

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5936S.01I  
Bill No.: SB 1443  
Subject: Economic Development; Department of Economic Development; Tax Credits  
Type: Original  
Date: April 10, 2026

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Bill Summary: This proposal authorizes a tax credit for certain capital investments.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue Fund*	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\*The changes in the legislation could increase utilization of the Missouri Works Program. Oversight notes that if this proposal resulted in one company being authorized to receive \$1,250,000 in tax credits under §620.2012, the impact from this proposal could result in a loss greater than the \$250,000 threshold.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §620.2012 - Tax Credit for Certain Capital Investments

Officials from the **Department of Revenue (DOR)** assume this proposal allows a qualified company to file a notice of intent to state they will expend \$50 million in new capital investment. If approved, they would receive a tax credit equal to 2.5% of the new capital investment (\$1.25 million on every \$50 million investment).

This proposal says the amount of credits that can be authorized in a fiscal year is included in and subject to the limitations on maximum amount of credits allowed per Section 620.2020.7, which is the MO Works program. MO Works currently has an annual cap of \$126 million with \$10 million reserved for car manufacturers and \$10 million reserved for military jobs. For informational purposes, DOR is providing the amount of MO Works that have been authorized, issued and redeemed since the program began.

<b>Year</b>	<b>Authorized</b>	<b>Issued</b>	<b>Total Redeemed</b>
<b>FY 2025</b>	\$67,385,335.00	\$157,378,167.03	\$91,848,974.59
<b>FY 2024</b>	\$80,281,795.00	\$101,742,273.72	\$114,459,428.58
<b>FY 2023</b>	\$58,234,898.00	\$139,364,971.66	\$100,419,077.97
<b>FY 2022</b>	\$80,498,453.00	\$131,465,595.90	\$134,716,930.11
<b>FY 2021</b>	\$230,661,649.74	\$112,293,173.91	\$100,393,655.20
<b>FY 2020</b>	\$153,823,786.33	\$134,393,278.36	\$113,472,125.29
<b>FY 2019</b>	\$100,482,945.49	\$82,326,471.67	\$64,786,980.04
<b>FY 2018</b>	\$185,732,973.08	\$45,830,250.31	\$56,398,908.94
<b>FY 2017</b>	\$155,506,188.16	\$35,547,214.37	\$35,065,682.60
<b>FY 2016</b>	\$114,719,436.24	\$23,741,677.22	\$12,075,788.82
<b>FY 2015</b>	\$289,578,581.00	\$3,588,784.56	\$3,588,784.56
<b>FY 2014</b>	\$116,445,144.00	\$146,923.00	\$146,923.00
<b>FY 2013</b>	\$0.00	\$0.00	\$0.00
<b>FY 2012</b>	\$0.00	\$0.00	\$0.00

This program does have clawback provisions should the full amount of investment not be made. However, it does not have a sunset clause.

DOR notes this new capital investment credit is being made part of the MO Works program. Since MO Works already has a cap no additional revenue loss is expected other than what is allowed by the MO Works cap.

DOR will need to update our MO-TC form at a cost of \$2,200 as well as update their website and computer program at a cost of \$1,887 to include this new credit.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials from the **Office of Administration – Budget & Planning (B&P)** assume §620.2012 creates a capital investment tax credit within the Missouri Works (MO Works) Program. However, this change does not increase the MO Works tax credit cap. Therefore, there is no fiscal impact to GR or TSR. This program may encourage other economic activity, but B&P does not have data to estimate any induced revenues.

Officials from the **Department of Economic Development, Joint Committee on Administrative Rules, Office of the Secretary of State, and Oversight Division** each assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that this proposal allows a qualified company that expends at least fifty million dollars in new capital investment, and meets additional criteria under the proposal, to receive a tax credit totaling up to 2.5% of its investment (or total of \$1,250,000).

Oversight notes that the maximum cap under the MO Works program was not fully utilized between fiscal years 2022 and 2025. Oversight assumes this proposal could increase the utilization of the tax credit program. Therefore, Oversight will reflect the cost to the MO Works program stemming from this provision which adds a new group of newly eligible qualified companies.

Oversight notes that if this proposal resulted in one company being authorized to receive \$1,250,000 in tax credits under §620.2012, the impact from this proposal could result in a loss greater than the \$250,000 threshold.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE FUND</b>			
<u>Cost – (§620.2012) – Potential increase in retained withholdings p.4</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO GENERAL REVENUE FUND</b>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

A direct fiscal impact on small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The Missouri Works program is currently authorized to provide various incentives for the creation and retention of new and existing jobs. This bill authorizes the Department of Economic Development to issue tax credits to qualified companies that expend at least \$50 million in new capital investments for a project within two years of submitting a notice of intent with the Department.

The Department shall respond to a notice of intent within thirty days, provided, however, that a failure to respond within thirty days shall not be construed as an approval of a notice of intent.

Tax credits authorized by the act shall not exceed 2.5% of the new capital investment, and shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. Tax credits authorized by the act shall count toward the maximum amount of Missouri Works incentives allowed in a fiscal year as provided under current law.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue  
Office of Administration – Budget & Planning  
Office of the Secretary of State

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Joint Committee on Administrative Rules  
Oversight Division  
Department of Economic Development



Julie Morff  
Director  
April 10, 2026



Jessica Harris  
Assistant Director  
April 10, 2026