

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for House Bill No. 1709, Page 1, Section A, Line 2, by inserting after all of said line the following:

“620.1881. 1. The department of economic development shall respond within thirty days to a company who provides a notice of intent with either an approval or a rejection of the notice of intent. The department shall give preference to qualified companies and projects targeted at an area of the state which has recently been classified as a disaster area by the federal government. Failure to respond on behalf of the department of economic development shall result in the notice of intent being deemed an approval for the purposes of this section. A qualified company who is provided an approval for a project shall be allowed a benefit as provided in this program in the amount and duration provided in this section. A qualified company may receive additional periods for subsequent new jobs at the same facility after the full initial period if the minimum thresholds are met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified company may participate in the program, as long as the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may elect to file a notice of intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not receive any further benefit under the original approval for jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent may not be included as new jobs for the purpose of benefit calculation in relation to the new approval. When a qualified company has filed and received approval of a notice of intent and subsequently files another notice of intent, the department shall apply the definition of project facility under subdivision (19) of section 620.1878 to the new notice of intent as well as all previously approved notices of intent and shall determine the application of the definitions of new job, new payroll, project facility base employment, and project facility base payroll accordingly.

2. Notwithstanding any provision of law to the contrary, any qualified company that is awarded benefits under this program may not simultaneously receive tax credits or exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections

1 135.900 to 135.906 at the same project facility. The benefits available to the company under any
2 other state programs for which the company is eligible and which utilize withholding tax from the
3 new jobs of the company must first be credited to the other state program before the withholding
4 retention level applicable under the Missouri quality jobs act will begin to accrue. These other
5 state programs include, but are not limited to, the new jobs training program under sections
6 178.892 to 178.896, the job retention program under sections 178.760 to 178.764, the real
7 property tax increment allocation redevelopment act, sections 99.800 to 99.865, or the Missouri
8 downtown and rural economic stimulus act under sections 99.915 to 99.980. If any qualified
9 company also participates in the new jobs training program in sections 178.892 to 178.896, the
10 company shall retain no withholding tax, but the department shall issue a refundable tax credit for
11 the full amount of benefit allowed under this [subdivision] subsection. The calendar year annual
12 maximum amount of tax credits which may be issued to a qualifying company that also
13 participates in the new job training program shall be increased by an amount equivalent to the
14 withholding tax retained by that company under the new jobs training program. However, if the
15 combined benefits of the quality jobs program and the new jobs training program exceed the
16 projected state benefit of the project, as determined by the department of economic development
17 through a cost-benefit analysis, the increase in the maximum tax credits shall be limited to the
18 amount that would not cause the combined benefits to exceed the projected state benefit. Any
19 taxpayer who is awarded benefits under this program who knowingly hires individuals who are
20 not allowed to work legally in the United States shall immediately forfeit such benefits and shall
21 repay the state an amount equal to any state tax credits already redeemed and any withholding
22 taxes already retained.

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

24 (1) Small and expanding business projects: in exchange for the consideration provided by
25 the new tax revenues and other economic stimuli that will be generated by the new jobs created by
26 the program, a qualified company may retain an amount equal to the withholding tax as calculated
27 under subdivision (33) of section 620.1878 from the new jobs that would otherwise be withheld
28 and remitted by the qualified company under the provisions of sections 143.191 to 143.265 for a
29 period of three years from the date the required number of new jobs were created if the average
30 wage of the new payroll equals or exceeds the county average wage or for a period of five years
31 from the date the required number of new jobs were created if the average wage of the new
32 payroll equals or exceeds one hundred twenty percent of the county average wage;

33 (2) Technology business projects: in exchange for the consideration provided by the new
34 tax revenues and other economic stimuli that will be generated by the new jobs created by the
35 program, a qualified company may retain an amount equal to a maximum of five percent of new
36 payroll for a period of five years from the date the required number of jobs were created from the

1 withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified
2 company under the provisions of sections 143.191 to 143.265 if the average wage of the new
3 payroll equals or exceeds the county average wage. An additional one-half percent of new payroll
4 may be added to the five percent maximum if the average wage of the new payroll in any year
5 exceeds one hundred twenty percent of the county average wage in the county in which the project
6 facility is located, plus an additional one-half percent of new payroll may be added if the average
7 wage of the new payroll in any year exceeds one hundred forty percent of the average wage in the
8 county in which the project facility is located. The department shall issue a refundable tax credit
9 for any difference between the amount of benefit allowed under this subdivision and the amount
10 of withholding tax retained by the company, in the event the withholding tax is not sufficient to
11 provide the entire amount of benefit due to the qualified company under this subdivision;

12 (3) High impact projects: in exchange for the consideration provided by the new tax
13 revenues and other economic stimuli that will be generated by the new jobs created by the
14 program, a qualified company may retain an amount from the withholding tax of the new jobs that
15 would otherwise be withheld and remitted by the qualified company under the provisions of
16 sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years from
17 the date the required number of jobs were created if the average wage of the new payroll equals or
18 exceeds the county average wage of the county in which the project facility is located. For
19 high-impact projects in a facility located within two adjacent counties, the new payroll shall equal
20 or exceed the higher county average wage of the adjacent counties. The percentage of payroll
21 allowed under this subdivision shall be three and one-half percent of new payroll if the average
22 wage of the new payroll in any year exceeds one hundred twenty percent of the county average
23 wage in the county in which the project facility is located. The percentage of payroll allowed
24 under this subdivision shall be four percent of new payroll if the average wage of the new payroll
25 in any year exceeds one hundred forty percent of the county average wage in the county in which
26 the project facility is located. An additional one percent of new payroll may be added to these
27 percentages if local incentives equal between ten percent and twenty-four percent of the new
28 direct local revenue; an additional two percent of new payroll is added to these percentages if the
29 local incentives equal between twenty-five percent and forty-nine percent of the new direct local
30 revenue; or an additional three percent of payroll is added to these percentages if the local
31 incentives equal fifty percent or more of the new direct local revenue. The department shall issue
32 a refundable tax credit for any difference between the amount of benefit allowed under this
33 subdivision and the amount of withholding tax retained by the company, in the event the
34 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
35 company under this subdivision;

36 (4) Job retention projects: a qualified company may receive a tax credit for the retention

1 of jobs in this state, provided the qualified company and the project meets all of the following
2 conditions:

3 (a) For each of the twenty-four months preceding the year in which application for the
4 program is made the qualified company must have maintained at least one thousand full-time
5 employees at the employer's site in the state at which the jobs are based, and the average wage of
6 such employees must meet or exceed the county average wage;

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

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

16 (d) The qualified company in the project facility will cause to be invested a minimum of
17 [seventy] fifty million dollars in new investment prior to the end of [two] five years or will cause
18 to be invested a minimum of thirty million dollars in new investment prior to the end of two years
19 and maintain an annual payroll of at least seventy million dollars during each of the years for
20 which a credit is claimed; and

21 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
22 new direct local revenues created by the project over a ten-year period. The quality jobs advisory
23 task force may recommend to the department of economic development that appropriate penalties
24 be applied to the company for violating the agreement. The amount of the job retention credit
25 granted may be equal to up to fifty percent of the amount of withholding tax generated by the
26 full-time jobs at the project facility for a period of five years. The calendar year annual maximum
27 amount of tax credit that may be issued to any qualified company for a job retention project or
28 combination of job retention projects shall be seven hundred fifty thousand dollars per year, but
29 the maximum amount may be increased up to one million dollars if such action is proposed by the
30 department and approved by the quality jobs advisory task force established in section 620.1887;
31 provided, however, until such time as the initial at-large members of the quality jobs advisory task
32 force are appointed, this determination shall be made by the director of the department of
33 economic development. In considering such a request, the task force shall rely on economic
34 modeling and other information supplied by the department when requesting the increased limit
35 on behalf of the job retention project. In no event shall the total amount of all tax credits issued
36 for the entire job retention program under this subdivision exceed three million dollars annually.

1 Notwithstanding the above, no tax credits shall be issued for job retention projects approved by
2 the department after August 30, [2013] 2018;

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

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

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

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

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

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

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

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

23 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company
24 cumulatively invests at least two million dollars in capital improvements in facilities and
25 equipment located at such facilities that are not located within a five hundred year flood plain as
26 designated by the Federal Emergency Management Agency, and amended from time to time. The
27 amount of the small business job retention and flood survivor relief credit granted may be equal to
28 up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the
29 project facility for a period of three years. The calendar year annual maximum amount of tax
30 credit that may be issued to any qualified company for a small business job retention and survivor
31 relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may
32 be increased up to five hundred thousand dollars if such action is proposed by the department and
33 approved by the quality jobs advisory task force established in section 620.1887. In considering
34 such a request, the task force shall rely on economic modeling and other information supplied by
35 the department when requesting an increase in the limit on behalf of the small business job
36 retention and flood survivor relief project. In no event shall the total amount of all tax credits

1 issued for the entire small business job retention and flood survivor relief program under this
2 subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of
3 this subdivision to the contrary, no tax credits shall be issued for small business job retention and
4 flood survivor relief projects approved by the department after August 30, 2010.

5 4. The qualified company shall provide an annual report of the number of jobs and such
6 other information as may be required by the department to document the basis for the benefits of
7 this program. The department may withhold the approval of any benefits until it is satisfied that
8 proper documentation has been provided, and shall reduce the benefits to reflect any reduction in
9 full-time employees or new payroll. Upon approval by the department, the qualified company
10 may begin the retention of the withholding taxes when it reaches the minimum number of new
11 jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued
12 upon satisfaction by the department that the qualified company has exceeded the county average
13 wage and the minimum number of new jobs. In such annual report, if the average wage is below
14 the county average wage, the qualified company has not maintained the employee insurance as
15 required, or if the number of new jobs is below the minimum, the qualified company shall not
16 receive tax credits or retain the withholding tax for the balance of the benefit period. In the case
17 of a qualified company that initially filed a notice of intent and received an approval from the
18 department for high-impact benefits and the minimum number of new jobs in an annual report is
19 below the minimum for high-impact projects, the company shall not receive tax credits for the
20 balance of the benefit period but may continue to retain the withholding taxes if it otherwise meets
21 the requirements of a small and expanding business under this program.

22 5. The maximum calendar year annual tax credits issued for the entire program shall not
23 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the
24 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten
25 million dollars to eight million dollars, with the balance of two million dollars transferred to this
26 program. There shall be no limit on the amount of withholding taxes that may be retained by
27 approved companies under this program.

28 6. The department shall allocate the annual tax credits based on the date of the approval,
29 reserving such tax credits based on the department's best estimate of new jobs and new payroll of
30 the project, and the other factors in the determination of benefits of this program. However, the
31 annual issuance of tax credits is subject to the annual verification of the actual new payroll. The
32 allocation of tax credits for the period assigned to a project shall expire if, within two years from
33 the date of commencement of operations, or approval if applicable, the minimum thresholds have
34 not been achieved. The qualified company may retain authorized amounts from the withholding
35 tax under this section once the minimum new jobs thresholds are met for the duration of the
36 project period. No benefits shall be provided under this program until the qualified company

1 meets the minimum new jobs thresholds. In the event the qualified company does not meet the
2 minimum new job threshold, the qualified company may submit a new notice of intent or the
3 department may provide a new approval for a new project of the qualified company at the project
4 facility or other facilities.

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

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

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

16 10. Prior to the issuance of tax credits, the department shall verify through the department
17 of revenue, or any other state department, that the tax credit applicant does not owe any delinquent
18 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or
19 assessments levied by any state department and through the department of insurance, financial
20 institutions and professional registration that the applicant does not owe any delinquent insurance
21 taxes. Such delinquency shall not affect the authorization of the application for such tax credits,
22 except that at issuance credits shall be first applied to the delinquency and any amount issued shall
23 be reduced by the applicant's tax delinquency. If the department of revenue or the department of
24 insurance, financial institutions and professional registration, or any other state department,
25 concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the
26 application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to
27 arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,
28 penalties, and additions to tax shall be tolled. After applying all available credits toward a tax
29 delinquency, the administering agency shall notify the appropriate department and that department
30 shall update the amount of outstanding delinquent tax owed by the applicant. If any credits
31 remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining
32 credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

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

36 12. An employee of a qualified company will receive full credit for the amount of tax

1 withheld as provided in section 143.211.

2 13. If any provision of sections 620.1875 to 620.1890 or application thereof to any person
3 or circumstance is held invalid, the invalidity shall not affect other provisions or application of
4 these sections which can be given effect without the invalid provisions or application, and to this
5 end, the provisions of sections 620.1875 to 620.1890 are hereby declared severable.”; and

6
7 Further amend said bill by amending the title, enacting clause, and intersectional references
8 accordingly.