HB 755 -- ADVANCED MANUFACTURING RECRUITMENT

SPONSOR: Oehlerking

Beginning January 1, 2026, a qualified manufacturing company may be allowed a tax credit of up to 20% of a capital investment in property within the State of Missouri for a period of 5 years. The capital investment must equal at least $1 billion and create 500 or more jobs, 150 of which must be reserved for full-time Missouri residents at the time of hiring. Qualifying full-time employees must work an average of at least 35 hours per week for a 12 month period and receive an annual wage equal to or above the county average. The total amount of tax credits issued annually under this section must not exceed $200 million dollars per tax year.

A qualified manufacturing company must submit an application to the Missouri Department of Economic Development in order to be eligible for consideration. A qualified company must also enter into a written agreement with the Department that details performance requirements and repayment penalties in the event of nonperformance. The agreement will specify, at a minimum:

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

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

(3) Any other provisions the Department may require.

In determining the amount of tax credits to award to a qualified company, DED must consider the following factors:

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

(2) The amount of projected economic impact to the State from the project and the period in which the State would realize the net fiscal benefit;

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

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

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

(6) An evaluation of the competitiveness of alternative locations for the project facility, as applicable.

The Department will award tax credits to a qualified manufacturing company that satisfies the qualified manufacturing capital investment requirement in four separate installments of equal value, equivalent to 1/4 of the total agreed upon value of awarded incentive when the value reaches:

(1) 25% of the agreed-upon qualified capital investment;

(2) 50% of the agreed-upon qualified capital investment;

(3) 75% of the agreed-upon qualified capital investment; and

(4) 100% of the agreed-upon qualified capital investment.

Qualified manufacturing companies will have three years after the Department has approved a tax credit to meet 25% of its qualified manufacturing capital investment. Once the 25% threshold is met, a qualified company has five years to receive the full agreed-upon tax credits. If a qualified company does not meet the 25% threshold by year three, the agreement is deemed void.

A qualified company must provide an annual report detailing the number of jobs and other information as may be required by the Department no later than 90 days prior to the end of the qualified company's tax year. Tax credits may be claimed within one year of the close of the tax year for which they were issued.

If a qualified manufacturing company is owned by entities domiciled in the United States and such manufacturing company is relocating or reshoring from China or any country designated as a foreign adversary, as designated in 15 C.F.R. 7.4, to a project facility in Missouri, the Department will expedite the approval process by giving priority to the application. The Department must make a determination on expedited applications within 60 days of receipt.

Before January 1, 2027, and the first day of each quarter thereafter, the Department must present a quarterly report to the General Assembly that details the benefits of the program.

These provisions sunset on December 31, 10 years after the effective date.

This bill is similar to HB 1480 (2024).