



WEEKLY REPORT

State Senator Gary Nodler
District 32



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Week of April 6, 2009

Job Creation: No Quick Fix

With unemployment throughout the nation continuing to increase, job creation has been a main focus this session in the Legislature. We have spent many hours working on legislation designed to enhance the business-friendly environment in our state by utilizing and expanding existing business incentives. Concerns from some about the need for tax credit reform have lengthened debate, but our work to increase economic development in our state continues.

House Bill 191 and Senate Bill 45 are similar measures designed to expand economic development programs in our state. Specifically, the Legislature's main goal with this economic development measure is to address the Quality Jobs Act. The economic development incentive encourages companies in our state to create new, family-supporting jobs. These jobs must pay at least the county average wage and pay at least 50 percent of employee health insurance premiums. In return, eligible companies receive a break on the payroll withholding tax on the new jobs created. The legislation would increase the annual limit on tax credit issuances for Quality Jobs from \$60 million to \$120 million, allowing more businesses to utilize the program.

As is often the case with big-issue legislation, this bill has become much more complex and far-reaching. While the majority of both chambers support the Quality Jobs expansion, some in the Senate believe now is also the opportune time to review the state's tax credit policy. I believe that tax credits, a dollar-for-dollar reduction in tax liability, do have a significant cost to the state. But I also believe that there are many important pieces of this legislation that would foster job growth which is so desperately needed.

It took more than a few months to get into the current economic dilemma, and a corresponding amount of time will be spent finding solutions. It is more important that we take our time to come up with the best possible solutions and most effective job creation measures. I am still hopeful that the Legislature will come together this session to pass a measure escalating job growth and further encouraging economic development in Missouri.

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*Senator Gary Nodler represents the people of Newton, Jasper
and Dade counties in the Missouri Senate.*