

TAX CREDIT ANALYSIS

Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit		
Department: Economic Development	Contact Name & No.: Krystal Davis 751-8479	Date: October 2012
Program Category: Redevelopment	Type: Tax Credit <input checked="" type="checkbox"/> Other (specify) _____	
Statutory Authority: 100.286, RSMo	Applicable Taxes: Income Tax, excluding withholding tax; Corporate Franchise Tax, Bank Tax, Insurance Premium Tax, Other Financial Institutions Tax	

Program Description and Eligibility Requirements:
 Through this program the Missouri Development Finance Board is authorized to grant tax credits equal to fifty percent of contributions. Contributions are used to pay the cost of infrastructure construction.

Explanation of How Award is Computed: Entitlement _____ Discretionary
 Tax Credit is 50% of contribution received from taxpayer for specific approved project.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual (See Below) _____ None _____

Explanation of cap:
 Prior to July 4, 2009, the Board was authorized to issue a maximum of \$10 million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years in tax credits during any **calendar year**. The statutory limit could be exceeded with the consent of the Directors of Dept of Economic Development, Dept of Revenue, and the Commissioner of Administration. (For FY2009 and previous years, all projects were authorized under this provision.)
 Per statute, after July 4, 2009 the Board can authorized a maximum of \$10 million in tax credits during any **calendar year**. The statutory limit can be increased an additional \$15 million with the consent of the Directors of Dept of Economic Development, Dept of Revenue, and the Commissioner of Administration. Maximum authorization not to exceed \$25 million.

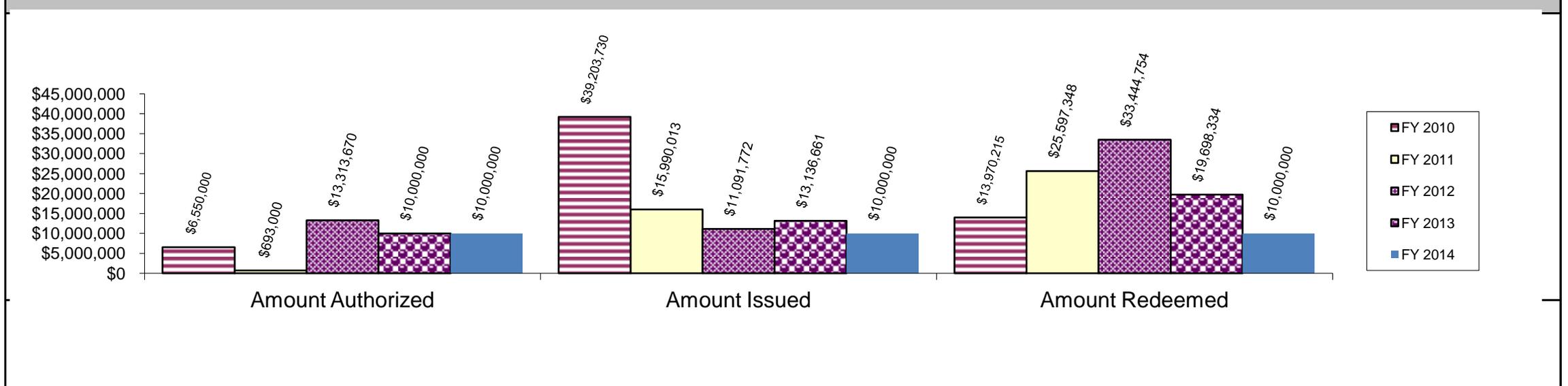
Explanation of Expiration of Authority: N/A

Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back no years Refundable no Sellable/Assignable yes Additional Federal Deductions Available _____ yes

Comments on Specific Provisions:

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (current year)	FY 2014 (budget year)
Certificates Issued (#)	234	352	212	200	200
Projects (#)	9	8	6	7	7
Amount Authorized	\$6,550,000	\$693,000	\$13,313,670	10,000,000	10,000,000
Amount Issued	\$39,203,730	\$15,990,013	\$11,091,772	13,136,661	10,000,000
Amount Redeemed	\$13,970,215	\$25,597,348	\$33,444,754	19,698,334	10,000,000
EST. Amount Outstanding	N/A	N/A	\$6,561,673	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$13,136,661	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



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BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (15 years)	
BENEFITS			Derivation of Benefits: Investment: (a) \$226,849,451 in Non-residential Demand in 2012-2014, (b) \$9,530,190 in Land Acquisition costs equating to \$571,811 in Real Estate Fees in 2012, (c)\$4,113,592 in Durable Equipment Purchases in 2012-2014, (d)\$19,092,681 in Prof/Tech Services related to construction in 2012. Employment: (a) 71 new jobs in Misc. Manufacturing, 558 new jobs in Professional/Technical/Scientific Services ramped up over three years, 13 new jobs in Wood Product Manufacturing at specified wage rates in 2015-2026 (b)50new jobs in Accommodation in local competitive markets at specified wage rates in 2016-2026, (c) 500 retained jobs in Professional/Technical Services in 2015-2026, (d) 1,197 jobs in Professional/Technical/Scientific Services transferred from within Missouri in 2015-2026. Other Assumptions: (a) real wage growth starting in 2016. Incentives/Credits: (a) \$13,313,670 in Authorized Contribution Credits, redeemed between 2012-2024. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
Direct Fiscal Benefits	\$1,860,797	\$51,133,206	
Indirect Fiscal Benefits	\$836,856	\$22,996,136	
Total	\$2,697,653	\$74,129,342	
COSTS			
Direct Fiscal Costs	\$1,243,359	\$12,102,233	
Indirect Fiscal Costs	\$0		
Total	\$1,243,359	\$12,102,233	
BENEFIT: COST	2.17	6.13	

Other Benefits:

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

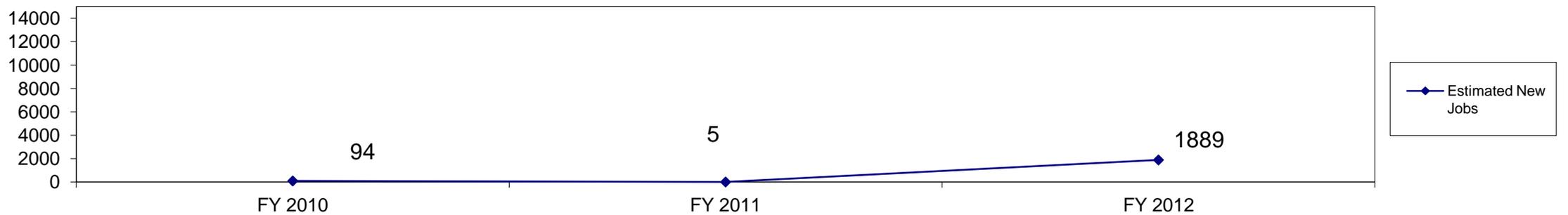
\$29.92 in new personal income totaling \$37.20 million
 \$52.06 in new value-added/GSP totaling \$64.73 million
 \$84.33 in new economic output totaling \$104.86 million

Over 15 YEARS, every dollar of authorized program tax credits returns

\$90.23 in new personal income totaling \$1,091.96 million
 \$110.11 in new value-added/GSP totaling \$1,332.52 million
 \$160.35 in new economic output totaling \$1,940.55 million

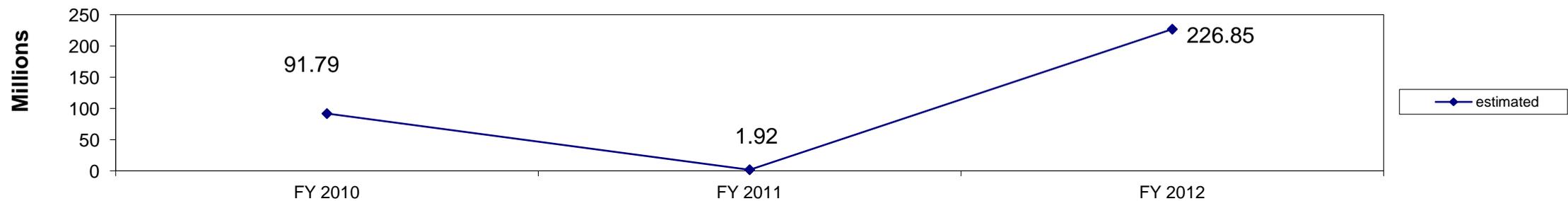
PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:

Estimated Investment



Comments on Performance Measure: