

HB 1111 -- Missouri Quality Jobs Act

Sponsor: Flook

This bill changes the laws regarding the Missouri Quality Jobs Act.

GREEN JOBS PROJECTS

The bill establishes a green jobs project as a new project type under the Quality Jobs Program. "Green jobs project" is defined as a qualified company that creates at least 10 new jobs within a specified two-year time period that is engaged in the development of green technology or green manufacturing, such as clean or sustainable energy development, energy efficiency or conservation, green building techniques or components, green transportation technology or manufacturing, or environmental sustainability.

A qualified company with a green jobs project may retain 4% of the withholding tax from its new payroll for five years if the average wage of the new payroll equals or exceeds the county average wage. Five percent can be retained if local incentives equal between 10% and 24% of the new direct local revenue; 6% if local incentives equal between 25% and 49%; or 7% if local incentives equal 50% or more of the new direct local revenue. If the qualified company creates at least 100 new jobs, it may retain this amount for six years or for seven years if it creates at least 500 new jobs.

If the withholding tax is not sufficient to provide the entire benefit due the qualified company, the Department of Economic Development will issue a refundable tax credit for the difference.

If the qualified company demonstrates to the department that another company expands or commences operations in Missouri or moves to Missouri from another state as a result of its relationship to the qualified company, the qualified company may be eligible for a jobs benefit. The other company must be a direct supplier or a direct purchaser of the qualifying company and must create at least 10 new jobs within a two-year period. The jobs benefit is a tax credit issued to the qualified company for three years and will be equal to 50% of the withholding for the supplier/purchaser company's new jobs if the average wage for these new jobs equals or exceeds the county average wage for the county in which the supplier/purchaser company is located.

QUALIFYING COMPANY CRITERIA

Currently, any company which has filed for bankruptcy or has publicly announced its intention to file for bankruptcy protection is prohibited from being deemed a qualifying company for the purposes of the Quality Jobs Program. The bill allows a company which has filed or announced its intention to file for bankruptcy on or after January 1, 2009, to be a qualifying company for the program if it:

(1) Certifies to the Department of Economic Development that it plans to reorganize and not to liquidate; and

(2) Produces proof after its bankruptcy petition has been filed that it is not delinquent in filing any tax returns or making any payments due to the state 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.

MISCELLANEOUS PROVISIONS

The bill:

(1) Specifies that if the Department of Economic Development fails to respond within 30 days to a Quality Jobs Program applicant's notice of intent, the notice is deemed a disapproval. Currently, the notice is deemed an approval if the department fails to respond within 30 days;

(2) Specifies how the department must apply certain definitions when a business that has already received an approved notice of intent later files another notice of intent;

(3) Eliminates the annual cap for each qualified company on technology business projects. Currently, the cap is \$500,000 per qualified company, per year;

(4) Prohibits the per-company annual cap on high-impact projects from being increased to \$1 million. Currently, the \$750,000 per-company cap can be increased under certain circumstances if approved by the Quality Jobs Advisory Task Force; and

(5) Increases the annual cap on the amount of tax credits that the program may issue from \$60 million to \$120 million.