

HB 1319 -- FINANCIAL INCENTIVES FOR BUSINESS DEVELOPMENT

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This bill modifies the Missouri Works Program definitions as follows:

(1) "Average wage" is defined as the aggregate gross new payroll divided by the aggregate actual hours worked for new jobs multiplied by 2,080, or the aggregate gross payroll of the retained jobs divided by the aggregate actual hours worked for retained jobs multiplied by 2,080;

(2) "Gross wages" is defined as the total compensation paid by an employer to an employee as reported in Box 5 of the employee's W-2;

(3) "New payroll" expands its current definition by adding the following: For a qualified company that offers health insurance to all full-time employees of all facilities located in this State, and certifies that it pays 100% of the insurance premiums, "new payroll" includes all amounts paid by the qualified company for insurance premiums;

(4) "Notice of intent" expands its current definition by adding the following: The notice of intent must be accompanied by an affidavit signed by the qualified company's human resources lead or chief financial officer attesting to the estimated number of new jobs, position types, and new payroll; and

(5) "Taxable wages" is defined as the employee's total compensation subject to tax as reported in Box 16 of the employee's W-2.

In addition, multiple definitions are modified by changing "payroll" and "wages" to "gross payroll" and "gross wages" (Section 620.2005, RSMo).

Currently, a qualified company can retain a certain amount of withholding tax from the new jobs they create if specific provisions are met, as described in statute. This bill adds to the list of specific provisions by stating that in the event that the average wage for all new jobs fails to meet the average wage requirement of the existing provisions, a qualified company can retain withholding tax for the minimum number of required jobs. Additionally, the Department of Economic Development (DED) can choose which new jobs to include in the minimum number to be averaged that will meet or exceed the average wage requirement.

Currently, DED must consider a number of factors, as described in statute, in determining the amount of tax credits to award a qualified company or qualified manufacturing company. This bill adds the following factors for DED to consider:

(1) Whether the qualified company participates in a pre-apprenticeship program approved by the Missouri Department of Higher Education and Workforce Development; and

(2) The location of the headquarters of any contractor used by the qualified company, with preference given to contractors selected through an open bidding process that are headquartered in Missouri and for whom at least 85% of the workforce used for any work performed by the contractor for a qualified company reside within 50 miles of the site of such work (Section 620.2010).

This bill is the same as HB 2894 (2024).