

**HOUSE SUBSTITUTE AMENDMENT NO. \_\_\_\_\_**

**for**

**HOUSE \_\_\_\_\_ AMENDMENT NO. \_\_\_\_\_**

**Offered By**

AMEND Senate Committee Substitute for Senate Bill No. 184, Page 17, Section 620.809, Line 253,  
by inserting after said section and line the following:

"620.1910. 1. This section shall be known and may be cited as the "Manufacturing Jobs  
Act".

2. As used in this section, the following terms mean:

(1) "Approval", a document submitted by the department to the qualified manufacturing  
company or qualified supplier that states the benefits that may be provided under this section;

(2) "Capital investment", expenditures made by a qualified manufacturing company to  
retool or reconfigure a manufacturing facility directly related to the manufacturing of a new product  
or the expansion or modification of the manufacture of an existing product;

(3) "County average wage", the same meaning as such term is defined in section 620.1878;

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

(5) "Facility", a building or buildings located in Missouri at which the qualified  
manufacturing company manufactures a product;

(6) "Full-time job", a job for which a person is compensated for an average of at least thirty-  
five hours per week for a twelve-month period, and one for which the qualified manufacturing  
company or qualified supplier offers health insurance and pays at least fifty percent of such  
insurance premiums;

(7) "NAICS industry classification", the most recent edition of the North American Industry  
Classification System as prepared by the Executive Office of the President, Office of Management  
and Budget;

(8) "New job", the same meaning as such term is defined in section 620.1878;

(9) "New product", a new model or line of a manufactured good that has not been  
manufactured in Missouri by the qualified manufacturing company at any time prior to the date of  
the notice of intent, or an existing brand, model, or line of a manufactured good that is redesigned  
with more than seventy-five percent new exterior body parts and incorporates new powertrain  
options;

(10) "Notice of intent", a form developed by the department, completed by the qualified  
manufacturing company or qualified supplier and submitted to the department which states the  
qualified manufacturing company's or qualified supplier's intent to create new jobs or retain current  
jobs and make additional capital investment, as applicable, and request benefits under this section.

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

The notice of intent shall specify the minimum number of such new or retained jobs and the minimum amount of such capital investment, along with a detailed plan to make good faith efforts to employ racial minorities commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census, during construction phases of retooling or reconfiguring the manufacturing facility and at the facility in new or retained jobs. At a minimum such plan shall include monitoring the effectiveness of outreach and recruitment strategies in attracting diverse applicants and linking with different or additional referral sources in the event that recruitment efforts fail to produce a diverse pipeline of applicants;

(11) "Qualified manufacturing company", a business with a NAICS code of 33611 that:

(a) Manufactures goods at a facility in Missouri;

(b) In the case of the manufacture of a new product, commits to make a capital investment of at least seventy-five thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section, or in the case of the modification or expansion of the manufacture of an existing product, commits to make a capital investment of at least fifty thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section;

(c) Manufactures a new product or has commenced making capital improvements to the facility necessary for the manufacturing of such new product, or modifies or expands the manufacture of an existing product or has commenced making capital improvements to the facility necessary for the modification or expansion of the manufacture of such existing product; and

(d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for the withholding period;

(12) "Qualified supplier", a manufacturing company that:

(a) Attests to the department that it derives more than ten percent of the total annual sales of the company from sales to a qualified manufacturing company;

(b) Adds five or more new jobs;

(c) Has an average wage, as defined in section 135.950, for such new jobs that are equal to or exceed the lower of the county average wage for Missouri as determined by the department using NAICS industry classifications, but not lower than sixty percent of the statewide average wage; and

(d) Provides health insurance for all full-time jobs and pays at least fifty percent of the premiums of such insurance;

(13) "Retained job", the number of full-time jobs of persons employed by the qualified manufacturing company located at the facility that existed as of the last working day of the month immediately preceding the month in which notice of intent is submitted;

(14) "Statewide average wage", an amount equal to the quotient of the sum of the total gross wages paid for the corresponding four calendar quarters divided by the average annual employment for such four calendar quarters, which shall be computed using the Quarterly Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as published by the Bureau of Labor Statistics of the United States Department of Labor;

(15) "Withholding period", the seven- or ten-year period in which a qualified manufacturing company may receive benefits under this section;

(16) "Withholding tax", the same meaning as such term is defined in section 620.1878.

3. The department shall respond within thirty days to a qualified manufacturing company or a qualified supplier who provides a notice of intent with either an approval or a rejection of the notice of intent. Failure to respond on behalf of the department shall result in the notice of intent being deemed an approval for the purposes of this section.

4. A qualified manufacturing company that manufactures a new product may, upon the department's approval of a notice of intent and the execution of an agreement that meets the requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain one hundred

1 percent of the withholding tax from full-time jobs at the facility for a period of ten years. A  
2 qualified manufacturing company that modifies or expands the manufacture of an existing product  
3 may, upon the department's approval of a notice of intent and the execution of an agreement that  
4 meets the requirements of subsection 9 of this section, but no earlier than January 1, 2012, retain  
5 fifty percent of the withholding tax from full-time jobs at the facility for a period of seven years.  
6 Except as otherwise allowed under subsection 7 of this section, the commencement of the  
7 withholding period may be delayed by no more than twenty-four months after execution of the  
8 agreement at the option of the qualified manufacturing company. Such qualified manufacturing  
9 company shall be eligible for participation in the Missouri quality jobs program in sections  
10 620.1875 to 620.1890 for any new jobs for which it does not retain withholding tax under this  
11 section, provided all qualifications for such program are met.

12 5. A qualified supplier may, upon approval of a notice of intent by the department, retain all  
13 withholding tax from new jobs for a period of three years from the date of approval of the notice of  
14 intent or for a period of five years if the supplier pays wages for the new jobs equal to or greater  
15 than one hundred twenty percent of county average wage. Notwithstanding any other provision of  
16 law to the contrary, a qualified supplier that is awarded benefits under this section shall not receive  
17 any tax credit or exemption or be entitled to retain withholding under sections 100.700 to 100.850,  
18 sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, sections 135.900 to  
19 135.906, sections 135.950 to 135.970, or section 620.1881 for the same jobs.

20 6. Notwithstanding any other provision of law to the contrary, the maximum amount of  
21 withholding tax that may be retained by any one qualified manufacturing company under this  
22 section shall not exceed ten million dollars per calendar year, but shall not exceed five million  
23 dollars per calendar year for manufacturing companies approved under this section on or after  
24 August 28, 2019. The aggregate amount of withholding tax that may be retained by all qualified  
25 manufacturing companies under this section shall not exceed fifteen million dollars per calendar  
26 year.

27 7. Notwithstanding any other provision of law to the contrary, any qualified manufacturing  
28 company that is awarded benefits under this section shall not simultaneously receive tax credits or  
29 exemptions under sections 100.700 to 100.850, sections 135.100 to 135.150, sections 135.200 to  
30 135.286, section 135.535, or sections 135.900 to 135.906 for the jobs created or retained or capital  
31 improvement which qualified for benefits under this section. The benefits available to the qualified  
32 manufacturing company under any other state programs for which the qualified manufacturing  
33 company is eligible and which utilize withholding tax from the jobs at the facility shall first be  
34 credited to the other state program before the applicable withholding period for benefits provided  
35 under this section shall begin. These other state programs include, but are not limited to, the  
36 Missouri works jobs training program under sections 620.800 to 620.809, the real property tax  
37 increment allocation redevelopment act under sections 99.800 to 99.865, or the Missouri downtown  
38 and rural economic stimulus act under sections 99.915 to 99.980. If any qualified manufacturing  
39 company also participates in the Missouri works jobs training program in sections 620.800 to  
40 620.809, such qualified manufacturing company shall not retain any withholding tax that has  
41 already been allocated for use in the new jobs training program. Any qualified manufacturing  
42 company or qualified supplier that is awarded benefits under this program and knowingly hires  
43 individuals who are not allowed to work legally in the United States shall immediately forfeit such  
44 benefits and shall repay the state an amount equal to any withholding taxes already retained.  
45 Subsection 5 of section 285.530 shall not apply to qualified manufacturing companies or qualified  
46 suppliers which are awarded benefits under this program.

47 8. The department may promulgate rules to implement the provisions of this section. Any  
48 rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority  
49 delegated in this section shall become effective only if it complies with and is subject to all of the

provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

9. Within six months of completion of a notice of intent required under this section, the qualified manufacturing company shall enter into an agreement with the department that memorializes the content of the notice of intent, the requirements of this section, and the consequences for failing to meet such requirements, which shall include the following:

(1) If the amount of capital investment made by the qualified manufacturing company is not made within the two-year period provided for such investment, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at the facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period. In addition, the qualified manufacturing company shall repay any amounts of withholding tax retained plus interest of five percent per annum. However, in the event that such capital investment shortfall is due to economic conditions beyond the control of the qualified manufacturing company, the director may, at the qualified manufacturing company's request, suspend rather than terminate its privilege to retain withholding tax under this section for up to three years. Any such suspension shall extend the withholding period by the same amount of time. No more than one such suspension shall be granted to a qualified manufacturing company;

(2) If the qualified manufacturing company discontinues the manufacturing of the new product and does not replace it with a subsequent or additional new product manufactured at the facility at any time during the withholding period, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at that facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.

10. Prior to March first each year, the department shall provide a report to the general assembly including the names of participating qualified manufacturing companies or qualified suppliers, location of such companies or suppliers, the annual amount of benefits provided, the estimated net state fiscal impact including direct and indirect new state taxes derived, and the number of new jobs created or jobs retained, along with a detailed report on minority jobs created or retained.

11. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset [~~October 12, 2016~~] August, 28, 2025, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset."; and

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

THIS SUBSTITUTES 1142S02.09H.