

HCS HB 1 -- AEROSPACE TAX INCENTIVES

SPONSOR: Zerr

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Economic Development by a vote of 21 to 0 with 1 present.

This bill defines "aerospace project" as a project started on or before June 10, 2014, creating at least 2,000 new jobs within 10 years by a qualified company with a North American Industry Classification System of 3364 and defines "job creation, worker training and infrastructure development programs" as the Missouri Works Program, the Missouri Use Incentives for Large-Scale Development Act, the Missouri Works Training Program, and the Real Property Tax Increment Redevelopment Act.

The bill specifies that an aerospace project established under job creation, worker training and infrastructure development programs will not count toward the aggregate of state benefits that can be awarded annually or cumulatively under the programs. An aerospace project cannot be authorized for state benefits for more than \$150 million annually under all of these programs.

The bill contains an emergency clause.

PROPONENTS: Supporters say that the bill will allow Missouri to compete for a new Boeing plant to produce all or part of the 777X Project. This project would create thousands of new jobs at Boeing and additional new jobs at suppliers throughout the state. The bill could provide up to \$150 million annually in tax credits to Boeing and the return on investment is expected to be better than 2 to 1 in increased tax revenue. Boeing currently has a major presence in Missouri and is considered an excellent corporate citizen.

Testifying for the bill were: Representative Zerr; Jason Zamkus, Office of the Governor; Chris Pieper, Office of the Governor; Francis Slay, Mayor of City of St. Louis; Charlie Dooley, County Executive, St. Louis County; Denny Coleman, St. Louis Economic Partnership; Rodney Crim, St. Louis Economic Partnership; Thomas Irwin, Civic Progress; St. Louis Regional Chamber and Growth Association; Missouri Chamber of Commerce and Industry; Rhonda Hamm-Niebruegge, Lambert International Airport; Missouri AFL-CIO; Missouri Community College Association; City of Kansas City; David Cook, United Food and Commercial Workers Local 655; and Carpenters' District Council of Greater St. Louis and Vicinity.

OPPONENTS: Opponents say that the Governor's call does not give the legislature time for deliberation or vetting and the bill

chooses corporate welfare and targeted tax credits over broad-based tax cuts.

Testifying against the bill was United for Missouri.

OTHERS: Others say that if targeted tax credits are good, broad-based tax relief is better.

Testifying for informational purposes on the bill was Woody Cozad, Save Missouri Jobs.