

House _____ Amendment NO. _____

Offered By

AMEND House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 83, Page 22, Section 92.387, Line 2, by inserting after all of said line the following:

"135.960. 1. Any governing authority that desires to have any portion of a city or unincorporated area of a county under its control designated as an enhanced enterprise zone shall hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons who will be affected by such designation. [The governing authority shall notify the director of such hearing at least thirty days prior thereto and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by such designation at least twenty days prior to the date of the hearing but not more than thirty days prior to such hearing. Such notice shall state the time, location, date, and purpose of the hearing. The director, or the director's designee, shall attend such hearing.]

2. After a public hearing is held as required in subsection 1 of this section, the governing authority may, by a majority vote of the members of the governing authority, [file a petition with the department requesting the designation of] adopt an ordinance or resolution designating a specific area as an enhanced enterprise zone. Such [petition] ordinance shall include, in addition to a description of the physical, social, and economic characteristics of the area:

(1) A plan to provide adequate police protection within the area;

(2) A specific and practical process for individual businesses to obtain waivers from burdensome local regulations, ordinances, and orders which serve to discourage economic development within the area to be designated an enhanced enterprise zone, except that such waivers shall not substantially endanger the health or safety of the employees of any such business or the residents of the area;

(3) A description of what other specific actions will be taken to support and encourage private investment within the area;

(4) A plan to ensure that resources are available to assist area residents to participate in increased development through self-help efforts and in ameliorating any negative effects of designation of the area as an enhanced enterprise zone;

(5) A statement describing the projected positive and negative effects of designation of the

Action Taken _____ Date _____

1 area as an enhanced enterprise zone;

2 (6) A specific plan to provide assistance to any person or business dislocated as a result of
3 activities within the enhanced enterprise zone. Such plan shall determine the need of dislocated
4 persons for relocation assistance; provide, prior to displacement, information about the type,
5 location, and price of comparable housing or commercial property; provide information concerning
6 state and federal programs for relocation assistance and provide other advisory services to displaced
7 persons. Public agencies may choose to provide assistance under the Uniform Relocation and Real
8 Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet the requirements of this
9 subdivision; and

10 (7) A description or plan that demonstrates the requirements of subsection 4 of section
11 135.953.

12 3. An enhanced enterprise zone designation shall [be effective upon such approval by the
13 department and shall] expire in twenty-five years.

14 4. Each designated enhanced enterprise zone board shall report to the director on an annual
15 basis regarding the status of the zone and business activity within the zone."; and

16
17 Further amend said Bill, Page 130, Section 577.041, Line 138, by inserting after all of said line the
18 following:

19
20 "620.2000. Sections 620.2000 to 620.2020 shall be known and may be cited as the "Missouri
21 Works Program".

22 620.2005. As used in sections 620.2000 to 620.2020, the following terms mean:

23 (1) "Average wage", the new payroll divided by the number of new jobs, or the payroll of the
24 retained jobs divided by the number of retained jobs;

25 (2) "Commencement of operations", the starting date for the qualified company's first new
26 employee, which shall be no later than twelve months from the date of the approval;

27 (3) "County average wage", the average wages in each county as determined by the
28 department for the most recently completed full calendar year. However, if the computed county
29 average wage is above the statewide average wage, the statewide average wage shall be deemed the
30 county average wage for such county for the purpose of determining eligibility. The department
31 shall publish the county average wage for each county at least annually. Notwithstanding the
32 provisions of this subdivision to the contrary, for any qualified company that in conjunction with
33 their project is relocating employees from a Missouri county with a higher county average wage, the
34 company shall obtain the endorsement of the governing body of the community from which jobs are
35 being relocated or the county average wage for their project shall be the county average wage for the
36 county from which the employees are being relocated;

37 (4) "Department", the Missouri department of economic development;

38 (5) "Director", the director of the department of economic development;

1 (6) "Employee", a person employed by a qualified company, excluding:

2 (a) Owners of the qualified company unless the qualified company is participating in an
3 employee stock ownership plan; or

4 (b) Owners of a non-controlling interest in stock of a qualified company that is publically
5 traded;

6 (7) "Existing Missouri business", a qualified company that, for the ten-year period preceding
7 submission of a notice of intent to the department, had a physical location in Missouri and full-time
8 employees who routinely perform job duties within Missouri;

9 (8) "Full-time employee", an employee of the qualified company that is scheduled to work an
10 average of at least thirty-five hours per week for a twelve-month period, and one for which the
11 qualified company offers health insurance and pays at least fifty percent of such insurance premiums.
12 An employee that spends less than fifty percent of the employee's work time at the facility shall be
13 considered to be located at a facility if the employee receives his or her directions and control from
14 that facility, is on the facility's payroll, one hundred percent of the employee's income from such
15 employment is Missouri income, and the employee is paid at or above the applicable percentage of
16 the county average wage;

17 (9) "Local incentives", the present value of the dollar amount of direct benefit received by a
18 qualified company for a project facility from one or more local political subdivisions, but this term
19 shall not include loans or other funds provided to the qualified company that shall be repaid by the
20 qualified company to the political subdivision;

21 (10) "NAICS" or "NAICS industry classification", the classification provided by the most
22 recent edition of the North American Industry Classification System as prepared by the Executive
23 Office of the President, Office of Management and Budget;

24 (11) "New capital investment", shall include costs incurred by the qualified company at the
25 project facility after acceptance by the qualified company of the proposal for benefits from the
26 department or the approval notice of intent, whichever occurs first, for real or personal property, and
27 may include the value of finance or capital leases for real or personal property for the term of such
28 lease at the project facility executed after acceptance by the qualified company of the proposal for
29 benefits from the department or the approval of the notice of intent;

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

35 (13) "New job", the number of full-time employees located at the project facility that exceeds
36 the project facility base employment less any decrease in the number of full-time employees at
37 related facilities below the related facility base employment. No job that was created prior to the date

1 of the notice of intent shall be deemed a new job.;

2 (14) "New payroll", the amount of wages paid for all new jobs, , located at the project facility
3 during the qualified company's tax year that exceeds the project facility base payroll;

4 (15) "Notice of intent", a form developed by the department and available online, completed
5 by the qualified company, and submitted to the department stating the qualified company's intent to
6 request benefits under this program;

7 (16) "Percent of local incentives", the amount of local incentives divided by the amount of
8 new direct local revenue;

9 (17) "Program", the Missouri works program established in sections 620.2000 to 620.2020;

10 (18) "Project facility", the building or buildings used by a qualified company at which new
11 or retained jobs and any new capital investment are or will be located. A project facility may include
12 separate buildings located within sixty miles of each other such that their purpose and operations are
13 interrelated; provided that where the buildings making up the project facility are not located within
14 the same county, the average wage of the new payroll shall exceed the applicable percentage of the
15 highest county average wage among the counties in which the buildings are located. Upon approval
16 by the department, a subsequent project facility may be designated if the qualified company
17 demonstrates a need to relocate to the subsequent project facility at any time during the project
18 period;

19 (19) "Project facility base employment", the greater of the number of full-time employees
20 located at the project facility on the date of the notice of intent or, for the twelve-month period prior
21 to the date of the notice of intent, the average number of full-time employees located at the project
22 facility. In the event the project facility has not been in operation for a full twelve-month period, the
23 average number of full-time employees for the number of months the project facility has been in
24 operation prior to the date of the notice of intent;

25 (20) "Project facility base payroll", the annualized payroll for the project facility base
26 employment or the total amount of wages paid by the qualified company to full-time employees of
27 the qualified company located at the project facility in the twelve months prior to the notice of intent.
28 For purposes of calculating the benefits under this program, the amount of base payroll shall increase
29 each year based on an appropriate measure, as determined by the department;

30 (21) "Project period", the time period within which benefits are awarded to a qualified
31 company or within which the qualified company is obligated to perform under an agreement with the
32 department, whichever is greater;

33 (22) "Projected net fiscal benefit", the total fiscal benefit to the state less any state benefits
34 offered to the qualified company, as determined by the department;

35 (23) "Qualified company", a firm, partnership, joint venture, association, private or public
36 corporation whether organized for profit or not, or headquarters of such entity registered to do
37 business in Missouri that is the owner or operator of a project facility, certifies that it offers health

insurance to all full-time employees of all facilities located in this state, and certifies that it pays at least fifty percent of such insurance premiums. For the purposes of sections 620.2000 to 620.2020, the term "qualified company" shall not include:

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

(b) Store front consumer-based retail trade establishments (under NAICS sectors 44 and 45), except with respect to any company headquartered in this state with a majority of its full-time employees engaged in operations not within the NAICS codes specified in this subdivision;

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

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

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

(f) Any company requesting benefits for retained jobs that has filed for or has publicly announced its intention to file for bankruptcy protection. However, a company that has filed for or has publicly announced its intention to file for bankruptcy, may be a qualified company provided that such company:

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

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

Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

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

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production;

(k) Biodiesel production; or

(l) Healthcare and social services (NAICS sector 62).

Notwithstanding any provision of this section to the contrary, the headquarters, administrative offices, or research and development facilities of an otherwise excluded business may qualify for benefits if the offices or facilities serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the jobs and investment of such operation shall be considered eligible for benefits under this section if the other requirements

1 are satisfied;

2 (24) "Related company", shall mean:

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

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

6 (c) Corporations, partnerships, trusts or associations controlled by an individual, corporation,
7 partnership, trust, or association in control of the qualified company. As used in this paragraph,
8 "control of a qualified company" shall mean:

9 a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the total
10 combined voting power of all classes of stock entitled to vote in the case of a qualified company that
11 is a corporation;

12 b. Ownership of at least fifty percent of the capital or profits interest in such qualified
13 company if it is a partnership or association;

14 c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the
15 principal or income of such qualified company if it is a trust, and ownership shall be determined as
16 provided in Section 318 of the Internal Revenue Code of 1986, as amended;

17 (25) "Related facility", a facility operated by the qualified company or a related company
18 located in this state that is directly related to the operations of the project facility or in which
19 operations substantially similar to the operations of the project facility are performed;

20 (26) "Related facility base employment", the greater of the number of full-time employees
21 located at all related facilities on the date of the notice of intent or, for the twelve-month period prior
22 to the date of the notice of intent, the average number of full-time employees located at all related
23 facilities of the qualified company or a related company located in this state;

24 (27) "Related facility base payroll", the annualized payroll of the related facility base payroll
25 or the total amount of taxable wages paid by the qualified company to full-time employees of the
26 qualified company located at a related facility in the twelve months prior to the filing of the notice of
27 intent. For purposes of calculating the benefits under this program, the amount of related facility
28 base payroll shall increase each year based on an appropriate measure, as determined by the
29 department;

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

33 (29) "Tax credits", tax credits issued by the department to offset the state taxes imposed by
34 chapters 143 and 148, or which may be sold or refunded as provided for in this program;

35 (30) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For purposes
36 of this program, the withholding tax shall be computed using a schedule as determined by the
37 department based on average wages; and

1 (31) This section is subject to the provisions of section 196.1127.

2 620.2010. 1. In exchange for the consideration provided by the new tax revenues and other
3 economic stimuli that will be generated by the new jobs created, a qualified company may, for a
4 period of five years from the date the new jobs are created, or for a period of six years from the date
5 the new jobs are created if the qualified company is an existing Missouri business, retain an amount
6 equal to the withholding tax as calculated under subdivision (30) of section 620.2005 from the new
7 jobs that would otherwise be withheld and remitted by the qualified company under the provisions of
8 sections 143.191 to 143.265 if:

9 (1) The qualified company creates ten or more new jobs, and the average wage of the new
10 payroll equals or exceeds ninety percent of the county average wage;

11 (2) The qualified company creates two or more new jobs at a project facility located in a
12 rural area, the average wage of the new payroll equals or exceeds ninety percent of the county
13 average wage, and the qualified company commits to making at least one hundred thousand dollars
14 of new capital investment at the project facility within two years; or

15 (3) The qualified company creates two or more new jobs at a project facility located within a
16 zone designated under sections 135.950 to 135.963, the average wage of the new payroll equals or
17 exceeds eighty percent of the county average wage, and the qualified company commits to making at
18 least one hundred thousand dollars in new capital investment at the project facility within two years
19 of approval;

20 2. In addition to any benefits available under subsection 1 of this section, the department may
21 award a qualified company that satisfies subdivision (1) of subsection 1 of this section additional tax
22 credits, issued each year for a period of five years from the date the new jobs are created, or for a
23 period of six years from the date the new jobs are created if the qualified company is an existing
24 Missouri business, in an amount equal to or less than six percent of new payroll; provided that in no
25 event may the total amount of benefits awarded to a qualified company under this section exceed
26 nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified
27 company under this subsection shall not exceed the projected net fiscal benefit to the state, as
28 determined by the department, and shall not exceed the least amount necessary to obtain the
29 qualified company's commitment to initiate the project. In determining the amount of tax credits to
30 award to a qualified company under this subsection, the department shall consider the following
31 factors:

32 (1) The significance of the qualified company's need for program benefits;

33 (2) The amount of projected net fiscal benefit to the state of the project and the period in
34 which the state would realize such net fiscal benefit;

35 (3) The overall size and quality of the proposed project, including the number of new jobs,
36 new capital investment, proposed wages, growth potential of the qualified company, the potential
37 multiplier effect of the project, and similar factors;

1 (4) The financial stability and creditworthiness of the qualified company;

2 (5) The level of economic distress in the area;

3 (6) An evaluation of the competitiveness of alternative locations for the project facility, as
4 applicable; and

5 (7) The percent of local incentives committed;

6 3. Upon approval of a notice of intent to receive tax credits under subsections 2 and 5 of this
7 section, the department and the qualified company shall enter into a written agreement covering the
8 applicable project period. The agreement shall specify, at a minimum:

9 (1) The committed number of new jobs, new payroll, and new capital investment for each
10 year during the project period;

11 (2) The date or time period during which the tax credits shall be issued, which may be
12 immediately or over a period not to exceed two years from the date of approval of the notice of
13 intent;

14 (3) Clawback provisions, as may be required by the department; and

15 (4) Any other provisions the department may require.

16 4. In lieu of the benefits available under sections 1 and 2 of this section, and in exchange for
17 the consideration provided by the new tax revenues and other economic stimuli that will be
18 generated by the new jobs created by the program, a qualified company may, for a period of five
19 years from the date the new jobs are created, or for a period of six years from the date the new jobs
20 are created if the qualified company is an existing Missouri business, retain an amount equal to the
21 withholding tax as calculated under subdivision (30) of section 620.2005 from the new jobs that
22 would otherwise be withheld and remitted by the qualified company under the provisions of sections
23 143.191 to 143.265 equal to:

24 (1) Six percent of new payroll for a period of five years from the date the required number of
25 new jobs were created if the qualified company creates one hundred or more new jobs and the
26 average wage of the new payroll equals or exceeds one hundred twenty percent of the county average
27 wage of the county in which the project facility is located; or

28 (2) Seven percent of new payroll for a period of five years from the date the required number
29 of jobs were created if the qualified company creates one hundred or more new jobs and the average
30 wage of the new payroll equals or exceeds one hundred forty percent of the county average wage of
31 the county in which the project facility is located.

32
33 The department shall issue a refundable tax credit for any difference between the amount of benefit
34 allowed under this subsection and the amount of withholding tax retained by the company, in the
35 event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified
36 company under this subsection.

37 5. In addition to the benefits available under subsections 4 of this section, the department

1 may award a qualified company that satisfies the provisions of subsection 4 of this section additional
2 tax credits, issued each year for a period of five years from the date the new jobs are created, or for a
3 period of six years from the date the new jobs are created if the qualified company is an existing
4 Missouri business, in an amount equal to or less than three percent of new payroll; provided that in
5 no event may the total amount of benefits awarded to a qualified company under this section exceed
6 nine percent of new payroll in any calendar year. The amount of tax credits awarded to a qualified
7 company under this subsection shall not exceed the projected net fiscal benefit to the state, as
8 determined by the department, and shall not exceed the least amount necessary to obtain the
9 qualified company's commitment to initiate the project. In determining the amount of tax credits to
10 award to a qualified company under this subsection, the department shall consider the factors
11 provided under subsection 2 of this section.

12 6. No benefits shall be available under this section for any qualified company that has
13 performed significant, project-specific site work at the project facility, purchased machinery or
14 equipment related to the project, or has publicly announced its intention to make new capital
15 investment at the project facility prior to receipt of a proposal for benefits under this section or
16 approval of its notice of intent, whichever occurs first.

17 620.2015. 1. In exchange for the consideration provided by the tax revenues and other
18 economic stimuli that will be generated by the retention of jobs and the making of new capital
19 investment in this state, a qualified company may be eligible to receive the benefits described in this
20 section if the department determines that there is a significant probability that the qualified company
21 would relocate to another state in the absence of the benefits authorized under this section. In no
22 event shall the total amount of benefits available to all qualified companies under this section exceed
23 six million dollars in any fiscal year.

24 2. A qualified company meeting the requirements of this section may be authorized to retain
25 an amount not to exceed one hundred percent of the withholding tax from full-time jobs that would
26 otherwise be withheld and remitted by the qualified company under the provisions of sections
27 143.191 to 143.265, for a period of ten years if the average wage of the retained jobs equals or
28 exceeds ninety percent of the county average wage. In order to receive benefits under this section, a
29 qualified company shall enter into written agreement with the department containing detailed
30 performance requirements and repayment penalties in event of nonperformance. The amount of
31 benefits awarded to a qualified company under this section shall not exceed the projected net fiscal
32 benefit and shall not exceed the least amount necessary to obtain the qualified company's
33 commitment to retain the necessary number of jobs and make the required new capital investment.

34 3. In order to be eligible to receive benefits under this section, the qualified company shall
35 meet each of the following conditions:

36 (1) The qualified company shall agree to retain, for a period of ten years from the date of
37 approval of the notice of intent, at least fifty retained jobs; and

1 (2) The qualified company shall agree to make a new capital investment at the project facility
2 within three years of the approval in an amount equal to one-half the total benefits, available under
3 this section, which are offered to the qualified company by the department.

4 4. In awarding benefits under this section, the department shall consider the factors set forth
5 in subsection 2 of section 620.2010.

6 5. Upon approval of a notice of intent to request benefits under this section, the department
7 and the qualified company shall enter into a written agreement covering the applicable project
8 period. The agreement shall specify, at a minimum:

9 (1) The committed number of retained jobs, payroll, and new capital investment for each
10 year during the project period;

11 (2) Clawback provisions, as may be required by the department; and

12 (3) Any other provisions the department may require.

13 620.2020. 1. The department shall respond to a written request, by or on behalf of a qualified
14 company, for a proposed benefit award under the provisions of this program within five business
15 days of receipt of such request. Such response shall contain either a proposal of benefits for the
16 qualified company, or a written response refusing to provide such a proposal and stating the reasons
17 for such refusal. A qualified company that intends to seek benefits under the program shall submit to
18 the department a notice of intent. The department shall respond within thirty days to a notice of
19 intent with an approval or a rejection, provided that the department may withhold approval or
20 provide a contingent approval until it is satisfied that proper documentation of eligibility has been
21 provided. Failure to respond on behalf of the department shall result in the notice of intent being
22 deemed approved. A qualified company receiving approval for program benefits may receive
23 additional benefits for subsequent new jobs at the same facility after the full initial project period if
24 the applicable minimum job requirements are met. There shall be no limit on the number of project
25 periods a qualified company may participate in the program, and a qualified company may elect to
26 file a notice of intent to begin a new project period concurrent with an existing project period if the
27 applicable minimum job requirements are achieved, the qualified company provides the department
28 with the required annual reporting, and the qualified company is in compliance with this program
29 and any other state programs in which the qualified company is currently or has previously
30 participated. However, the qualified company shall not receive any further program benefits under
31 the original approval for any new jobs created after the date of the new notice of intent, and any jobs
32 created before the new notice of intent shall not be included as new jobs for purposes of the benefit
33 calculation for the new approval. When a qualified company has filed and received approval of a
34 notice of intent and subsequently files another notice of intent, the department shall apply the
35 definition of project facility under subdivision (18) of section 620.2005 to the new notice of intent as
36 well as all previously approved notices of intent and shall determine the application of the definitions
37 of new job, new payroll, project facility base employment, and project facility base payroll

1 accordingly.

2 2. Notwithstanding any provision of law to the contrary, the benefits available to the
3 qualified company under any other state programs for which the company is eligible and which
4 utilize withholding tax from the new or retained jobs of the company shall first be credited to the
5 other state program before the withholding retention level applicable under this program will begin
6 to accrue. If any qualified company also participates in a job training program utilizing withholding
7 tax, the company shall retain no withholding tax under this program, but the department shall issue a
8 refundable tax credit for the full amount of benefit allowed under this program. The calendar year
9 annual maximum amount of tax credits which may be issued to a qualifying company that also
10 participates in a job training program shall be increased by an amount equivalent to the withholding
11 tax retained by that company under a jobs training program.

12 3. A qualified company receiving benefits under this program shall provide an annual report
13 of the number of jobs and such other information as may be required by the department to document
14 the basis for program benefits available no later than 90 days prior to the end of the qualified
15 company's tax year immediately following the tax year for which the benefits provided under the
16 program are attributed. In such annual report, if the average wage is below the applicable percentage
17 of the county average wage, the qualified company has not maintained the employee insurance as
18 required, or if the number of jobs is below the number required, the qualified company shall not
19 receive tax credits or retain the withholding tax for the balance of the project period. Failure to
20 timely file the annual report required under this section shall result in the forfeiture of tax credits
21 attributable to the year for which the reporting was required and a recapture of withholding taxes
22 retained by the qualified company during such year.

23 4. The department may withhold the approval of any benefits under this program until it is
24 satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any
25 reduction in full-time employees or payroll. Upon approval by the department, the qualified
26 company may begin the retention of the withholding taxes when it reaches the required number of
27 jobs and the average wage meets or exceeds the applicable percentage of county average wage. Tax
28 credits, if any, may be issued upon satisfaction by the department that the qualified company has
29 exceeded the applicable percentage of county average wage and the required number of jobs.

30 5. Any qualified company approved for benefits under this program shall provide to the
31 department, upon request, any and all information and records reasonably required to monitor
32 compliance with program requirements. This program shall be considered a business recruitment tax
33 credit under subdivision (4) of subsection 2 of section 135.800, and any qualified company approved
34 for benefits under this program shall be subject to the provisions of section 135.800 to 135.830.

35 6. Any taxpayer who is awarded benefits under this program who knowingly hires
36 individuals who are not allowed to work legally in the United States shall immediately forfeit such
37 benefits and shall repay the state an amount equal to any state tax credits already redeemed and any

1 withholding taxes already retained.

2 7. The maximum amount of tax credits that may be authorized under this program for any
3 fiscal year shall be limited as follows, less the amount of any tax credits previously obligated for that
4 fiscal year under any of the tax credit programs referenced in subsection 13 of this section:

5 (1) For the fiscal year beginning on July 1, 2013, but ending on or before June 30, 2014, no
6 more than one hundred and six million dollars in tax credits may be authorized;

7 (2) For the fiscal year beginning on July 1, 2014, but ending on or before June 30, 2015, no
8 more than one hundred and eleven million dollars in tax credits may be authorized; and

9 (3) For any fiscal year beginning on or after July 1, 2015, no more than one hundred and
10 sixteen million dollars in tax credits may be authorized for each fiscal year.

11 8. For tax credits for the creation of new jobs under section 620.2010, the department shall
12 allocate the annual tax credits based on the date of the approval, reserving such tax credits based on
13 the department's best estimate of new jobs and new payroll of the project, and any other applicable
14 factors in determining the amount of benefits available to the qualified company under this program.
15 However, the annual issuance of tax credits shall be subject to annual verification of actual payroll
16 by the department. Any authorization of tax credits shall expire if, within two years from the date of
17 commencement of operations, or approval if applicable, the qualified company has failed to meet the
18 applicable minimum job requirements. The qualified company may retain authorized amounts from
19 the withholding tax under the project once the applicable minimum job requirements have been met
20 for the duration of the project period. No benefits shall be provided under this program until the
21 qualified company meets the applicable minimum new job requirements. In the event the qualified
22 company does not meet the applicable minimum new job requirements, the qualified company may
23 submit a new notice of intent or the department may provide a new approval for a new project of the
24 qualified company at the project facility or other facilities.

25 9. Tax credits provided under this program may be claimed against taxes otherwise imposed
26 by chapters 143 and 148, and may not be carried forward, but shall be claimed within one year of the
27 close of the taxable year for which they were issued. Tax credits provided under this program may be
28 transferred, sold, or assigned by filing a notarized endorsement thereof with the department that
29 names the transferee, the amount of tax credit transferred, and the value received for the credit, as
30 well as any other information reasonably requested by the department. For a qualified company with
31 flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed
32 to members, partners, or shareholders in proportion to their share of ownership on the last day of the
33 qualified company's tax period.

34 10. Prior to the issuance of tax credits or the qualified company beginning to retain
35 withholding taxes, the department shall verify through the department of revenue and any other
36 applicable state department, that the tax credit applicant does not owe any delinquent income, sales,
37 or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any

1 state department and through the department of insurance, financial institutions and professional
2 registration that the applicant does not owe any delinquent insurance taxes or other fees. Such
3 delinquency shall not affect the approval, except that any tax credits issued shall be first applied to
4 the delinquency and any amount issued shall be reduced by the applicant's tax delinquency. If the
5 department of revenue, the department of insurance, financial institutions and professional
6 registration, or any other state department concludes that a taxpayer is delinquent after June fifteenth
7 but before July first of any year and the application of tax credits to such delinquency causes a tax
8 deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy
9 the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all
10 available credits toward a tax delinquency, the administering agency shall notify the appropriate
11 department and that department shall update the amount of outstanding delinquent tax owed by the
12 applicant. If any credits remain after satisfying all insurance, income, sales, and use tax
13 delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of
14 other provisions of law.

15 11. The director of revenue shall issue a refund to the qualified company to the extent that
16 the amount of tax credits allowed under this program exceeds the amount of the qualified company's
17 tax liability under chapter 143 or 148.

18 12. An employee of a qualified company shall receive full credit for the amount of tax
19 withheld as provided in section 143.211.

20 13. Notwithstanding any provision of law to the contrary, beginning August 28, 2013, no
21 new benefits shall be authorized for any project that had not received from the department a proposal
22 or approval for such benefits prior to August 28, 2013, under the development tax credit program
23 created under sections 32.100 to 32.125, , the rebuilding communities tax credit program created
24 under section 135.535, the enhanced enterprise zone tax credit program created under sections
25 135.950 to 135.973, and the Missouri quality jobs program created under sections 620.1875 to
26 620.1890. The provisions of this subsection shall not be construed to limit or impair the ability of
27 any administering agency to authorize or issue benefits for any project that had received an approval
28 or a proposal from the department under any of the programs referenced in this subsection prior to
29 August 28, 2013, or the ability of any taxpayer to redeem any such tax credits or to retain any
30 withholding tax under an approval issued prior to that date. The provisions of this subsection shall
31 not be construed to limit or in any way impair the ability of any governing authority to provide any
32 local abatement or designate a new zone under the enhanced enterprise zone program created by
33 sections 135.950 to 135.963. Notwithstanding any provision of law to the contrary, no qualified
34 company that is awarded benefits under this program shall:

35 (1) Simultaneously receive benefits under the programs referenced in this subsection at the
36 same capital investment; or

37 (2) Receive benefits under the provisions of section 620.1910 for the same jobs.

1 14. If any provision of sections 620.2000 to 620.2020 or application thereof to any person or
2 circumstance is held invalid, the invalidity shall not affect other provisions or application of these
3 sections which can be given effect without the invalid provisions or application, and to this end, the
4 provisions of sections 620.2000 to 620.2020 are hereby declared severable.

5 15. By no later than January 1, 2014, and the first day of each calendar quarter thereafter, the
6 department shall present a quarterly report to the general assembly detailing the benefits authorized
7 under this program during the immediately preceding calendar quarter to the extent such information
8 may be disclosed under state and federal law. The report shall include, at a minimum:

9 (1) A list of all approved and disapproved applicants for each tax credit;

10 (2) A list of the aggregate amount of new or retained jobs that are directly attributable to the
11 tax credits authorized;

12 (3) A statement of the aggregate amount of new capital investment directly attributable to the
13 tax credits authorized;

14 (4) Documentation of the estimated net state fiscal benefit for each authorized project and, to
15 the extent available, the actual benefit realized upon completion of such project or activity; and

16 (5) The department's response time for each request for a proposed benefit award under this
17 program.

18 16. The department may adopt such rules, statements of policy, procedures, forms, and
19 guidelines as may be necessary to carry out the provisions of sections 620.2000 to 620.2020. Any
20 rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority
21 delegated in this section shall become effective only if it complies with and is subject to all of the
22 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
23 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
24 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
25 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
26 August 28, 2013, shall be invalid and void.

27 17. Under section 23.253 of the Missouri sunset act:

28 (1) The provisions of the new program authorized under sections 620.2000 to 620.2020 shall
29 automatically sunset six years after the effective date of this section unless reauthorized by an act of
30 the general assembly; and

31 (2) If such program is reauthorized, the program authorized under this section shall
32 automatically sunset twelve years after the effective date of this reauthorization of sections 620.2000
33 to 620.2020; and

34 (3) Sections 620.2000 to 620.2020 shall terminate on September first of the calendar year
35 immediately following the calendar year in which the program authorized under sections 620.2000
36 to 620.2020 is sunset."; and
37

- 1 Further amend said bill by amending the title, enacting clause, and intersectional references
- 2 accordingly.