HB 581 -- Quality Jobs Program

Sponsor: Flook

This bill changes the laws regarding the Quality Jobs Program. In its main provisions, the bill:

(1) Increases the maximum amount of tax credits that can be issued in a calendar year for the program from $12 million to $24 million;

(2) Allows tax credits to offset taxes due from financial institutions under Chapter 148, RSMo. Currently, the credits can only be used to offset state income taxes imposed by Chapter 143;

(3) Changes the definition of "withholding tax" to a computation using a schedule determined by the Department of Economic Development based on average wages. Currently, the definition is the state tax imposed by Sections 143.191 - 143.265;

(4) Allows the calendar year's maximum amount of quality jobs tax credits issued to a qualifying company that participates in both the Quality Jobs Program and the New Job Training Program to be increased by an amount equivalent to the withholding tax retained by that company under the New Job Training Program if the combined benefits do not exceed the projected state benefits of the project. Currently, a qualified company is prohibited from receiving tax credits from both programs at the same time for the same new jobs at the project facility;

(5) Requires that if the calendar year's annual maximum amount of quality jobs tax credits issued to any qualified company is increased by $1 million, the number of new jobs must exceed 500. Currently, this increase in tax credits can occur by receiving the approval of the department and the Quality Jobs Advisory Task Force;

(6) Requires the actual county average wage, not the statewide average wage, to be used when determining if a company qualifies for a wage bonus for meeting 120% or 140% of the county average wage;

(7) Specifies the method in which the county average wage will be calculated when a qualified company relocates employees from one county to another;

(8) Revises the definition of "full-time employee" from an employee who works an average of 35 hours per week to an employee of the qualified company that is scheduled to work an average of 35 hours per week, but leaves the remaining requirements of the

definition unchanged;

(9) Specifies that no jobs created before the notice of intent will be deemed new jobs;

(10) Specifies the way in which new payroll will be calculated;

(11) Adds educational services, religious organizations, and public administration to the list of entities which are prohibited from being qualified companies;

(12) Allows qualified companies to retain withholding taxes once the minimum number of new jobs has been attained and the county average wage has been exceeded; and

(13) Requires the department to verify through the Department of Revenue that the tax credit applicant does not owe any delinquent taxes, interest, or penalties and to verify through the Department of Insurance, Financial Institutions, and Professional Registration that the applicant does not owe any delinquent insurance taxes prior to issuing any tax credits. The amount of tax credits issued will be reduced by any tax delinquency.