



The Stouffer Report: *Putting People Back to Work While Protecting Taxpayers*

The Legislature passed a major jobs bill this year. [House Bill 191](#) contains dozens of provisions intended to create the right climate for job production and job growth. It also makes changes to tax credits and who gets them.

At the center of House Bill 191 is the [Quality Jobs Act](#) which has proven itself to be successful in the years it has been in existence. The program assists businesses that wish to expand, hire additional employees, pay a wage that equals or exceeds the average for the county where the business is located and pay at least 50 percent of employees' health care premiums. Under the bill, the annual amount of tax credits that can be awarded will be increased from its current maximum of \$60 million to \$80 million.

Tax credits issued by the [Missouri Development Finance Board](#) (MDFB) are capped in House Bill 191. Starting in the next fiscal year (which starts on July 1), the MDFB will not be allowed to issue more than \$10 million in tax credits. Taxpayers who contribute to MDFB funds receive a tax credit equal to 50 percent of their contribution. The board has come under fire in recent months for tax credits that will go to the Kansas City Chiefs for renovations to their practice facility. Some of my cohorts in the Senate say the MDFB had relatively no oversight and could spend taxpayer money without consequence.

[Tax increment financing](#) is also addressed in the jobs bill. The measure states cities that do not comply with Missouri TIF reporting requirements can not start a new TIF district for the five years following. Tax increment financing is a tool that uses future gains in taxes to finance current improvements that will create those gains. When a public project happens, there is often an increase in the value of surrounding real estate. This increased site value and investment generates increased tax revenues. The increased tax revenues are the "tax increment." These

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increments finance debt issued to pay for the project. The [Missouri Department of Economic Development](#) will be required to submit its annual TIF report to the [Missouri State Auditor](#), who will then post information provided in the annual reports of municipalities on her website.

House Bill 191 also creates new guidelines for [Transportation Development Districts](#) (TDDs), which — like TIFs — are a form of public-private partnerships. Once approved, a developer can build not only the business, but the road to get you there and pay for the work through a slightly higher sales tax at that business. Recent state audits have shown TDDs are being used more often, but have no state oversight. The bill will have TDD board members submit annual reports to the State Auditor, and public hearings will be required before a TDD is formed in any area. TDDs have proven themselves to be a less-expensive way for developers to construct new businesses and build the roads to get you to them. Now, there will be more oversight to ensure people are not abusing TDDs.

The jobs bill also features the “Big Government Get Off My Back Act,” which prohibits state-imposed user fees from being increased for the next four years. This section of the bill is aimed at helping small businesses with 25 or fewer employees. These businesses are the backbone of our state, especially in rural Missouri. I have to say, I think this portion of the larger bill is probably one of the better things we did this session.

I pray this recession ends quickly and we can return to happier financial times in Missouri. The governor signed House Bill 191 on June 4. Hopefully, we are heading in the right direction to get folks back to work again in Missouri.

Senator Stouffer serves the counties of Carroll, Chariton, Cooper, Howard, Lafayette, Macon, Ray, Saline, and a part of Clay.

If you have questions or comments about this or any other issue, please call toll free (866) 768-3987 or by e-mail at bstouffer@senate.mo.gov.

bstouffer@senate.mo.gov | www.senate.mo.gov/stouffer
State Capitol Building, Room 332, Jefferson City, MO 65101 | (866) 768-3987