



Building On Our State's Economic Growth

JEFFERSON CITY — This week, the governor signed economic development bills (HB 2058 and SB 718) passed by the General Assembly that benefit Missouri workers and employees by enhancing entrepreneurship and economic growth opportunities across the state.

A key provision of the economic development legislation is the extension of the Quality Jobs Act — one of the state's most successful economic development tools that stimulates job growth by offering employers tax incentives to create high-quality, high-paying jobs.

The program has proven itself to be a vital part of the Missouri economy. This is how it works. By creating jobs at or above the county average wage and offering to pay 50 percent of basic health insurance premiums, employers are eligible to keep a portion of their state withholding taxes. In turn, employees gain family-supporting jobs and are guaranteed access to healthcare. It's a win-win for everyone involved.

For residents in St. Charles and Lincoln counties, those family-supporting jobs amount to \$36,148 and \$28,740 in average annual wages, respectively.

The Quality Jobs Act will be extended through 2013, with the amount of program tax credits issued each year increased from \$40 million to \$60 million. Since the Quality Jobs Act began in 2005, it has helped to create nearly 22,000 new jobs and to retain 2,379 others.

The economic development legislation also increases the annual cap on the amount of tax credits the Department of Economic Development can authorize for Enhanced Enterprise Zone programs from \$14 million to \$24 million. The Enhanced Enterprise Zone program was created in 2004 and provides tax credits for new or expanding businesses in areas designated by local governments and certified by the Department of Economic Development. Zone designation is based on certain demographic criteria, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development.

The economic development package also adds a new component to the New Markets Tax Credit Program I initiated that was enacted by the state legislature last year. The New Markets Tax Credit Program mirrors a federal program and spurs economic development in underserved areas. The new provision authorizes the Department of Economic Development to issue rulings regarding the program to determine whether a participating investor or investment qualifies for tax credits under the program. Currently, the Department of Revenue uses a similar process to rule on tax matters, but existing law didn't allow the process for economic development matters.

Economic tax credits have proven to have a positive impact on our businesses and communities and can be attributed in part to the creation of more than 80,000 new jobs in Missouri since January 2005.

Giving Missouri employers the incentives to expand and create good paying, long-term jobs makes good economic sense for Missouri, and I'm very pleased that we are poised to continue to build upon those successes.

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.