

HB 2058 -- Tax Incentives for Business Development

Sponsor: Pearce

This bill changes the laws regarding tax incentives for business development. In its main provisions, the bill:

(1) Increases the fiscal year cap for economic development tax credits that are approved as part of the Neighborhood Assistance Program from \$4 million to \$6 million;

(2) Increases the annual cap on the amount of tax credits the Department of Economic Development may authorize for the Enhanced Enterprise Zone Program from \$14 million to \$24 million;

(3) Exempts from state and local sales and use tax all personal property included on the United States munitions list that is sold to or purchased by a foreign government for a governmental purpose;

(4) Allows the Missouri Technology Corporation to authorize up to \$5 million in tax credits per year to encourage equity investment in technology-based early stage Missouri companies. Investors who contribute the first \$500,000 in equity investment to a qualified Missouri business may be issued a tax credit equal to 30% of the investment or 40% if the qualified business is in a rural area or distressed community. An investor can receive a credit of up to \$50,000 for an investment in a single qualified business and up to \$100,000 for investments in more than one qualified business per year. Credits can be carried forward for up to three years or sold;

(5) Increases the aggregate cap on the amount of tax credits the department may authorize for the Small Business Incubators Program from \$500,000 to \$2 million;

(6) Allows Quality Jobs tax credits to be issued for job retention projects until August 30, 2013. Tax credits for this project type were only authorized through August 30, 2007; and

(7) Increases the annual cap on the amount of tax credits the department may issue for the Quality Jobs Program from \$40 million to \$60 million.