivisions likely to be produced by the
97 project over a ten-year period as calculated by the department, excluding local earnings tax,
98 and net new utility revenues, provided the local incentives include a discount or other direct
99 incentives from utilities owned or operated by the political subdivision;

100 ~~[(18)]~~ **(19)** "New job", the number of full-time employees located at the project
101 facility that exceeds the project facility base employment less any decrease in the number of
102 full-time employees at related facilities below the related facility base employment. No job
103 that was created prior to the date of the notice of intent shall be deemed a new job;

104 ~~[(19)]~~ **(20)** "New payroll", the amount of **gross** wages paid for all new jobs, located at
105 the project facility during the qualified company's tax year that exceeds the project facility
106 base payroll. **For a qualified company that offers health insurance to all full-time**
107 **employees of all facilities located in this state, and certifies that it pays one hundred**
108 **percent of such insurance premiums, "new payroll" shall include all amounts paid by**
109 **the qualified company for such insurance premiums;**

110 ~~[(20)]~~ **(21)** "New product", a new model or line of a manufactured good that has not
111 been manufactured in Missouri by a qualified manufacturing company at any time prior to the
112 date of the notice of intent, or an existing brand, model, or line of a manufactured good that is
113 redesigned;

114 ~~[(21)]~~ **(22)** "Notice of intent", a form developed by the department and available
115 online, completed by the qualified company, and submitted to the department stating the
116 qualified company's intent to request benefits under this program. The notice of intent shall
117 be accompanied with a detailed plan by the qualifying company to make good faith efforts to
118 employ, at a minimum, commensurate with the percentage of minority populations in the state
119 of Missouri, as reported in the previous decennial census, the following: racial minorities,
120 contractors who are racial minorities, and contractors that, in turn, employ at a minimum
121 racial minorities commensurate with the percentage of minority populations in the state of
122 Missouri, as reported in the previous decennial census. At a minimum, such plan shall
123 include monitoring the effectiveness of outreach and recruitment strategies in attracting
124 diverse applicants and linking with different or additional referral sources in the event that
125 recruitment efforts fail to produce a diverse pipeline of applicants. **The notice of intent shall**
126 **be accompanied by an affidavit signed by the qualified company's human resources lead**

127 **or chief financial officer attesting to the estimated number of new jobs, position types,**
128 **and new payroll;**

129 ~~[(22)]~~ **(23)** "Percent of local incentives", the amount of local incentives divided by the
130 amount of new direct local revenue;

131 ~~[(23)]~~ **(24)** "Program", the Missouri works program established in sections 620.2000
132 to 620.2020;

133 ~~[(24)]~~ **(25)** "Project facility", the building or buildings used by a qualified company at
134 which new or retained jobs and any new capital investment are or will be located or by a
135 qualified manufacturing company at which a manufacturing capital investment is or will be
136 located. A project facility may include separate buildings located within sixty miles of each
137 other such that their purpose and operations are interrelated; provided that where the
138 buildings making up the project facility are not located within the same county, the average
139 wage of the new **gross** payroll shall exceed the applicable percentage of the highest county
140 average wage among the counties in which the buildings are located. Upon approval by the
141 department, a subsequent project facility may be designated if the qualified company
142 demonstrates a need to relocate to the subsequent project facility at any time during the
143 project period. For qualified military projects, the term "project facility" means the military
144 base or installation at which such qualified military project is or shall be located;

145 ~~[(25)]~~ **(26)** "Project facility base employment", the greater of the number of full-time
146 employees located at the project facility on the date of the notice of intent or, for the twelve-
147 month period prior to the date of the notice of intent, the average number of full-time
148 employees located at the project facility. In the event the project facility has not been in
149 operation for a full twelve-month period, the average number of full-time employees for the
150 number of months the project facility has been in operation prior to the date of the notice of
151 intent;

152 ~~[(26)]~~ **(27)** "Project facility base payroll", the annualized **gross** payroll for the project
153 facility base employment or the total amount of ~~[taxable]~~ **gross** wages paid by the qualified
154 company to full-time employees of the qualified company located at the project facility in the
155 twelve months prior to the notice of intent. For purposes of calculating the benefits under this
156 program, the amount of base payroll shall increase each year based on an appropriate
157 measure, as determined by the department;

158 ~~[(27)]~~ **(28)** "Project period", the time period within which benefits are awarded to a
159 qualified company or within which the qualified company is obligated to perform under an
160 agreement with the department, whichever is greater;

161 ~~[(28)]~~ **(29)** "Projected net fiscal benefit", the total fiscal benefit to the state less any
162 state benefits offered to the qualified company, as determined by the department;

163 ~~[(29)]~~ **(30)** "Qualified company", a firm, partnership, joint venture, association,
164 private or public corporation whether organized for profit or not, or headquarters of such
165 entity registered to do business in Missouri that is the owner or operator of a project facility,
166 certifies that it offers health insurance to all full-time employees of all facilities located in this
167 state, and certifies that it pays at least fifty percent of such insurance premiums. For the
168 purposes of sections 620.2000 to 620.2020, the term "qualified company" shall not include:

169 (a) Gambling establishments (NAICS industry group 7132);

170 (b) Store front consumer-based retail trade establishments (under NAICS sectors 44
171 and 45), except with respect to any company headquartered in this state with a majority of its
172 full-time employees engaged in operations not within the NAICS codes specified in this
173 subdivision and except for any such establishments located in a county of the third or fourth
174 classification;

175 (c) Food and drinking places (NAICS subsector 722);

176 (d) Public utilities (NAICS 221 including water and sewer services);

177 (e) Any company that is delinquent in the payment of any nonprotested taxes or any
178 other amounts due the state or federal government or any other political subdivision of this
179 state;

180 (f) Any company requesting benefits for retained jobs that has filed for or has
181 publicly announced its intention to file for bankruptcy protection. However, a company that
182 has filed for or has publicly announced its intention to file for bankruptcy may be a qualified
183 company provided that such company:

184 a. Certifies to the department that it plans to reorganize and not to liquidate; and

185 b. After its bankruptcy petition has been filed, it produces proof, in a form and at
186 times satisfactory to the department, that it is not delinquent in filing any tax returns or
187 making any payment due to the state of Missouri, including but not limited to all tax
188 payments due after the filing of the bankruptcy petition and under the terms of the plan of
189 reorganization. Any taxpayer who is awarded benefits under this subsection and who files for
190 bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall
191 immediately notify the department and shall forfeit such benefits and shall repay the state an
192 amount equal to any state tax credits already redeemed and any withholding taxes already
193 retained;

194 (g) Educational services (NAICS sector 61);

195 (h) Religious organizations (NAICS industry group 8131);

196 (i) Public administration (NAICS sector 92);

197 (j) Ethanol distillation or production;

198 (k) Biodiesel production; or

199 (l) Health care and social services (NAICS sector 62).

200

201 Notwithstanding any provision of this section to the contrary, the headquarters, administrative
202 offices, or research and development facilities of an otherwise excluded business may qualify
203 for benefits if the offices or facilities serve a multistate territory. In the event a national, state,
204 or regional headquarters operation is not the predominant activity of a project facility, the jobs
205 and investment of such operation shall be considered eligible for benefits under this section if
206 the other requirements are satisfied;

207 ~~[(30)]~~ **(31)** "Qualified manufacturing company", a company that:

208 (a) Is a qualified company that manufactures motor vehicles (NAICS group 3361);

209 (b) Manufactures goods at a facility in Missouri;

210 (c) Manufactures a new product or has commenced making a manufacturing capital
211 investment to the project facility necessary for the manufacturing of such new product, or
212 modifies or expands the manufacture of an existing product or has commenced making a
213 manufacturing capital investment for the project facility necessary for the modification or
214 expansion of the manufacture of such existing product; and

215 (d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for
216 the project period;

217 ~~[(31)]~~ **(32)** "Qualified military project", the expansion or improvement of a military
218 base or installation within this state that causes:

219 (a) An increase of ten or more part-time or full-time military or civilian support
220 personnel:

221 a. Whose average salaries equal or exceed ninety percent of the county average wage;
222 and

223 b. Who are offered health insurance, with an entity of the United States Department
224 of Defense paying at least fifty percent of such insurance premiums; and

225 (b) Investment in real or personal property at the base or installation expressly for the
226 purposes of serving a new or expanded military activity or unit.

227

228 For the purposes of this subdivision, part-time military or civilian support personnel shall be
229 converted to full-time new jobs by, in hire date order, counting one full-time new job for
230 every thirty-five averaged hours worked per week by part-time military or civilian support
231 personnel in jobs directly created by the qualified military project. For each such full-time
232 new job, the sum of the **gross** wages of the part-time military or civilian support personnel
233 combined and converted to form the new job shall be the wage for the one full-time new job.
234 Each part-time military or civilian support personnel whose job is combined and converted
235 for such a full-time new job shall be offered health insurance as described in subparagraph b
236 of paragraph (a) of this subdivision;

237 ~~[(32)]~~ **(33)** "Related company", shall mean:

238 (a) A corporation, partnership, trust, or association controlled by the qualified
239 company;

240 (b) An individual, corporation, partnership, trust, or association in control of the
241 qualified company; or

242 (c) Corporations, partnerships, trusts or associations controlled by an individual,
243 corporation, partnership, trust, or association in control of the qualified company. As used in
244 this paragraph, "control of a qualified company" shall mean:

245 a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the
246 total combined voting power of all classes of stock entitled to vote in the case of a qualified
247 company that is a corporation;

248 b. Ownership of at least fifty percent of the capital or profit interest in such qualified
249 company if it is a partnership or association;

250 c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest
251 in the principal or income of such qualified company if it is a trust, and ownership shall be
252 determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

253 ~~[(33)]~~ **(34)** "Related facility", a facility operated by the qualified company or a related
254 company located in this state that is directly related to the operations of the project facility or
255 in which operations substantially similar to the operations of the project facility are
256 performed;

257 ~~[(34)]~~ **(35)** "Related facility base employment", the greater of the number of full-time
258 employees located at all related facilities on the date of the notice of intent or, for the twelve-
259 month period prior to the date of the notice of intent, the average number of full-time
260 employees located at all related facilities of the qualified company or a related company
261 located in this state;

262 ~~[(35)]~~ **(36)** "Related facility base payroll", the annualized **gross** payroll of the related
263 facility base payroll or the total amount of ~~[taxable]~~ **gross** wages paid by the qualified
264 company to full-time employees of the qualified company located at a related facility in the
265 twelve months prior to the filing of the notice of intent. For purposes of calculating the
266 benefits under this program, the amount of related facility base payroll shall increase each
267 year based on an appropriate measure, as determined by the department;

268 ~~[(36)]~~ **(37)** "Rural area", a county in Missouri with a population less than seventy-five
269 thousand or that does not contain an individual city with a population greater than fifty
270 thousand according to the most recent federal decennial census;

271 ~~[(37)]~~ **(38)** "Tax credits", tax credits issued by the department to offset the state taxes
272 imposed by chapters 143 and 148, or which may be sold or refunded as provided for in this
273 program;

274 ~~[(38)]~~ (39) "Taxable wages", the employee's total compensation subject to tax as
275 reported in box 16 of the employee's W-2;

276 (40) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For
277 purposes of this program, the withholding tax shall be computed using a schedule as
278 determined by the department based on average wages.

279 2. This section is subject to the provisions of section 196.1127.

620.2010. 1. In exchange for the consideration provided by the new tax revenues and
2 other economic stimuli that will be generated by the new jobs created, a qualified company
3 may, for a period of five years from the date the new jobs are created, or for a period of six
4 years from the date the new jobs are created if the qualified company is an existing Missouri
5 business, retain an amount equal to the withholding tax as calculated under subdivision (38)
6 of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the
7 qualified company under the provisions of sections 143.191 to 143.265 if:

8 (1) The qualified company creates ten or more new jobs, and the average wage of the
9 new payroll equals or exceeds ninety percent of the county average wage;

10 (2) The qualified company creates two or more new jobs at a project facility located
11 in a rural area, the average wage of the new payroll equals or exceeds ninety percent of the
12 county average wage, and the qualified company commits to making at least one hundred
13 thousand dollars of new capital investment at the project facility within two years; ~~[or]~~

14 (3) The qualified company creates two or more new jobs at a project facility located
15 within a zone designated under sections 135.950 to 135.963, the average wage of the new
16 payroll equals or exceeds eighty percent of the county average wage, and the qualified
17 company commits to making at least one hundred thousand dollars in new capital investment
18 at the project facility within two years of approval; or

19 (4) **In the event that the average wage for all new jobs fails to meet the average**
20 **wage requirement pursuant to subdivision (1), (2), or (3) of this subsection, the qualified**
21 **company may retain withholding tax for the minimum number of required jobs. The**
22 **department may choose which new jobs to include in the minimum number to be**
23 **averaged that will meet or exceed the average wage requirement.**

24 2. In addition to any benefits available under subsection 1 of this section, the
25 department may award a qualified company that satisfies subdivision (1) of subsection 1 of
26 this section additional tax credits, issued each year for a period of five years from the date the
27 new jobs are created, or for a period of six years from the date the new jobs are created if the
28 qualified company is an existing Missouri business, in an amount equal to or less than six
29 percent of new ~~payroll~~ **taxable wages**; provided that in no event may the total amount of
30 benefits awarded to a qualified company under this section exceed nine percent of new
31 ~~payroll~~ **taxable wages** in any calendar year. The amount of tax credits awarded to a

32 qualified company under this subsection shall not exceed the projected net fiscal benefit to the
33 state, as determined by the department, and shall not exceed the least amount necessary to
34 obtain the qualified company's commitment to initiate the project. In determining the amount
35 of tax credits to award to a qualified company under this subsection or a qualified
36 manufacturing company under subsection 3 of this section, the department shall consider the
37 following factors:

- 38 (1) The significance of the qualified company's need for program benefits;
- 39 (2) The amount of projected net fiscal benefit to the state of the project and the period
40 in which the state would realize such net fiscal benefit;
- 41 (3) The overall size and quality of the proposed project, including the number of new
42 jobs, new capital investment, manufacturing capital investment, proposed wages, growth
43 potential of the qualified company, the potential multiplier effect of the project, and similar
44 factors;
- 45 (4) The financial stability and creditworthiness of the qualified company;
- 46 (5) The level of economic distress in the area;
- 47 (6) An evaluation of the competitiveness of alternative locations for the project
48 facility, as applicable; ~~and~~
- 49 (7) The percent of local incentives committed;
- 50 **(8) Whether the qualified company participates in a pre-apprenticeship**
51 **program approved by the Missouri department of higher education and workforce**
52 **development; and**
- 53 **(9) The location of the headquarters of any contractor used by the qualified**
54 **company, with preference given to contractors selected through an open bidding process**
55 **that are headquartered in Missouri and for whom at least eighty-five percent of the**
56 **workforce used for any work performed by the contractor for a qualified company**
57 **reside within fifty miles of the site of such work.**

58 3. (1) The department may award tax credits to a qualified manufacturing company
59 that makes a manufacturing capital investment of at least five hundred million dollars not
60 more than three years following the department's approval of a notice of intent and the
61 execution of an agreement that meets the requirements of subsection 4 of this section. Such
62 tax credits shall be issued no earlier than January 1, 2023, and may be issued each year for a
63 period of five years. A qualified manufacturing company may qualify for an additional five-
64 year period under this subsection if it makes an additional manufacturing capital investment
65 of at least two hundred fifty million dollars within five years of the department's approval of
66 the original notice of intent.

67 (2) The maximum amount of tax credits that any one qualified manufacturing
68 company may receive under this subsection shall not exceed five million dollars per calendar

69 year. The aggregate amount of tax credits awarded to all qualified manufacturing companies
70 under this subsection shall not exceed ten million dollars per calendar year.

71 (3) If, at the project facility at any time during the project period, the qualified
72 manufacturing company discontinues the manufacturing of the new product, or discontinues
73 the modification or expansion of an existing product, and does not replace it with a
74 subsequent or additional new product or with a modification or expansion of an existing
75 product, the company shall immediately cease receiving any benefit awarded under this
76 subsection for the remainder of the project period and shall forfeit all rights to retain or
77 receive any benefit awarded under this subsection for the remainder of such period.

78 (4) Notwithstanding any other provision of law to the contrary, any qualified
79 manufacturing company that is awarded benefits under this section shall not simultaneously
80 receive tax credits or exemptions under sections 100.700 to 100.850 for the jobs created or
81 retained or capital improvement that qualified for benefits under this section. The provisions
82 of subsection 5 of section 285.530 shall not apply to a qualified manufacturing company that
83 is awarded benefits under this section.

84 4. Upon approval of a notice of intent to receive tax credits under subsection 2, 3, 6,
85 or 7 of this section, the department and the qualified company shall enter into a written
86 agreement covering the applicable project period. The agreement shall specify, at a
87 minimum:

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

91 (2) The date or time period during which the tax credits shall be issued, which may be
92 immediately or over a period not to exceed two years from the date of approval of the notice
93 of intent;

94 (3) Clawback provisions, as may be required by the department;

95 (4) Financial guarantee provisions as may be required by the department, provided
96 that financial guarantee provisions shall be required by the department for tax credits awarded
97 under subsection 7 of this section; and

98 (5) Any other provisions the department may require.

99 5. In lieu of the benefits available under subsections 1 and 2 of this section, and in
100 exchange for the consideration provided by the new tax revenues and other economic stimuli
101 that will be generated by the new jobs created by the program, a qualified company may, for a
102 period of five years from the date the new jobs are created, or for a period of six years from
103 the date the new jobs are created if the qualified company is an existing Missouri business,
104 retain an amount equal to the withholding tax as calculated under subdivision (38) of section

105 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified
106 company under the provisions of sections 143.191 to 143.265 equal to:

107 (1) Six percent of new ~~[payroll]~~ **taxable wages** for a period of five years from the
108 date the required number of new jobs were created if the qualified company creates one
109 hundred or more new jobs and the average wage of the new payroll equals or exceeds one
110 hundred twenty percent of the county average wage of the county in which the project facility
111 is located; or

112 (2) Seven percent of new ~~[payroll]~~ **taxable wages** for a period of five years from the
113 date the required number of jobs were created if the qualified company creates one hundred or
114 more new jobs and the average wage of the new payroll equals or exceeds one hundred forty
115 percent of the county average wage of the county in which the project facility is located.

116

117 The department shall issue a refundable tax credit for any difference between the amount of
118 benefit allowed under this subsection and the amount of withholding tax retained by the
119 company, in the event the withholding tax is not sufficient to provide the entire amount of
120 benefit due to the qualified company under this subsection.

121 6. In addition to the benefits available under subsection 5 of this section, the
122 department may award a qualified company that satisfies the provisions of subsection 5 of
123 this section additional tax credits, issued each year for a period of five years from the date the
124 new jobs are created, or for a period of six years from the date the new jobs are created if the
125 qualified company is an existing Missouri business, in an amount equal to or less than three
126 percent of ~~[new payroll]~~ **taxable wages**; provided that in no event may the total amount of
127 benefits awarded to a qualified company under this section exceed nine percent of new
128 ~~[payroll]~~ **taxable wages** in any calendar year. The amount of tax credits awarded to a
129 qualified company under this subsection shall not exceed the projected net fiscal benefit to the
130 state, as determined by the department, and shall not exceed the least amount necessary to
131 obtain the qualified company's commitment to initiate the project. In determining the amount
132 of tax credits to award to a qualified company under this subsection, the department shall
133 consider the factors provided under subsection 2 of this section.

134 7. In lieu of the benefits available under subsections 1, 2, 5, and 6 of this section, and
135 in exchange for the consideration provided by the new tax revenues and other economic
136 stimuli that will be generated by the new jobs and new capital investment created by the
137 program, the department may award a qualified company that satisfies the provisions of
138 subdivision (1) of subsection 1 of this section tax credits, issued within one year following the
139 qualified company's acceptance of the department's proposal for benefits, in an amount equal
140 to or less than nine percent of new ~~[payroll]~~ **taxable wages**. The amount of tax credits
141 awarded to a qualified company under this subsection shall not exceed the projected net fiscal

142 benefit to the state, as determined by the department, and shall not exceed the least amount
143 necessary to obtain the qualified company's commitment to initiate the project. In
144 determining the amount of tax credits to award to a qualified company under this subsection,
145 the department shall consider the factors provided under subsection 2 of this section and the
146 qualified company's commitment to new capital investment and new job creation within the
147 state for a period of not less than ten years. For the purposes of this subsection, each qualified
148 company shall have an average wage of the new payroll that equals or exceeds one hundred
149 percent of the county average wage. Notwithstanding the provisions of section 620.2020 to
150 the contrary, this subsection shall expire on June 30, 2025.

151 8. No benefits shall be available under this section for any qualified company that has
152 performed significant, project-specific site work at the project facility, purchased machinery
153 or equipment related to the project, or has publicly announced its intention to make new
154 capital investment or manufacturing capital investment at the project facility prior to receipt
155 of a proposal for benefits under this section or approval of its notice of intent, whichever
156 occurs first.

157 9. In lieu of any other benefits under this chapter, the department of economic
158 development may award a tax credit to an industrial development authority for a qualified
159 military project in an amount equal to the estimated withholding taxes associated with the
160 part-time and full-time civilian and military new jobs located at the facility and directly
161 impacted by the project. The amount of the tax credit shall be calculated by multiplying:

162 (1) The average percentage of tax withheld, as provided by the department of revenue
163 to the department of economic development;

164 (2) The average ~~salaries~~ **taxable wages** of the jobs directly created by the qualified
165 military project; and

166 (3) The number of jobs directly created by the qualified military project.

167

168 If the amount of the tax credit represents the least amount necessary to accomplish the
169 qualified military project, the tax credits may be issued, but no tax credits shall be issued for a
170 term longer than fifteen years. No qualified military project shall be eligible for tax credits
171 under this subsection unless the department of economic development determines the
172 qualified military project shall achieve a net positive fiscal impact to the state.

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