

# SENATE BILL NO. 1036

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BECK.

4320S.011

KRISTINA MARTIN, Secretary

## AN ACT

To repeal sections 620.2005 and 620.2010, RSMo, and to enact in lieu thereof two new sections relating to financial incentives for business development.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 620.2005 and 620.2010, RSMo, are  
2 repealed and two new sections enacted in lieu thereof, to be  
3 known as sections 620.2005 and 620.2010, to read as follows:

620.2005. 1. As used in sections 620.2000 to  
2 620.2020, the following terms mean:

- 3 (1) "Average wage", the **aggregate gross** new payroll  
4 divided by the **[number of new jobs] aggregate actual hours**  
5 **worked for new jobs multiplied by two thousand eighty**, or  
6 the **aggregate gross** payroll of the retained jobs divided by  
7 the **[number of retained jobs] aggregate actual hours worked**  
8 **for retained jobs multiplied by two thousand eighty**;  
9 (2) "Commencement of operations", the starting date  
10 for the qualified company's first new employee, which shall  
11 be no later than twelve months from the date of the approval;  
12 (3) "Contractor", a person, employer, or business  
13 entity that enters into an agreement to perform any service  
14 or work or to provide a certain product in exchange for  
15 valuable consideration. This definition shall include but  
16 not be limited to a general contractor, subcontractor,

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

17 independent contractor, contract employee, project manager,  
18 or a recruiting or staffing entity;

19 (4) "County average wage", the average wages in each  
20 county as determined by the department for the most recently  
21 completed full calendar year. However, if the computed  
22 county average wage is above the statewide average wage, the  
23 statewide average wage shall be deemed the county average  
24 wage for such county for the purpose of determining  
25 eligibility. The department shall publish the county  
26 average wage for each county at least annually.

27 Notwithstanding the provisions of this subdivision to the  
28 contrary, for any qualified company that in conjunction with  
29 their project is relocating employees from a Missouri county  
30 with a higher county average wage, the company shall obtain  
31 the endorsement of the governing body of the community from  
32 which jobs are being relocated or the county average wage  
33 for their project shall be the county average wage for the  
34 county from which the employees are being relocated;

35 (5) "Department", the Missouri department of economic  
36 development;

37 (6) "Director", the director of the department of  
38 economic development;

39 (7) "Employee", a person employed by a qualified  
40 company, excluding:

41 (a) Owners of the qualified company unless the  
42 qualified company is participating in an employee stock  
43 ownership plan; or

44 (b) Owners of a noncontrolling interest in stock of a  
45 qualified company that is publicly traded;

46 (8) "Existing Missouri business", a qualified company  
47 that, for the ten-year period preceding submission of a  
48 notice of intent to the department, had a physical location

49 in Missouri and full-time employees who routinely performed  
50 job duties within Missouri;

51 (9) "Full-time employee", an employee of the qualified  
52 company that is scheduled to work an average of at least  
53 thirty-five hours per week for a twelve-month period, and  
54 one for which the qualified company offers health insurance  
55 and pays at least fifty percent of such insurance premiums.  
56 An employee that spends less than fifty percent of the  
57 employee's work time at the facility shall be considered to  
58 be located at a facility if the employee receives his or her  
59 directions and control from that facility, is on the  
60 facility's payroll, one hundred percent of the employee's  
61 income from such employment is Missouri income, and the  
62 employee is paid at or above the applicable percentage of  
63 the county average wage;

64 (10) **"Gross wages", the total compensation paid by an**  
65 **employer to an employee as reported in box 5 of the**  
66 **employee's W-2;**

67 (11) "Industrial development authority", an industrial  
68 development authority organized under chapter 349 that has  
69 entered into a formal written memorandum of understanding  
70 with an entity of the United States Department of Defense  
71 regarding a qualified military project;

72 [(11)] (12) "Infrastructure projects", highways,  
73 roads, streets, bridges, sewers, traffic control systems and  
74 devices, water distribution and supply systems, curbing,  
75 sidewalks, storm water and drainage systems, broadband  
76 internet infrastructure, and any other similar public  
77 improvements, but in no case shall infrastructure projects  
78 include private structures;

79 [(12)] (13) "Local incentives", the present value of  
80 the dollar amount of direct benefit received by a qualified

81 company for a project facility from one or more local  
82 political subdivisions, but this term shall not include  
83 loans or other funds provided to the qualified company that  
84 shall be repaid by the qualified company to the political  
85 subdivision;

86 [(13)] (14) "Manufacturing capital investment",  
87 expenditures made by a qualified manufacturing company to  
88 retool or reconfigure a manufacturing project facility  
89 directly related to the manufacturing of a new product or  
90 the expansion or modification of the manufacture of an  
91 existing product;

92 [(14)] (15) "Memorandum of understanding", an  
93 agreement executed by an industrial development authority  
94 and an entity of the United States Department of Defense, a  
95 copy of which is provided to the department of economic  
96 development, that states, but is not limited to:

97 (a) A requirement for the military to provide the  
98 total number of existing jobs, jobs directly created by a  
99 qualified military project, and average salaries of such  
100 jobs to the industrial development authority and the  
101 department of economic development annually for the term of  
102 the benefit;

103 (b) A requirement for the military to provide an  
104 accounting of the expenditures of capital investment made by  
105 the military directly related to the qualified military  
106 project to the industrial development authority and the  
107 department of economic development annually for the term of  
108 the benefit;

109 (c) The process by which the industrial development  
110 authority shall monetize the tax credits annually and any  
111 transaction cost or administrative fee charged by the

112 industrial development authority to the military on an  
113 annual basis;

114 (d) A requirement for the industrial development  
115 authority to provide proof to the department of economic  
116 development of the payment made to the qualified military  
117 project annually, including the amount of such payment;

118 (e) The schedule of the maximum amount of tax credits  
119 which may be authorized in each year for the project and the  
120 specified term of the benefit, as provided by the department  
121 of economic development; and

122 (f) A requirement that the annual benefit paid shall  
123 be the lesser of:

124 a. The maximum amount of tax credits authorized; or

125 b. The actual calculated benefit derived from the  
126 number of new jobs and average salaries;

127 [(15)] (16) "NAICS" or "NAICS industry  
128 classification", the classification provided by the most  
129 recent edition of the North American Industry Classification  
130 System as prepared by the Executive Office of the President,  
131 Office of Management and Budget;

132 [(16)] (17) "New capital investment", shall include  
133 costs incurred by the qualified company at the project  
134 facility after acceptance by the qualified company of the  
135 proposal for benefits from the department or the approval  
136 notice of intent, whichever occurs first, for real or  
137 personal property, and may include the value of finance or  
138 capital leases for real or personal property for the term of  
139 such lease at the project facility executed after acceptance  
140 by the qualified company of the proposal for benefits from  
141 the department or the approval of the notice of intent;

142 [(17)] (18) "New direct local revenue", the present  
143 value of the dollar amount of direct net new tax revenues of

the local political subdivisions likely to be produced by the project over a ten-year period as calculated by the department, excluding local earnings tax, and net new utility revenues, provided the local incentives include a discount or other direct incentives from utilities owned or operated by the political subdivision;

[(18)] (19) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job;

[(19)] (20) "New payroll", the amount of **gross** wages paid for all new jobs, located at the project facility during the qualified company's tax year that exceeds the project facility base payroll. **For a qualified company that offers health insurance to all full-time employees of all facilities located in this state, and certifies that it pays one hundred percent of such insurance premiums, "new payroll" shall include all amounts paid by the qualified company for such insurance premiums;**

[(20)] (21) "New product", a new model or line of a manufactured good that has not been manufactured in Missouri by a qualified manufacturing company at any time prior to the date of the notice of intent, or an existing brand, model, or line of a manufactured good that is redesigned;

[(21)] (22) "Notice of intent", a form developed by the department and available online, completed by the qualified company, and submitted to the department stating the qualified company's intent to request benefits under this program. The notice of intent shall be accompanied

with a detailed plan by the qualifying company to make good faith efforts to employ, at a minimum, commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census, the following: racial minorities, contractors who are racial minorities, and contractors that, in turn, employ at a minimum racial minorities commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census. At a minimum, such plan shall include monitoring the effectiveness of outreach and recruitment strategies in attracting diverse applicants and linking with different or additional referral sources in the event that recruitment efforts fail to produce a diverse pipeline of applicants. **The notice of intent shall be accompanied by an affidavit signed by the qualified company's human resources lead or chief financial officer attesting to the estimated number of new jobs, position types, and new payroll;**

**[(22)] (23)** "Percent of local incentives", the amount of local incentives divided by the amount of new direct local revenue;

**[(23)] (24)** "Program", the Missouri works program established in sections 620.2000 to 620.2020;

**[(24)] (25)** "Project facility", the building or buildings used by a qualified company at which new or retained jobs and any new capital investment are or will be located or by a qualified manufacturing company at which a manufacturing capital investment is or will be located. A project facility may include separate buildings located within sixty miles of each other such that their purpose and operations are interrelated; provided that where the buildings making up the project facility are not located

within the same county, the average wage of the new **gross** payroll shall exceed the applicable percentage of the highest county average wage among the counties in which the buildings are located. Upon approval by the department, a subsequent project facility may be designated if the qualified company demonstrates a need to relocate to the subsequent project facility at any time during the project period. For qualified military projects, the term "project facility" means the military base or installation at which such qualified military project is or shall be located;

~~[(25)]~~ (26) "Project facility base employment", the greater of the number of full-time employees located at the project facility on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, the average number of full-time employees for the number of months the project facility has been in operation prior to the date of the notice of intent;

~~[(26)]~~ (27) "Project facility base payroll", the annualized **gross** payroll for the project facility base employment or the total amount of ~~[taxable]~~ **gross** wages paid by the qualified company to full-time employees of the qualified company located at the project facility in the twelve months prior to the notice of intent. For purposes of calculating the benefits under this program, the amount of base payroll shall increase each year based on an appropriate measure, as determined by the department;

~~[(27)]~~ (28) "Project period", the time period within which benefits are awarded to a qualified company or within



239 which the qualified company is obligated to perform under an  
240 agreement with the department, whichever is greater;

241       [(28)] (29) "Projected net fiscal benefit", the total  
242 fiscal benefit to the state less any state benefits offered  
243 to the qualified company, as determined by the department;

244       [(29)] (30) "Qualified company", a firm, partnership,  
245 joint venture, association, private or public corporation  
246 whether organized for profit or not, or headquarters of such  
247 entity registered to do business in Missouri that is the  
248 owner or operator of a project facility, certifies that it  
249 offers health insurance to all full-time employees of all  
250 facilities located in this state, and certifies that it pays  
251 at least fifty percent of such insurance premiums. For the  
252 purposes of sections 620.2000 to 620.2020, the term  
253 "qualified company" shall not include:

254           (a) Gambling establishments (NAICS industry group  
255 7132);

256           (b) Store front consumer-based retail trade  
257 establishments (under NAICS sectors 44 and 45), except with  
258 respect to any company headquartered in this state with a  
259 majority of its full-time employees engaged in operations  
260 not within the NAICS codes specified in this subdivision and  
261 except for any such establishments located in a county of  
262 the third or fourth classification;

263           (c) Food and drinking places (NAICS subsector 722);

264           (d) Public utilities (NAICS 221 including water and  
265 sewer services);

266           (e) Any company that is delinquent in the payment of  
267 any nonprotested taxes or any other amounts due the state or  
268 federal government or any other political subdivision of  
269 this state;

(f) Any company requesting benefits for retained jobs that has filed for or has publicly announced its intention to file for bankruptcy protection. However, a company that has filed for or has publicly announced its intention to file for bankruptcy may be a qualified company provided that such company:

a. Certifies to the department that it plans to reorganize and not to liquidate; and

b. After its bankruptcy petition has been filed, it produces proof, in a form and at times satisfactory to the department, that it is not delinquent in filing any tax returns or making any payment due to the state of Missouri, including but not limited to all tax payments due after the filing of the bankruptcy petition and under the terms of the plan of reorganization. Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained;

(g) Educational services (NAICS sector 61);

(h) Religious organizations (NAICS industry group 8131);

(i) Public administration (NAICS sector 92);

(j) Ethanol distillation or production;

(k) Biodiesel production; or

(l) Health care and social services (NAICS sector 62).

Notwithstanding any provision of this section to the contrary, the headquarters, administrative offices, or research and development facilities of an otherwise excluded

business may qualify for benefits if the offices or facilities serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the jobs and investment of such operation shall be considered eligible for benefits under this section if the other requirements are satisfied;

**[(30)] (31)** "Qualified manufacturing company", a company that:

(a) Is a qualified company that manufactures motor vehicles (NAICS group 3361);

(b) Manufactures goods at a facility in Missouri;

(c) Manufactures a new product or has commenced making a manufacturing capital investment to the project facility necessary for the manufacturing of such new product, or modifies or expands the manufacture of an existing product or has commenced making a manufacturing capital investment for the project facility necessary for the modification or expansion of the manufacture of such existing product; and

(d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for the project period;

**[(31)] (32)** "Qualified military project", the expansion or improvement of a military base or installation within this state that causes:

(a) An increase of ten or more part-time or full-time military or civilian support personnel:

a. Whose average salaries equal or exceed ninety percent of the county average wage; and

b. Who are offered health insurance, with an entity of the United States Department of Defense paying at least fifty percent of such insurance premiums; and

(b) Investment in real or personal property at the base or installation expressly for the purposes of serving a new or expanded military activity or unit.

For the purposes of this subdivision, part-time military or civilian support personnel shall be converted to full-time new jobs by, in hire date order, counting one full-time new job for every thirty-five averaged hours worked per week by part-time military or civilian support personnel in jobs directly created by the qualified military project. For each such full-time new job, the sum of the **gross** wages of the part-time military or civilian support personnel combined and converted to form the new job shall be the wage for the one full-time new job. Each part-time military or civilian support personnel whose job is combined and converted for such a full-time new job shall be offered health insurance as described in subparagraph b of paragraph (a) of this subdivision;

**[(32)] (33)** "Related company", shall mean:

(a) A corporation, partnership, trust, or association controlled by the qualified company;

(b) An individual, corporation, partnership, trust, or association in control of the qualified company; or

(c) Corporations, partnerships, trusts or associations controlled by an individual, corporation, partnership, trust, or association in control of the qualified company. As used in this paragraph, "control of a qualified company" shall mean:

a. Ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote in the case of a qualified company that is a corporation;

b. Ownership of at least fifty percent of the capital or profit interest in such qualified company if it is a partnership or association;

c. Ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such qualified company if it is a trust, and ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

[(33)] (34) "Related facility", a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility or in which operations substantially similar to the operations of the project facility are performed;

[(34)] (35) "Related facility base employment", the greater of the number of full-time employees located at all related facilities on the date of the notice of intent or, for the twelve-month period prior to the date of the notice of intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state;

[(35)] (36) "Related facility base payroll", the annualized **gross** payroll of the related facility base payroll or the total amount of [taxable] **gross** wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the notice of intent. For purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on an appropriate measure, as determined by the department;

394        [(36)] (37) "Rural area", a county in Missouri with a  
395 population less than seventy-five thousand or that does not  
396 contain an individual city with a population greater than  
397 fifty thousand according to the most recent federal  
398 decennial census;

399        [(37)] (38) "Tax credits", tax credits issued by the  
400 department to offset the state taxes imposed by chapters 143  
401 and 148, or which may be sold or refunded as provided for in  
402 this program;

403        (39) "Taxable wages", the employee's total  
404 compensation subject to tax as reported in box 16 of the  
405 employee's W-2;

406        [(38)] (40) "Withholding tax", the state tax imposed  
407 by sections 143.191 to 143.265. For purposes of this  
408 program, the withholding tax shall be computed using a  
409 schedule as determined by the department based on average  
410 wages.

411        2. This section is subject to the provisions of  
412 section 196.1127.

620.2010. 1. In exchange for the consideration  
2 provided by the new tax revenues and other economic stimuli  
3 that will be generated by the new jobs created, a qualified  
4 company may, for a period of five years from the date the  
5 new jobs are created, or for a period of six years from the  
6 date the new jobs are created if the qualified company is an  
7 existing Missouri business, retain an amount equal to the  
8 withholding tax as calculated under subdivision (38) of  
9 section 620.2005 from the new jobs that would otherwise be  
10 withheld and remitted by the qualified company under the  
11 provisions of sections 143.191 to 143.265 if:

12           (1) The qualified company creates ten or more new  
13 jobs, and the average wage of the new payroll equals or  
14 exceeds ninety percent of the county average wage;

15           (2) The qualified company creates two or more new jobs  
16 at a project facility located in a rural area, the average  
17 wage of the new payroll equals or exceeds ninety percent of  
18 the county average wage, and the qualified company commits  
19 to making at least one hundred thousand dollars of new  
20 capital investment at the project facility within two years;  
21 or

22           (3) The qualified company creates two or more new jobs  
23 at a project facility located within a zone designated under  
24 sections 135.950 to 135.963, the average wage of the new  
25 payroll equals or exceeds eighty percent of the county  
26 average wage, and the qualified company commits to making at  
27 least one hundred thousand dollars in new capital investment  
28 at the project facility within two years of approval;

29           **(4) In the event that the average wage for all new**  
30 **jobs fails to meet the average wage requirement pursuant to**  
31 **subdivisions (1), (2), or (3) of this subsection, the**  
32 **qualified company may retain withholding tax for the minimum**  
33 **number of required jobs. The department may choose which**  
34 **new jobs to include in the minimum number to be averaged**  
35 **that will meet or exceed the average wage requirement.**

36           2. In addition to any benefits available under  
37 subsection 1 of this section, the department may award a  
38 qualified company that satisfies subdivision (1) of  
39 subsection 1 of this section additional tax credits, issued  
40 each year for a period of five years from the date the new  
41 jobs are created, or for a period of six years from the date  
42 the new jobs are created if the qualified company is an  
43 existing Missouri business, in an amount equal to or less

44 than six percent of new [payroll] **taxable wages**; provided  
45 that in no event may the total amount of benefits awarded to  
46 a qualified company under this section exceed nine percent  
47 of new [payroll] **taxable wages** in any calendar year. The  
48 amount of tax credits awarded to a qualified company under  
49 this subsection shall not exceed the projected net fiscal  
50 benefit to the state, as determined by the department, and  
51 shall not exceed the least amount necessary to obtain the  
52 qualified company's commitment to initiate the project. In  
53 determining the amount of tax credits to award to a  
54 qualified company under this subsection or a qualified  
55 manufacturing company under subsection 3 of this section,  
56 the department shall consider the following factors:

57 (1) The significance of the qualified company's need  
58 for program benefits;

59 (2) The amount of projected net fiscal benefit to the  
60 state of the project and the period in which the state would  
61 realize such net fiscal benefit;

62 (3) The overall size and quality of the proposed  
63 project, including the number of new jobs, new capital  
64 investment, manufacturing capital investment, proposed  
65 wages, growth potential of the qualified company, the  
66 potential multiplier effect of the project, and similar  
67 factors;

68 (4) The financial stability and creditworthiness of  
69 the qualified company;

70 (5) The level of economic distress in the area;

71 (6) An evaluation of the competitiveness of  
72 alternative locations for the project facility, as  
73 applicable; [and]

74 (7) The percent of local incentives committed;



75           (8) Whether the qualified company participates in a  
76 pre-apprenticeship program approved by the Missouri  
77 department of higher education and workforce development; and

78           (9) The location of the headquarters of any contractor  
79 used by the qualified company, with preference given to  
80 contractors selected through an open bidding process that  
81 are headquartered in Missouri and for whom at least eighty-  
82 five percent of the workforce used for any work performed by  
83 the contractor for a qualified company reside within fifty  
84 miles of the site of such work.

85           3. (1) The department may award tax credits to a  
86 qualified manufacturing company that makes a manufacturing  
87 capital investment of at least five hundred million dollars  
88 not more than three years following the department's  
89 approval of a notice of intent and the execution of an  
90 agreement that meets the requirements of subsection 4 of  
91 this section. Such tax credits shall be issued no earlier  
92 than January 1, 2023, and may be issued each year for a  
93 period of five years. A qualified manufacturing company may  
94 qualify for an additional five-year period under this  
95 subsection if it makes an additional manufacturing capital  
96 investment of at least two hundred fifty million dollars  
97 within five years of the department's approval of the  
98 original notice of intent.

99           (2) The maximum amount of tax credits that any one  
100 qualified manufacturing company may receive under this  
101 subsection shall not exceed five million dollars per  
102 calendar year. The aggregate amount of tax credits awarded  
103 to all qualified manufacturing companies under this  
104 subsection shall not exceed ten million dollars per calendar  
105 year.

(3) If, at the project facility at any time during the project period, the qualified manufacturing company discontinues the manufacturing of the new product, or discontinues the modification or expansion of an existing product, and does not replace it with a subsequent or additional new product or with a modification or expansion of an existing product, the company shall immediately cease receiving any benefit awarded under this subsection for the remainder of the project period and shall forfeit all rights to retain or receive any benefit awarded under this subsection for the remainder of such period.

(4) Notwithstanding any other provision of law to the contrary, any qualified manufacturing company that is awarded benefits under this section shall not simultaneously receive tax credits or exemptions under sections 100.700 to 100.850 for the jobs created or retained or capital improvement that qualified for benefits under this section. The provisions of subsection 5 of section 285.530 shall not apply to a qualified manufacturing company that is awarded benefits under this section.

4. Upon approval of a notice of intent to receive tax credits under subsection 2, 3, 6, or 7 of this section, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:

(1) The committed number of new jobs, new payroll, and new capital investment, or the manufacturing capital investment and committed percentage of retained jobs for each year during the project period;

(2) The date or time period during which the tax credits shall be issued, which may be immediately or over a

period not to exceed two years from the date of approval of the notice of intent;

(3) Clawback provisions, as may be required by the department;

(4) Financial guarantee provisions as may be required by the department, provided that financial guarantee provisions shall be required by the department for tax credits awarded under subsection 7 of this section; and

(5) Any other provisions the department may require.

5. In lieu of the benefits available under subsections 1 and 2 of this section, and in exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the new jobs created by the program, a qualified company may, for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (38) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 equal to:

(1) Six percent of new **[payroll] taxable wages** for a period of five years from the date the required number of new jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred twenty percent of the county average wage of the county in which the project facility is located; or

(2) Seven percent of new **[payroll] taxable wages** for a period of five years from the date the required number of jobs were created if the qualified company creates one

hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred forty percent of the county average wage of the county in which the project facility is located.

The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subsection and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subsection.

6. In addition to the benefits available under subsection 5 of this section, the department may award a qualified company that satisfies the provisions of subsection 5 of this section additional tax credits, issued each year for a period of five years from the date the new jobs are created, or for a period of six years from the date the new jobs are created if the qualified company is an existing Missouri business, in an amount equal to or less than three percent of new **[payroll] taxable wages**; provided that in no event may the total amount of benefits awarded to a qualified company under this section exceed nine percent of new **[payroll] taxable wages** in any calendar year. The amount of tax credits awarded to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as determined by the department, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under this subsection, the department shall consider the factors provided under subsection 2 of this section.

200           7. In lieu of the benefits available under subsections  
201 1, 2, 5, and 6 of this section, and in exchange for the  
202 consideration provided by the new tax revenues and other  
203 economic stimuli that will be generated by the new jobs and  
204 new capital investment created by the program, the  
205 department may award a qualified company that satisfies the  
206 provisions of subdivision (1) of subsection 1 of this  
207 section tax credits, issued within one year following the  
208 qualified company's acceptance of the department's proposal  
209 for benefits, in an amount equal to or less than nine  
210 percent of new **[payroll] taxable wages**. The amount of tax  
211 credits awarded to a qualified company under this subsection  
212 shall not exceed the projected net fiscal benefit to the  
213 state, as determined by the department, and shall not exceed  
214 the least amount necessary to obtain the qualified company's  
215 commitment to initiate the project. In determining the  
216 amount of tax credits to award to a qualified company under  
217 this subsection, the department shall consider the factors  
218 provided under subsection 2 of this section and the  
219 qualified company's commitment to new capital investment and  
220 new job creation within the state for a period of not less  
221 than ten years. For the purposes of this subsection, each  
222 qualified company shall have an average wage of the new  
223 payroll that equals or exceeds one hundred percent of the  
224 county average wage. Notwithstanding the provisions of  
225 section 620.2020 to the contrary, this subsection shall  
226 expire on June 30, 2025.

227           8. No benefits shall be available under this section  
228 for any qualified company that has performed significant,  
229 project-specific site work at the project facility,  
230 purchased machinery or equipment related to the project, or  
231 has publicly announced its intention to make new capital

investment or manufacturing capital investment at the project facility prior to receipt of a proposal for benefits under this section or approval of its notice of intent, whichever occurs first.

9. In lieu of any other benefits under this chapter, the department of economic development may award a tax credit to an industrial development authority for a qualified military project in an amount equal to the estimated withholding taxes associated with the part-time and full-time civilian and military new jobs located at the facility and directly impacted by the project. The amount of the tax credit shall be calculated by multiplying:

(1) The average percentage of tax withheld, as provided by the department of revenue to the department of economic development;

(2) The average **[salaries] taxable wages** of the jobs directly created by the qualified military project; and

(3) The number of jobs directly created by the qualified military project.

If the amount of the tax credit represents the least amount necessary to accomplish the qualified military project, the tax credits may be issued, but no tax credits shall be issued for a term longer than fifteen years. No qualified military project shall be eligible for tax credits under this subsection unless the department of economic development determines the qualified military project shall achieve a net positive fiscal impact to the state.

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