

Program Name: Brownfield Remediation		TAX CREDIT ANALYSIS			
Department: Economic Development	Contact Name & No.: Nathan Potter 522-8006		Date: July 2013		
Program Category: Redevelopment	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____				
Statutory Authority: 447.700 - 447.718, RSMo	Applicable Taxes: Income tax; Corporate Franchise tax; bank tax; insurance premium tax; other financial institutions tax				
Program Description and Eligibility Requirements: Provide an incentive to businesses/developers to redevelop property contaminated with hazardous wastes. Requirements are property abandoned or underutilized for at least three years. Real or suspected environmental contamination and must enter DNR's Voluntary Cleanup Program. Project must create 10 new jobs or retain 25 jobs.					
Explanation of How Award is Computed: Entitlement _____ Discretionary <input checked="" type="checkbox"/> Tax credit of up to 100% of eligible remediation costs. The program requires the project to enroll in DNR's Voluntary Cleanup Program. 75% upon payment of remediation costs; 25% upon issuance of DNR "clean letter". Must be the least amount necessary to cause the project to occur. Total benefits of project capped by state economic benefit of project.					
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/> Explanation of cap:					
Explanation of Expiration of Authority:					
Specific Provisions: (if applicable) Carry forward <u>20</u> years Carry Back _____ years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available _____					
Comments on Specific Provisions:					
	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	67	60	36	40	40
Projects (#)	35	27	14	22	22
Amount Authorized	\$21,710,015	\$5,734,035	\$3,234,873	\$5,000,000	\$5,000,000
Amount Issued	\$13,978,902	\$18,410,524	\$7,717,895	\$8,000,000	\$8,000,000
Amount Redeemed	\$17,590,273	\$11,432,109	\$16,967,400	\$7,000,000	\$7,000,000
EST. Amount Outstanding	N/A	N/A	\$19,347,934	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$16,630,676	N/A	N/A

Fiscal Year	Amount
FY2009	\$23,481,361
FY2010	\$10,527,923
FY2011	\$3,234,873
FY2012	\$5,000,000
FY2013	\$5,000,000

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■ FY2009

■ FY2010

■ FY2011

■ FY2012

■ FY2013

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TAX CREDIT ANALYSIS

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period 10 Years	Derivation of Benefits: Investment: (a) \$16,528,203 in Real Estate Acquisition in 2012 equating to \$991,692 in Real Estate Fees, (b) \$78,305,860 in Non-Residential Investment Spending in 2012, (c) \$9,260,853 in Durable Equipment Spending in 2012. Employment: (a) 289 new jobs in Professional/Technical/Scientific Services and Administrative Support Services at average wage rates in 2012-2021, (b) 840 jobs in Retail, Accommodation, and Food Services in local competitive markets at average wage rates in 2012-2021. Other Assumptions: (a) real wage growth starting in 2013. Incentives/Credits: (a) \$3,234,873 in authorized Brownfield Remediation credits, redeemed between 2012-2013. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED. The multi-year fiscal Benefit-Cost Ratio is .94 when other program incentives are included.
BENEFITS			
Direct Fiscal Benefits	\$2,229,863	\$7,650,357	
Indirect Fiscal Benefits	\$2,557,116	\$8,773,119	
Total	\$4,786,979	\$16,423,476	
COSTS			
Direct Fiscal Costs	\$1,617,437	\$3,207,614	
Indirect Fiscal Costs	\$0	\$0	
Total	\$1,617,437	\$3,207,614	
BENEFIT: COST	2.96	5.12	

Other Benefits:

In FY 2012, every dollar of authorized program tax credits returns

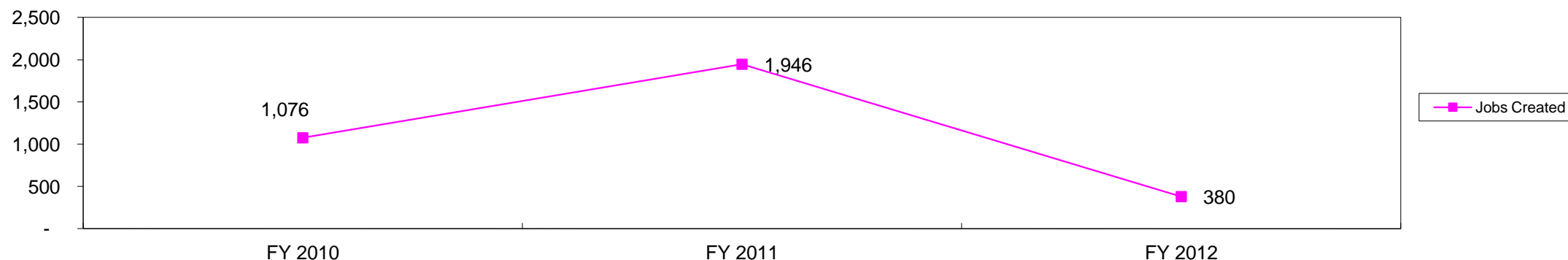
\$38.41 in new person income totaling \$62.12 million
 \$69.34 in new value-added/GSP totaling \$112.15 million
 \$107.19 in new economic output totaling \$173.37 million

Over 10 years, every dollar of authorized program tax credits returns

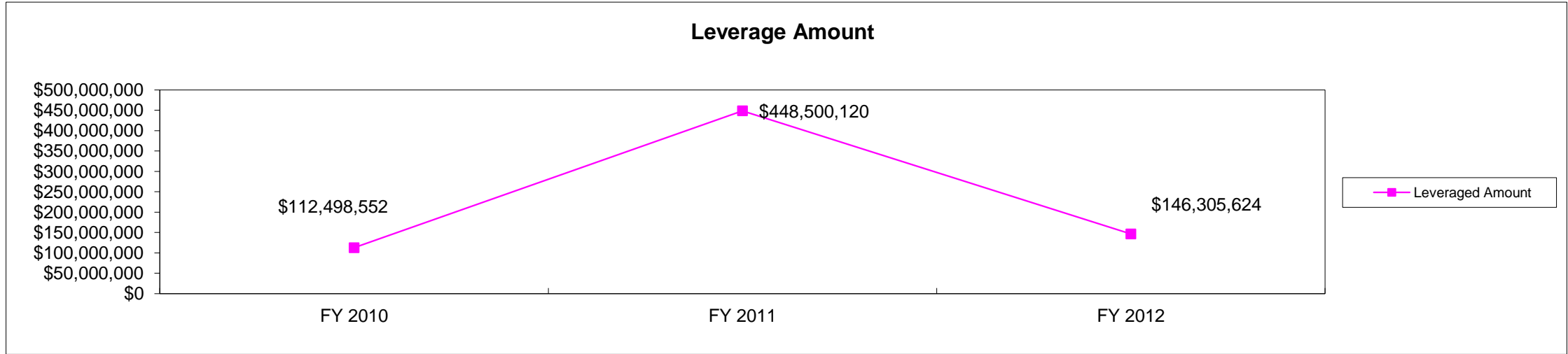
\$140.46 in new personal income totaling \$450.55 million
 \$194.86 in new value-added/GSP totaling \$625.03 million
 \$272.07 in new economic output totaling \$872.68 million

PERFORMANCE MEASURE(S)

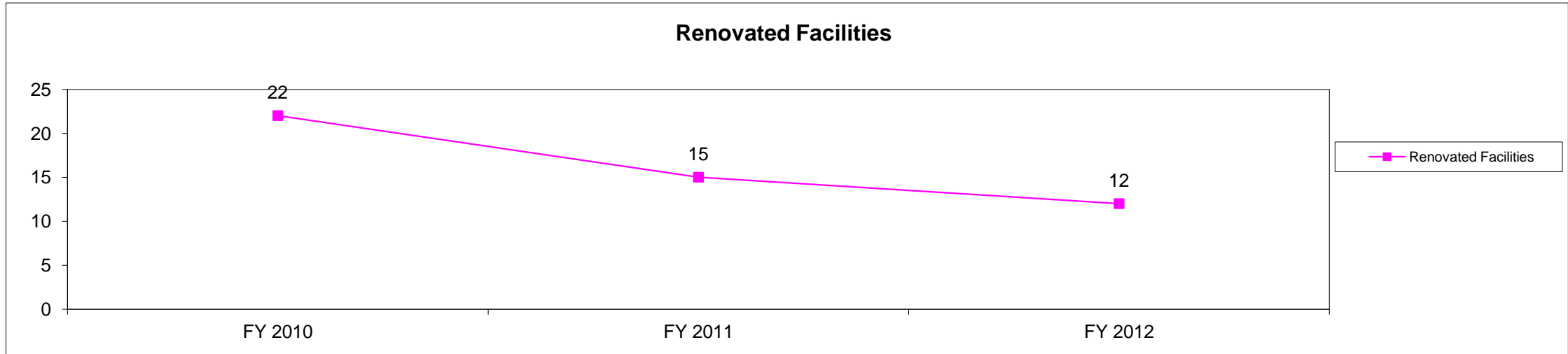
Jobs Created



Comments on Performance Measure:



Comments on Performance Measure:



Comments on Performance Measure: