

Tax Credit Accountability Report



June 2011

TABLE OF CONTENTS

1. INTRODUCTION	2
2. DED INCENTIVES BY CATEGORY TYPE AND PROGRAM	3
3. DED INCENTIVES BY INDUSTRY	5
4. DED INCENTIVES BY BUSINESS SIZE	6
5. LEGAL ACTIONS	7

Introduction

In 2004, the legislature passed the “Tax Credit Accountability Act”. The statute, RSMo 620.017.4., requires that the Department of Economic Development prepare an annual report regarding all economic incentives administered in the previous calendar year and submit the report to the Governor, President Pro Tem of the Senate, and the Speaker of the House of Representatives.

The annual report must include the following information:

- The distribution of economic incentives by type and public purpose. In the statute, RSMo 135.800, all tax credits are grouped into a category, or type, based on their public purpose. This section of the report reflects the distribution of incentives by those categories, which are as follows:
 - Agricultural
 - Environmental
 - Entrepreneurial
 - Domestic and Social
 - Housing
 - Redevelopment
 - Training and Education
 - Business Recruitment
 - Community Development
- The total amount of economic incentives awarded by industry. All incentives issued to organizations or businesses are broken down by North American Industry Classification System (NAICS) Codes.
- The distribution of economic incentives by the size of all business recipients. All incentives issued to businesses only are broken down by business size categories of less than 100 employees, 100-500 employees, and greater than 500 employees.
- A reporting of any legal action taken by the department or the state with any parties which have failed to comply with a contract or agreement pursuant to this section.

All economic incentives are reported by the amount that has been issued to the taxpayer in the calendar year. Issuance of a tax credit indicates that the Department of Economic Development has determined it meets eligibility criteria and has proof that the organization or company has met the program requirements. Tax credits are issued using a certificate which may be attached to a state tax filing for redemption through the Department of Revenue.

The information is collected through the application and review process. RSMo 135.802 requires that all applications include:

- Name, address, contact and phone number for the applicant.
- Taxpayer type
- Standard industry code (The NAICS system has replaced the Standard Industry Code system for identifying industries at the federal level.)
- Program name and type of any other tax credits (state or federal) that are being utilized for the same activity or project.

DED Incentives Reported by Category

January 1, 2010 to December 31, 2010

Category Type and Program	Total Amount Issued in CY 2010
Agricultural	
Wine and Grape	\$ 63,476
Missouri Rural Economic Stimulus Act	\$ -
Total Agricultural	\$ 63,476
Environmental	
Charcoal Producers	\$ -
Total Environmental	\$ -
Entrepreneurial	
Loan Guarantee Fee	\$ -
Certified Capital Companies	\$ -
Business Incubator	\$ 94,949
Urban Enterprise Loan	\$ -
Seed Capital	\$ -
Capital SBIC	\$ -
New Enterprise Creation	\$ -
Research	\$ -
Total Entrepreneurial	\$ 94,949
Domestic and Social	
Youth Opportunities Program	\$ 4,367,456
Total Domestic and Social	\$ 4,367,456
Housing*	
Neighborhood Preservation	\$ 2,542,004
Total Housing	\$ 2,542,004
Redevelopment	
Brownfield Remediation	\$ 15,418,278
Brownfield Jobs and Investment	\$ 1,867,965
Brownfield Demolition	\$ -
Distressed Areas Land Assemblage	\$ 8,358,021
Historic Preservation	\$ 91,577,673
Community Development Corporation Grant	\$ -
Community Bank	\$ -
State Tax Increment Financing	\$ 7,563,487
MODESA	\$ 900,749
Downtown Preservation	\$ 7,397
Total Redevelopment	\$ 125,693,571

DED Incentives Reported by Category *Continued*

January 1, 2010 to December 31, 2010

Training and Education	
New Jobs Training Program	\$ 3,104,626
Retained Jobs Training Program	\$ -
Customized Training Program	\$ 12,458,410
Total Training and Education	\$ 15,563,036
Business Recruitment	
Business Facility	\$ 4,335,354
Enhanced Enterprise Zone	\$ 7,177,484
Enterprise Zone	\$ 2,968,768
Development Tax Credit	\$ 2,650,000
Rebuilding Communities	\$ 1,410,769
Film Production	\$ 714,257
Missouri Quality Jobs	\$ 8,454,467
Total Business Recruitment	\$ 27,711,099
Community Development	
Transportation Development	\$ -
Neighborhood Assistance	\$ 9,685,496
Family Development Account	\$ 10,500
Dry Fire Hydrant	\$ 21,268
Total Community Development	\$ 9,717,264
TOTAL--ALL DED STATE INCENTIVES	\$ 185,752,855

*By Statute, this report does not include Low-Income Housing Tax Credits.

DED Incentives Reported by Industry*

January 1, 2010 to December 31, 2010

NAICS	Description	Amount
11	Agriculture, forestry, fishing and hunting	\$ 19,724
21	Mining	\$ -
22	Utilities	\$ -
23	Construction	\$ 22,135,836
31-33	Manufacturing	\$ 9,779,345
42	Wholesale Trade	\$ 622,483
44-45	Retail Trade	\$ 52,500
48-49	Transportation	\$ 2,360,088
51	Information	\$ 4,522,944
52	Finance and Insurance	\$ 5,151,348
53	Real Estate and rental and leasing	\$ 78,875,749
54	Professional and technical services	\$ 9,467,659
55	Management of companies and enterprises	\$ 3,880,280
56	Administrative and waste services	\$ 1,012,748
61	Educational services	\$ 2,072,426
62	Health care and social assistance	\$ 7,693,362
71	Arts, entertainment, and recreation	\$ 2,172,901
72	Accommodation and food services	\$ 5,995,359
81	Other services, except public administration	\$ 2,311,994
92	Public Administration	\$ 1,277,795
	Unclassified	\$ 2,095,031
GRAND TOTAL		\$ 161,499,572

* Industries are represented by standard "NAICS" codes (North American Industry Classification System).

Note: Benefits issued to individuals or community colleges are not considered in this report.

DED Incentives Reported by Business Size

January 1, 2010 to December 31, 2010

Business Size

Less than 100

100-500

>500

Applicable Programs Reporting:

Wine and Grape (Businesses Only)	\$ 58,232	\$ -	\$ -
Charcoal Producers	\$ -	\$ -	\$ -
Loan Guarantee Fee	\$ -	\$ -	\$ -
Certified Capital Companies	\$ -	\$ -	\$ -
Business Incubator	\$ 91,949	\$ -	\$ -
Urban Enterprise Loan			
Seed Capital	\$ -	\$ -	\$ -
Capital SBIC	\$ -	\$ -	\$ -
New Enterprise Creation	\$ -	\$ -	\$ -
Research	\$ -	\$ -	\$ -
Youth Opportunities Program	\$ 3,022,173	\$ 1,256,311	\$ 88,972
Neighborhood Preservation (Developers Only)	\$ 2,542,003	\$ -	\$ -
Brownfield Remediation	\$ 12,091,469	\$ 1,098,005	\$ -
Brownfield Jobs and Investment	\$ 166,861	\$ 205,603	\$ 1,495,501
Brownfield Demolition	\$ -	\$ -	\$ -
Distressed Areas Land Assemblage	\$ 8,358,021	\$ -	\$ -
Historic Preservation (Developers Only)	\$ 91,506,514	\$ 71,159	\$ -
Community Bank			
Business Facility	\$ 102,036	\$ 76,700	\$ 4,176,618
Enhanced Enterprise Zone	\$ 2,745,034	\$ 1,924,215	\$ 2,508,234
Enterprise Zone	\$ 239,500	\$ -	\$ 2,729,268
Development Tax Credit	\$ -	\$ 150,000	\$ 2,500,000
Rebuilding Communities	\$ 1,054,971	\$ 146,699	\$ -
Film Production	\$ 714,257	\$ -	\$ -
Missouri Quality Jobs	\$ 995,706	\$ 2,289,972	\$ 5,168,789
Transportation Development	\$ -	\$ -	\$ -
Neighborhood Assistance	\$ 7,342,465	\$ 1,838,731	\$ 504,300
Family Development Account	\$ 10,500	\$ -	\$ -

TOTALS

\$131,041,691

\$ 9,057,394

\$ 19,171,683

Note: Benefits issued to individuals, community colleges or units of government are not considered in this report.

2010 Legal Actions

Actions are based on entities failure to comply with an incentive contract or agreement.

Program / Applicant / Issue / Action

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Circle Hill Investments, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **William, Stallings, Fourth & Washington, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **David Shores Consulting**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Compton & Shenandoah Partners, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **The Elms, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Robert Walker**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **GEB Properties**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Havana Development, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Majestic Heritage, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Madrid Partners**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Lambeth Properties**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Global One Investments, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Chaumette Real Estate, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **MCZ / Centrum-Western, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Referred to AGO*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Kraig Schnitzmeier Developments, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Sent legal demand letter.*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Group Five Developers, Inc.**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Sent legal demand letter.*

Historic Preservation Tax Credit Program, Sections 253.545 to 253.559, RSMo **Revie Development, LLC**
Applicant did not submit proof of payment of accrued development fees, upon which tax credits were issued *Sent legal demand letter.*

Community Development Block Grant, The Housing and Community Development Act of 1974 (Public Law 93-383), as amended
WiFi Sensors, Inc. Applicant failed to make timely payments on a Community Development Block Grant Action Fund Loan.
Sent notice of default and referred to AGO.

Development Tax Credit Program, Sections 32.100 to 32.125, RSMo **Simclar Interconnect Technologies, Inc.**
Applicant failed to fulfill 2-year job creation requirement of program participation agreement. *Sent legal demand letters and negotiated resolution.*

New Jobs Training Program, Sections 178.892 to 178.896 RSMo (2004) **Harman Becker Automotive Systems, Inc.**
Applicant failed to retain jobs as required by program agreement. *Reached settlement agreement wherein applicant agreed to retain jobs for a period of time in order to repay pro-rated benefits.*

Neighborhood Assistance Program, Section 32.100 to 32.125, RSMo **Youzeum, Inc.**
Applicant failed to retain property and complete required project. *Sent legal demand letters.*

