

## Purpose

Facilitate the creation of quality jobs by targeted business projects.

## Authorization

Sections 620.2000 to 620.2020

## Eligible Applicants

- For-Profit or non-profit businesses.
- Not Eligible: Gambling establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or healthcare and social services.
- Not Eligible: Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
- Not Eligible: Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
- Eligible: Headquarters, administrative, or research and development offices of otherwise excluded businesses that serve a multi-state area.

## Eligibility Criteria

“WH” means the retention of the state withholding tax of the new jobs

Program	Min. New Jobs	Min. New Private Capital Investment	Min. Avg. Wage	Automatic Benefit
Zone Works (Note 1)	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Rural Works (Note 2)	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years (Note 3)
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years

*Note 1: Project facility must be located in an Enhanced Enterprise Zone.*

*Note 2: Project facility must be located in a “rural” county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.*

*Note 3: Benefit period is 5 years, or 6 years for existing Missouri companies (those that have been operational in Missouri for at least 10 years).*

In addition to the Automatic Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, limited to the net state fiscal benefit. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company’s commitment;
- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percent of local incentives committed to the project.

## Program benefits

Program benefits are (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

“New jobs” are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the “base employment”.

“Base Employment” is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly..

### Funding Limits

There is no annual limit on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$106 million for FY2014, \$111 million for FY2015, and \$116 million for 2016 forward.

### Attributes of the Tax Credits

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax). Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

### Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of intent (“NOI”), none of the following can have occurred:

- Significant, project-specific site work at the project facility.
- Purchased machinery or equipment related to the project.
- Publicly announced its intention to make new capital investment at the project facility.
- Upon receipt of the proposal/NOI, DED will:
  - Confirm the business is eligible;
  - Establish the date at which “base employment” is calculated;
  - Reserve the estimated tax credits for the project; and

- Establish the 2-year “deadline” date by which the minimum thresholds for the creation of the new jobs, investment, etc must be met.

### Reporting Requirements

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period. If a project does not meet the minimum new job requirement, the project may enter one of the smaller program categories, as long as all of the program requirements for this program type are met. The Tax Credit Accountability Act Reporting Form must be submitted to the Department of Economic Development by June 30th each year the company receives tax credits and for the three years following the issuance of the tax credits.

### Special Program Requirements

A business cannot simultaneously receive benefits for the same capital investment or the same jobs for the following programs:

- Rebuilding Communities
- Development Tax Credit
- Enhanced Enterprise Zone
- Quality Jobs
- Manufacturing Jobs

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (Missouri Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income (AGI):

AGI of \$15–20,000:	1.27%
AGI of \$20–25,000:	1.82%
AGI of \$25–30,000:	2.29%
AGI of \$30–35,000:	2.63%
AGI of \$35–40,000:	2.85%
AGI of \$40–45,000:	3.00%
AGI of \$45–50,000:	3.11%

AGI of \$50–55,000:	3.21%
AGI of \$55–60,000:	3.31%
AGI of \$60–65,000:	3.40%
AGI of \$65–70,000:	3.49%
AGI of \$70–75,000:	3.57%
AGI of \$75–100,000:	3.78%
AGI of \$100–200,000:	4.29%
AGI of \$200–500,000:	4.82%

**County average wages (effective until 7/1/2014):**

*Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.*

- *Statewide average of \$43,122 applicable to any county over the statewide average when determining program eligibility. (Clay, Jackson, St. Louis County and City)*
- *The wage represents an average for all private industries.*
- *If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.*

*Revised July 2013*

County	Avg. Annual Wage	County	Avg. Annual Wage	County	Avg. Annual Wage
Adair	\$26,531	Grundy	\$32,222	Perry	\$32,191
Andrew	\$26,908	Harrison	\$22,399	Pettis	\$30,889
Atchison	\$26,175	Henry	\$30,265	Phelps	\$29,900
Audrain	\$31,782	Hickory	\$20,094	Pike	\$29,226
Barry	\$32,555	Holt	\$30,120	Platte	\$40,371
Barton	\$25,550	Howard	\$27,067	Polk	\$28,086
Bates	\$24,991	Howell	\$29,483	Pulaski	\$25,765
Benton	\$24,571	Iron	\$43,095	Putnam	\$23,118
Bollinger	\$23,501	Jackson	\$49,683	Ralls	\$34,595
Boone	\$33,695	Jasper	\$34,648	Randolph	\$33,336
Buchanan	\$39,275	Jefferson	\$31,780	Ray	\$31,206
Butler	\$28,659	Johnson	\$27,228	Reynolds	\$24,530
Caldwell	\$32,390	Knox	\$25,293	Ripley	\$19,731
Callaway	\$36,877	Laclede	\$29,861	St. Charles	\$38,732
Camden	\$27,452	Lafayette	\$26,612	St. Clair	\$21,394
Cape Girardeau	\$36,115	Lawrence	\$28,113	Ste. Genevieve	\$39,297
Carroll	\$28,099	Lewis	\$28,842	St. Francois	\$28,031
Carter	\$21,603	Lincoln	\$32,173	St. Louis Co.	\$53,092
Cass	\$29,887	Linn	\$31,407	St. Louis City	\$55,026
Cedar	\$22,671	Livingston	\$29,911	Saline	\$30,381
Chariton	\$29,574	Mcdonald	\$27,725	Schuyler	\$24,831
Christian	\$27,961	Macon	\$26,544	Scotland	\$19,955
Clark	\$24,419	Madison	\$26,232	Scott	\$31,321
Clay	\$43,873	Maries	\$31,288	Shannon	\$18,362
Clinton	\$28,436	Marion	\$33,077	Shelby	\$25,471
Cole	\$37,830	Mercer	\$29,777	Stoddard	\$29,783
Cooper	\$29,940	Miller	\$30,896	Stone	\$24,838
Crawford	\$31,729	Mississippi	\$26,824	Sullivan	\$33,105
Dade	\$27,255	Moniteau	\$27,884	Taney	\$26,162
Dallas	\$21,320	Monroe	\$27,323	Texas	\$26,136
Daviess	\$24,118	Montgomery	\$27,391	Vernon	\$32,211
Dekalb	\$29,458	Morgan	\$24,219	Warren	\$31,067
Dent	\$25,087	New Madrid	\$37,389	Washington	\$22,511
Douglas	\$22,815	Newton	\$36,577	Wayne	\$21,076
Dunklin	\$23,401	Nodaway	\$30,325	Webster	\$28,984
Franklin	\$35,193	Oregon	\$21,030	Worth	\$20,976
Gasconade	\$26,214	Osage	\$27,355	Wright	\$26,151
Gentry	\$25,001	Ozark	\$20,002		
Greene	\$36,398	Pemiscot	\$27,461		