



---

## **Tax Credit Legislation Fosters Economic Opportunity for Low-income Missourians**

JEFFERSON CITY — Missouri is lucky to have many prospering communities within its borders, but there are a number of reasons why some areas do not enjoy the same level of success as others. Economic shifts can leave some communities behind, and investments needed to revive them often are not there. That is why I have introduced a measure spurring economic investment in underserved areas, which leads to more jobs and greater economic prosperity for residents.

Senate Bill 169, which was heard by the Senate Ways and Means Committee this week, provides new incentives to invest in institutions that foster growth in struggling communities. The bill offers income tax credits on payments to qualifying community development entities (CDEs). These investment groups in turn make capital investments in businesses in underserved areas.

This state legislation is modeled on a successful federal program. A study released last month by the U.S. Government Accountability Office found that the federal New Markets Tax Credit Program has increased investments in low-income communities. According to the report, the federal program has generated \$6.2 billion of investments in CDEs throughout the nation. The tax credits have been used to support community initiatives including charter schools, health-care facilities and manufacturing. These projects have helped create or retain 72,000 construction jobs and 20,000 full-time-equivalent jobs in low-income areas. Participants indicated that most investments would not have occurred without the income tax credit.

To foster job growth in low-income areas, I have put a provision in the bill that does not allow the use of these credits for real-estate investment. It only allows for the credit to be used in operating companies, which are small business that want to grow and expand, and in turn will create more job growth. The federal credits used as investments in Missouri have already shown great benefits. These credits have created jobs with an average salary of \$62,000 — high-paying jobs with benefits that can help communities once again become prosperous. Introducing the state credit would attract additional investment in this federal program to be re-directed to Missouri.

-MORE-

This plan utilizes market principles to improve Missourians' quality of life, and it is a win-win for everyone involved. I am confident my colleagues will work with me to implement this valuable legislation and continue our work to help create more high-quality, high-paying jobs in Missouri.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at (866) 271-2844.

# # #