

FIRST REGULAR SESSION

HOUSE BILL NO. 1111

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FLOOK (Sponsor), BRANDOM, CORCORAN,
KOMO AND DIEHL (Co-sponsors).

2481L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 620.1878 and 620.1881, RSMo, and to enact in lieu thereof two new sections relating to the Missouri quality jobs act.

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

- Section A. Sections 620.1878 and 620.1881, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 620.1878 and 620.1881, to read as follows:
- 620.1878. For the purposes of sections 620.1875 to 620.1890, the following terms shall mean:
- (1) "Approval", a document submitted by the department to the qualified company that states the benefits that may be provided by this program;
 - (2) "Average wage", the new payroll divided by the number of new jobs;
 - (3) "Commencement of operations", the starting date for the qualified company's first new employee, which must be no later than twelve months from the date of the approval;
 - (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. The department shall publish the county average wage for each county at least annually. Notwithstanding the provisions of this subdivision to the contrary, for any qualified company that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, the company shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their

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 project shall be the county average wage for the county from which the employees are being
18 relocated;

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

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

21 (7) "Employee", a person employed by a qualified company;

22 (8) "Full-time employee", an employee of the qualified company that is scheduled to
23 work an average of at least thirty-five hours per week for a twelve-month period, and one for
24 which the qualified company offers health insurance and pays at least fifty percent of such
25 insurance premiums;

26 (9) **"Green jobs project", a qualified company that within two years of the date of**
27 **the approval creates a minimum of ten new jobs involved in the operations of a company**
28 **that is engaged in the development of green technology or green manufacturing, such as**
29 **clean or sustainable energy development, energy efficiency or conservation, green building**
30 **techniques or components, green transportation technology or manufacturing, or**
31 **environmental sustainability;**

32 (10) "High-impact project", a qualified company that, within two years from
33 commencement of operations, creates one hundred or more new jobs;

34 [(10)] (11) "Local incentives", the present value of the dollar amount of direct benefit
35 received by a qualified company for a project facility from one or more local political
36 subdivisions, but shall not include loans or other funds provided to the qualified company that
37 must be repaid by the qualified company to the political subdivision;

38 [(11)] (12) "NAICS", the 1997 edition of the North American Industry Classification
39 System as prepared by the Executive Office of the President, Office of Management and Budget.
40 Any NAICS sector, subsector, industry group or industry identified in this section shall include
41 its corresponding classification in subsequent federal industry classification systems;

42 [(12)] (13) "New direct local revenue", the present value of the dollar amount of direct
43 net new tax revenues of the local political subdivisions likely to be produced by the project over
44 a ten-year period as calculated by the department, excluding local earnings tax, and net new
45 utility revenues, provided the local incentives include a discount or other direct incentives from
46 utilities owned or operated by the political subdivision;

47 [(13)] (14) "New investment", the purchase or leasing of new tangible assets to be placed
48 in operation at the project facility, which will be directly related to the new jobs;

49 [(14)] (15) "New job", the number of full-time employees located at the project facility
50 that exceeds the project facility base employment less any decrease in the number of full-time
51 employees at related facilities below the related facility base employment. No job that was
52 created prior to the date of the notice of intent shall be deemed a new job. An employee that

53 spends less than fifty percent of the employee's work time at the facility is still considered to be
54 located at a facility if the employee receives his or her directions and control from that facility,
55 is on the facility's payroll, one hundred percent of the employee's income from such employment
56 is Missouri income, and the employee is paid at or above the state average wage;

57 [(15)] **(16)** "New payroll", the amount of taxable wages of full-time employees,
58 excluding owners, located at the project facility that exceeds the project facility base payroll. If
59 full-time employment at related facilities is below the related facility base employment, any
60 decrease in payroll for full-time employees at the related facilities below that related facility base
61 payroll shall also be subtracted to determine new payroll;

62 [(16)] **(17)** "Notice of intent", a form developed by the department, completed by the
63 qualified company and submitted to the department which states the qualified company's intent
64 to hire new jobs and request benefits under this program;

65 [(17)] **(18)** "Percent of local incentives", the amount of local incentives divided by the
66 amount of new direct local revenue;

67 [(18)] **(19)** "Program", the Missouri quality jobs program provided in sections 620.1875
68 to 620.1890;

69 [(19)] **(20)** "Project facility", the building used by a qualified company at which the new
70 jobs and new investment will be located. A project facility may include separate buildings that
71 are located within one mile of each other or within the same county such that their purpose and
72 operations are interrelated;

73 [(20)] **(21)** "Project facility base employment", the greater of the number of full-time
74 employees located at the project facility on the date of the notice of intent or for the
75 twelve-month period prior to the date of the notice of intent, the average number of full-time
76 employees located at the project facility. In the event the project facility has not been in
77 operation for a full twelve-month period, the average number of full-time employees for the
78 number of months the project facility has been in operation prior to the date of the notice of
79 intent;

80 [(21)] **(22)** "Project facility base payroll", the total amount of taxable wages paid by the
81 qualified company to full-time employees of the qualified company located at the project facility
82 in the twelve months prior to the notice of intent, not including the payroll of the owners of the
83 qualified company unless the qualified company is participating in an employee stock ownership
84 plan. For purposes of calculating the benefits under this program, the amount of base payroll
85 shall increase each year based on an appropriate measure, as determined by the department;

86 [(22)] **(23)** "Project period", the time period that the benefits are provided to a qualified
87 company;

88 [(23)] (24) "Qualified company", a firm, partnership, joint venture, association, private
89 or public corporation whether organized for profit or not, or headquarters of such entity
90 registered to do business in Missouri that is the owner or operator of a project facility, offers
91 health insurance to all full-time employees of all facilities located in this state, and pays at least
92 fifty percent of such insurance premiums. For the purposes of sections 620.1875 to 620.1890,
93 the term "qualified company" shall not include:

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

95 (b) Retail trade establishments (NAICS sectors 44 and 45);

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

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

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

100 (f) Any company that has filed for or has publicly announced its intention to file for
101 bankruptcy protection. **However, effective January 1, 2009, a company that has filed for or**
102 **has publicly announced its intention to file for bankruptcy may be a qualified company**
103 **provided that such company:**

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

105 b. **After its bankruptcy petition has been filed, it produces proof, in a form and at**
106 **times satisfactory to the department, that it is not delinquent in filing any tax returns or**
107 **making any payment due to the state of Missouri, including but not limited to all tax**
108 **payments due after the filing of the bankruptcy petition and under the terms of the plan**
109 **of reorganization;**

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

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

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

113 (j) Ethanol distillation or production; [or]

114 (k) Biodiesel production; **or**

115 (l) **Any business entity which receives a state and local sales tax exemption under**
116 **the provisions of section 144.059, RSMo.**

117

118 Notwithstanding any provision of this section to the contrary, the headquarters or administrative
119 offices of an otherwise excluded business may qualify for benefits if the offices serve a multistate
120 territory. In the event a national, state, or regional headquarters operation is not the predominant
121 activity of a project facility, the new jobs and investment of such headquarters operation is
122 considered eligible for benefits under this section if the other requirements are satisfied;

123 [(24)] **(25)** "Qualified renewable energy sources" shall not be construed to include
124 ethanol distillation or production or biodiesel production; however, it shall include:

125 (a) Open-looped biomass;

126 (b) Close-looped biomass;

127 (c) Solar;

128 (d) Wind;

129 (e) Geothermal; and

130 (f) Hydropower;

131 [(25)] **(26)** "Related company" means:

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

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

135 (c) Corporations, partnerships, trusts or associations controlled by an individual,
136 corporation, partnership, trust or association in control of the qualified company. As used in this
137 subdivision, "control of a corporation" shall mean ownership, directly or indirectly, of stock
138 possessing at least fifty percent of the total combined voting power of all classes of stock entitled
139 to vote, "control of a partnership or association" shall mean ownership of at least fifty percent
140 of the capital or profits interest in such partnership or association, "control of a trust" shall mean
141 ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal
142 or income of such trust, and ownership shall be determined as provided in Section 318 of the
143 Internal Revenue Code of 1986, as amended;

144 [(26)] **(27)** "Related facility", a facility operated by the qualified company or a related
145 company located in this state that is directly related to the operations of the project facility;

146 [(27)] **(28)** "Related facility base employment", the greater of the number of full-time
147 employees located at all related facilities on the date of the notice of intent or for the
148 twelve-month period prior to the date of the notice of intent, the average number of full-time
149 employees located at all related facilities of the qualified company or a related company located
150 in this state;

151 [(28)] **(29)** "Related facility base payroll", the total amount of taxable wages paid by the
152 qualified company to full-time employees of the qualified company located at a related facility
153 in the twelve months prior to the filing of the notice of intent, not including the payroll of the
154 owners of the qualified company unless the qualified company is participating in an employee
155 stock ownership plan. For purposes of calculating the benefits under this program, the amount
156 of related facility base payroll shall increase each year based on an appropriate measure, as
157 determined by the department;

158 [(29)] (30) "Rural area", a county in Missouri with a population less than seventy-five
159 thousand or that does not contain an individual city with a population greater than fifty thousand
160 according to the most recent federal decennial census;

161 [(30)] (31) "Small and expanding business project", a qualified company that within two
162 years of the date of the approval creates a minimum of twenty new jobs if the project facility is
163 located in a rural area or a minimum of forty new jobs if the project facility is not located in a
164 rural area and creates fewer than one hundred new jobs regardless of the location of the project
165 facility;

166 [(31)] (32) "Tax credits", tax credits issued by the department to offset the state income
167 taxes imposed by chapters 143 and 148, RSMo, or which may be sold or refunded as provided
168 for in this program;

169 [(32)] (33) "Technology business project", a qualified company that within two years of
170 the date of the approval creates a minimum of ten new jobs involved in the operations of a
171 company:

172 (a) Which is a technology company, as determined by a regulation promulgated by the
173 department under the provisions of section 620.1884 or classified by NAICS codes;

174 (b) Which owns or leases a facility which produces electricity derived from qualified
175 renewable energy sources, or produces fuel for the generation of electricity from qualified
176 renewable energy sources, but does not include any company that has received the alcohol
177 mixture credit, alcohol credit, or small ethanol producer credit pursuant to 26 U.S.C. Section
178 40 of the tax code in the previous tax year; or

179 (c) Which researches, develops, or manufactures power system technology for:
180 aerospace; space; defense; hybrid vehicles; or implantable or wearable medical devices;

181 [(33)] (34) "Withholding tax", the state tax imposed by sections 143.191 to 143.265,
182 RSMo. For purposes of this program, the withholding tax shall be computed using a schedule
183 as determined by the department based on average wages.

620.1881. 1. The department of economic development shall respond within thirty days
2 to a company who provides a notice of intent with either an approval or a rejection of the notice
3 of intent. The department shall give preference to qualified companies and projects targeted at
4 an area of the state which has recently been classified as a disaster area by the federal
5 government. Failure to respond on behalf of the department of economic development shall
6 result in the notice of intent being deemed [an approval] **a disapproval** for the purposes of this
7 section. A qualified company who is provided an approval for a project shall be allowed a
8 benefit as provided in this program in the amount and duration provided in this section. A
9 qualified company may receive additional periods for subsequent new jobs at the same **project**
10 facility [after the full initial period] if the minimum thresholds are met as set forth in sections

11 620.1875 to 620.1890. There is no limit on the number of periods a qualified company may
12 participate in the program, as long as the minimum thresholds are achieved and the qualified
13 company provides the department with the required reporting and is in proper compliance for this
14 program or other state programs. A qualified company may elect to file a notice of intent to start
15 a new project period concurrent with an existing project period if the minimum thresholds are
16 achieved and the qualified company provides the department with the required reporting and is
17 in proper compliance for this program and other state programs; however, the qualified company
18 may not receive any [further] **additional** benefit under the original approval for jobs created after
19 the date of the new notice of intent, and any jobs created before the new notice of intent may not
20 be included as new jobs for the purpose of benefit calculation in relation to the new approval.
21 **When a qualified company has filed and received approval of a notice of intent and**
22 **subsequently files another notice of intent, the department shall apply the definition of**
23 **project facility under subdivision (20) of section 620.1878 to the new notice of intent as well**
24 **as all previously approved notices of intent and shall determine the application of the**
25 **definitions of new job, new payroll, project facility base employment, and project facility**
26 **base payroll accordingly.**

27 2. Notwithstanding any provision of law to the contrary, any qualified company that is
28 awarded benefits under this program may not simultaneously receive tax credits or exemptions
29 under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections
30 135.900 to 135.906, RSMo, at the same project facility. The benefits available to the company
31 under any other state programs for which the company is eligible and which utilize withholding
32 tax from the new jobs of the company must first be credited to the other state program before the
33 withholding retention level applicable under the Missouri quality jobs act will begin to accrue.
34 These other state programs include, but are not limited to, the new jobs training program under
35 sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to
36 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800
37 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections
38 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training
39 program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax,
40 but the department shall issue a refundable tax credit for the full amount of benefit allowed under
41 this subdivision. The calendar year annual maximum amount of tax credits which may be issued
42 to a qualifying company that also participates in the new job training program shall be increased
43 by an amount equivalent to the withholding tax retained by that company under the new jobs
44 training program. However, if the combined benefits of the quality jobs program and the new
45 jobs training program exceed the projected state benefit of the project, as determined by the
46 department of economic development through a cost-benefit analysis, the increase in the

47 maximum tax credits shall be limited to the amount that would not cause the combined benefits
48 to exceed the projected state benefit. Any taxpayer who is awarded benefits under this program
49 who knowingly hires individuals who are not allowed to work legally in the United States shall
50 immediately forfeit such benefits and shall repay the state an amount equal to any state tax
51 credits already redeemed and any withholding taxes already retained.

52 3. The types of projects and the amount of benefits to be provided are:

53 (1) Small and expanding business projects: in exchange for the consideration provided
54 by the new tax revenues and other economic stimuli that will be generated by the new jobs
55 created by the program, a qualified company may retain an amount equal to the withholding tax
56 as calculated under subdivision [(33)] (34) of section 620.1878 from the new jobs that would
57 otherwise be withheld and remitted by the qualified company under the provisions of sections
58 143.191 to 143.265, RSMo, for a period of three years from the date the required number of new
59 jobs were created if the average wage of the new payroll equals or exceeds the county average
60 wage or for a period of five years from the date the required number of new jobs were created
61 if the average wage of the new payroll equals or exceeds one hundred twenty percent of the
62 county average wage;

63 (2) Technology business projects: in exchange for the consideration provided by the new
64 tax revenues and other economic stimuli that will be generated by the new jobs created by the
65 program, a qualified company may retain an amount equal to a maximum of five percent of new
66 payroll for a period of five years from the date the required number of jobs were created from
67 the withholding tax of the new jobs that would otherwise be withheld and remitted by the
68 qualified company under the provisions of sections 143.191 to 143.265, RSMo, if the average
69 wage of the new payroll equals or exceeds the county average wage. An additional one-half
70 percent of new payroll may be added to the five percent maximum if the average wage of the
71 new payroll in any year exceeds one hundred twenty percent of the county average wage in the
72 county in which the project facility is located, plus an additional one-half percent of new payroll
73 may be added if the average wage of the new payroll in any year exceeds one hundred forty
74 percent of the average wage in the county in which the project facility is located. The department
75 shall issue a refundable tax credit for any difference between the amount of benefit allowed
76 under this subdivision and the amount of withholding tax retained by the company, in the event
77 the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
78 company under this subdivision[. The calendar year annual maximum amount of tax credits that
79 may be issued to any qualified company for a project or combination of projects is five hundred
80 thousand dollars];

81 (3) High impact projects: in exchange for the consideration provided by the new tax
82 revenues and other economic stimuli that will be generated by the new jobs created by the

program, a qualified company may retain an amount from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265, RSMo, equal to three percent of new payroll for a period of five years from the date the required number of jobs were created if the average wage of the new payroll equals or exceeds the county average wage of the county in which the project facility is located. The percentage of payroll allowed under this subdivision shall be three and one-half percent of new payroll if the average wage of the new payroll in any year exceeds one hundred twenty percent of the county average wage in the county in which the project facility is located. The percentage of payroll allowed under this subdivision shall be four percent of new payroll if the average wage of the new payroll in any year exceeds one hundred forty percent of the county average wage in the county in which the project facility is located. An additional one percent of new payroll may be added to these percentages if local incentives equal between ten percent and twenty-four percent of the new direct local revenue; an additional two percent of new payroll is added to these percentages if the local incentives equal between twenty-five percent and forty-nine percent of the new direct local revenue; or an additional three percent of payroll is added to these percentages if the local incentives equal fifty percent or more of the new direct local revenue. The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subdivision and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subdivision. The calendar year annual maximum amount of tax credits that may be issued to any qualified company for a project or combination of projects is seven hundred fifty thousand dollars[. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a project or combination of projects may be increased up to one million dollars if the number of new jobs will exceed five hundred and if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting the increased limit on behalf of the project];

(4) Job retention projects: a qualified company may receive a tax credit for the retention of jobs in this state, provided the qualified company and the project meets all of the following conditions:

(a) For each of the twenty-four months preceding the year in which application for the program is made the qualified company must have maintained at least one thousand full-time

118 employees at the employer's site in the state at which the jobs are based, and the average wage
119 of such employees must meet or exceed the county average wage;

120 (b) The qualified company retained at the project facility the level of full-time employees
121 that existed in the taxable year immediately preceding the year in which application for the
122 program is made;

123 (c) The qualified company is considered to have a significant statewide effect on the
124 economy, and has been determined to represent a substantial risk of relocation from the state by
125 the quality jobs advisory task force established in section 620.1887; provided, however, until
126 such time as the initial at-large members of the quality jobs advisory task force are appointed,
127 this determination shall be made by the director of the department of economic development;

128 (d) The qualified company in the project facility will cause to be invested a minimum
129 of seventy million dollars in new investment prior to the end of two years or will cause to be
130 invested a minimum of thirty million dollars in new investment prior to the end of two years and
131 maintain an annual payroll of at least seventy million dollars during each of the years for which
132 a credit is claimed; and

133 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
134 new direct local revenues created by the project over a ten-year period. The quality jobs advisory
135 task force may recommend to the department of economic development that appropriate
136 penalties be applied to the company for violating the agreement. The amount of the job retention
137 credit granted may be equal to up to fifty percent of the amount of withholding tax generated by
138 the full-time jobs at the project facility for a period of five years. The calendar year annual
139 maximum amount of tax credit that may be issued to any qualified company for a job retention
140 project or combination of job retention projects shall be seven hundred fifty thousand dollars per
141 year, but the maximum amount may be increased up to one million dollars if such action is
142 proposed by the department and approved by the quality jobs advisory task force established in
143 section 620.1887; provided, however, until such time as the initial at-large members of the
144 quality jobs advisory task force are appointed, this determination shall be made by the director
145 of the department of economic development. In considering such a request, the task force shall
146 rely on economic modeling and other information supplied by the department when requesting
147 the increased limit on behalf of the job retention project. In no event shall the total amount of
148 all tax credits issued for the entire job retention program under this subdivision exceed three
149 million dollars annually. Notwithstanding the above, no tax credits shall be issued for job
150 retention projects approved by the department after August 30, 2013;

151 (5) Small business job retention and flood survivor relief: a qualified company may
152 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood
153 survivor relief in this state for each job retained over a three-year period, provided that:

154 (a) The qualified company did not receive any state or federal benefits, incentives, or tax
155 relief or abatement in locating its facility in a flood plain;

156 (b) The qualified company and related companies have fewer than one hundred
157 employees at the time application for the program is made;

158 (c) The average wage of the qualified company's and related companies' employees must
159 meet or exceed the county average wage;

160 (d) All of the qualified company's and related companies' facilities are located in this
161 state;

162 (e) The facilities at the primary business site in this state have been directly damaged by
163 floodwater rising above the level of a five hundred year flood at least two years, but fewer than
164 eight years, prior to the time application is made;

165 (f) The qualified company made significant efforts to protect the facilities prior to any
166 impending danger from rising floodwaters;

167 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the
168 qualified company and related companies retained, at the company's facilities in this state, at
169 least the level of full-time, year-round employees that existed in the taxable year immediately
170 preceding the year in which application for the program is made; and

171 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
172 cumulatively invests at least two million dollars in capital improvements in facilities and
173 equipment located at such facilities that are not located within a five hundred year flood plain
174 as designated by the Federal Emergency Management Agency, and amended from time to time.
175 The amount of the small business job retention and flood survivor relief credit granted may be
176 equal to up to one hundred percent of the amount of withholding tax generated by the full-time
177 jobs at the project facility for a period of three years. The calendar year annual maximum
178 amount of tax credit that may be issued to any qualified company for a small business job
179 retention and survivor relief project shall be two hundred fifty thousand dollars per year, but the
180 maximum amount may be increased up to five hundred thousand dollars if such action is
181 proposed by the department and approved by the quality jobs advisory task force established in
182 section 620.1887. In considering such a request, the task force shall rely on economic modeling
183 and other information supplied by the department when requesting an increase in the limit on
184 behalf of the small business job retention and flood survivor relief project. In no event shall the
185 total amount of all tax credits issued for the entire small business job retention and flood survivor
186 relief program under this subdivision exceed five hundred thousand dollars annually.
187 Notwithstanding the provisions of this subdivision to the contrary, no tax credits shall be issued
188 for small business job retention and flood survivor relief projects approved by the department
189 after August 30, 2010;

190 **(6) Green jobs projects: in exchange for the consideration provided by the new tax**
191 **revenues and other economic stimuli that will be generated by the new jobs created by the**
192 **program, a qualified company may retain an amount from the withholding tax of the new**
193 **jobs that would otherwise be withheld and remitted by the qualified company under the**
194 **provisions of sections 143.191 to 143.265, RSMo, equal to four percent of new payroll for**
195 **a period of five years from the date the required number of jobs were created if the**
196 **average wage of the new payroll equals or exceeds the county average wage. An additional**
197 **one percent of new payroll may be added to this percentage if local incentives equal**
198 **between ten percent and twenty-four percent of the new direct local revenue; an additional**
199 **two percent of new payroll is added to this percentage if the local incentives equal between**
200 **twenty- five percent and forty-nine percent of the new direct local revenue; or an**
201 **additional three percent of payroll is added to this percentage if the local incentives equal**
202 **fifty percent or more of the new direct local revenue. The period that the qualified**
203 **company may retain withholding shall be extended by one additional year or a total of six**
204 **years from the date the jobs were created if the company creates at least one hundred jobs,**
205 **and by two additional years or a total of seven years from the date the jobs were created**
206 **if the company creates at least five hundred jobs. The department shall issue a refundable**
207 **tax credit for any difference between the amount of benefit allowed under this subdivision**
208 **and the amount of withholding tax retained by the company, in the event the withholding**
209 **tax is not sufficient to provide the entire amount of benefit due to the qualified company**
210 **under this subdivision. If the qualified company demonstrates to the department that a**
211 **company which is either a direct supplier of goods, components, or tangible products or**
212 **a direct purchaser of the qualified company's products, a supplier/purchaser company,**
213 **either expands or commences operations in Missouri or relocates to Missouri from another**
214 **state as a result of its business relationship with the qualified company, and such**
215 **supplier/purchaser company creates at least ten jobs that are new to the state of Missouri**
216 **between the date of the qualified company's notice of intent and the two-year anniversary**
217 **of the qualified company's commencement of operations, then the qualified company may**
218 **be eligible for a resulting jobs benefit if the following conditions are met. Under the**
219 **resulting jobs benefit, a qualified company may be eligible for an additional tax credit in**
220 **an amount equal to one-half of the withholding for the supplier/purchaser company's new**
221 **jobs, calculated without regard to any tax credits for which the supplier/purchaser**
222 **company might be eligible, for a period of three years from the date the required number**
223 **of supplier/purchaser company jobs were created if the average wage of such new jobs**
224 **equals or exceeds the county average wage for the county in which the supplier/purchaser**
225 **company is located.**

226 4. The qualified company shall provide an annual report of the number of jobs and such
227 other information as may be required by the department to document the basis for the benefits
228 of this program. The department may withhold the approval of any benefits until it is satisfied
229 that proper documentation has been provided, and shall reduce the benefits to reflect any
230 reduction in full-time employees or new payroll. Upon approval by the department, the qualified
231 company may begin the retention of the withholding taxes when it reaches the minimum number
232 of new jobs and the average wage exceeds the county average wage. Tax credits, if any, may be
233 issued upon satisfaction by the department that the qualified company has exceeded the county
234 average wage and the minimum number of new jobs. In such annual report, if the average wage
235 is below the county average wage, the qualified company has not maintained the employee
236 insurance as required, or if the number of new jobs is below the minimum, the qualified
237 company shall not receive tax credits or retain the withholding tax for the balance of the benefit
238 period. In the case of a qualified company that initially filed a notice of intent and received an
239 approval from the department for high impact benefits and the minimum number of new jobs in
240 an annual report is below the minimum for high impact projects, the company shall not receive
241 tax credits for the balance of the benefit period but may continue to retain the withholding taxes
242 if it otherwise meets the requirements of a small and expanding business under this program.

243 5. The maximum calendar year annual tax credits issued for the entire program shall not
244 exceed [sixty] **one hundred twenty** million dollars. Notwithstanding any provision of law to the
245 contrary, the maximum annual tax credits authorized under section 135.535, RSMo, are hereby
246 reduced from ten million dollars to eight million dollars, with the balance of two million dollars
247 transferred to this program. There shall be no limit on the amount of withholding taxes that may
248 be retained by approved companies under this program.

249 6. The department shall allocate the annual tax credits based on the date of the approval,
250 reserving such tax credits based on the department's best estimate of new jobs and new payroll
251 of the project, and the other factors in the determination of benefits of this program. However,
252 the annual issuance of tax credits is subject to the annual verification of the actual new payroll.
253 The allocation of tax credits for the period assigned to a project shall expire if, within two years
254 from the date of commencement of operations, or approval if applicable, the minimum
255 thresholds have not been achieved. The qualified company may retain authorized amounts from
256 the withholding tax under this section once the minimum new jobs thresholds are met for the
257 duration of the project period. No benefits shall be provided under this program until the
258 qualified company meets the minimum new jobs thresholds. In the event the qualified company
259 does not meet the minimum new job threshold, the qualified company may submit a new notice
260 of intent or the department may provide a new approval for a new project of the qualified
261 company at the project facility or other facilities.

262 7. For a qualified company with flow-through tax treatment to its members, partners, or
263 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion
264 to their share of ownership on the last day of the qualified company's tax period.

265 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
266 RSMo, and may not be carried forward but shall be claimed within one year of the close of the
267 taxable year for which they were issued, except as provided under subdivision (4) of subsection
268 3 of this section.

269 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing
270 a notarized endorsement thereof with the department that names the transferee, the amount of
271 tax credit transferred, and the value received for the credit, as well as any other information
272 reasonably requested by the department.

273 10. Prior to the issuance of tax credits, the department shall verify through the
274 department of revenue, or any other state department, that the tax credit applicant does not owe
275 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
276 fees or assessments levied by any state department and through the department of insurance,
277 financial institutions and professional registration that the applicant does not owe any delinquent
278 insurance taxes. Such delinquency shall not affect the authorization of the application for such
279 tax credits, except that at issuance credits shall be first applied to the delinquency and any
280 amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue
281 or the department of insurance, financial institutions and professional registration, or any other
282 state department, concludes that a taxpayer is delinquent after June fifteenth but before July first
283 of any year and the application of tax credits to such delinquency causes a tax deficiency on
284 behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the
285 deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all
286 available credits toward a tax delinquency, the administering agency shall notify the appropriate
287 department and that department shall update the amount of outstanding delinquent tax owed by
288 the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax
289 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions
290 of other provisions of law.

291 11. Except as provided under subdivision (4) of subsection 3 of this section, the director
292 of revenue shall issue a refund to the qualified company to the extent that the amount of credits
293 allowed in this section exceeds the amount of the qualified company's income tax.

294 12. An employee of a qualified company will receive full credit for the amount of tax
295 withheld as provided in section 143.211, RSMo.

296 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any
297 person or circumstance is held invalid, the invalidity shall not affect other provisions or

298 application of these sections which can be given effect without the invalid provisions or
299 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
300 severable.

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