

HB 255 -- MISSOURI WORKS PROGRAM

SPONSOR: Fitzwater

Currently, the Missouri Works Program allows qualified companies to retain a portion of withholding tax in exchange for the consideration provided by the new tax revenues and other economic stimuli that is generated by new jobs. The Missouri Works Program also authorizes issuance of additional tax credits to qualified companies in certain situations.

This bill modifies the Missouri Works Program to allow a qualified company a tax credit of up to 9% of new payroll issued within one year following the qualified company's acceptance of the Department of Economic Development's proposal for benefits, if the qualified company creates 10 or more jobs at an average wage of 90% or more of the county average wage, in lieu of other benefits under the program.

In determining the amount of the tax credit awarded to a qualified company, the department shall consider the following factors:

- (1) Amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;
- (2) Overall size and quality of the proposed project, including the number of new jobs, new capital investment, proposed wages, growth potential of the qualified company, the potential multiplier effect of the project, and similar factors;
- (3) Financial stability and creditworthiness of the qualified company;
- (4) Level of economic distress in the area;
- (5) Evaluation of the competitiveness of alternative locations for the project facility, as applicable;
- (6) Percent of local incentives committed; and
- (7) The qualified company's commitment to new capital investments and new job creation in the state for a period no shorter than 10 years.

This bill also adds a financial guarantee provision to a written agreement between the qualified company and the department for the issuance of these tax credits (Section 620.2010 RSMo).

This bill specifies the department may issue the tax credit following the qualified company's acceptance of the department's proposal and issued pursuant to the requirements set forth in the written agreement between the department and the qualified company

The department shall reserve no more than 12.5% of the maximum annual amount of other tax credits allowed under the Missouri Works Program (Section 620.2020).