

HB 1503 -- Business Use Incentives

Sponsor: Ervin

This bill establishes the Missouri Business Use Incentives for Small Business Development (BUILD) Act.

The bill allows the Missouri Development Finance Board to issue bonds for certain economic development projects undertaken by an eligible industry. The industry is required to remit to the board an assessment of up to 5% of the gross wages paid in one year to all eligible employees. The assessment is used to pay off the bonds issued by the board, and the industry receives a tax credit equal to the assessment. If 80% of an eligible industry's program costs are paid to other Missouri companies, the board can issue additional bonds in an amount equal to 25% of the program costs owed to the Missouri companies. The total amount of tax credits authorized cannot exceed \$11 million annually.

An eligible industry must invest a minimum amount of money in an economic development project and create a minimum number of new jobs, depending on the size of the municipality where the project is located. A business which closes one location and moves to another location in the state is not considered an eligible industry. An eligible industry cannot utilize this program and the original BUILD program simultaneously. The eligible industry must agree to maintain operations at the project location for as long as credits are authorized in the financing agreement.

The bill contains:

- (1) Provisions of the financing agreement between the board and the eligible industry;
- (2) Conditions that must exist before the board can enter into an agreement with an eligible industry for a tax credit;
- (3) Factors the board must consider before awarding tax credits to an eligible industry; and
- (4) Provisions of an agreement between the board and an eligible industry.

The provisions of the bill will expire six years after the effective date.