

TAX CREDIT ANALYSIS

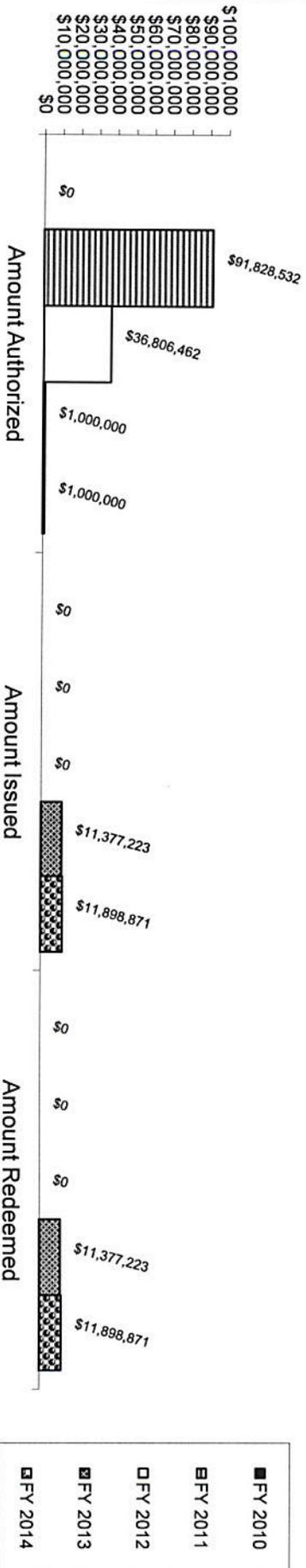
Program Name: Manufacturing Jobs Act		Contact Name & No.: Brenda Horstman 751-3713		Date: October 2012	
Department: Economic Development		Type: Tax Credit _____		Other (specify) Retention of withholding taxes	
Program Category: Business Retention		Applicable Taxes: Withholding tax			
Statutory Authority: 620.1910, RSMo					
Program Description and Eligibility Requirements:					
A business with NAICS code of 33611 may retain withholding taxes in the amount of 100% for retained full time employees for the creation of a new product line for 10 years or retain 50% of the withholding taxes for the modification or expansion to an existing product for 7 years. A qualified supplier of an eligible manufacturer may retain 100% of withholding taxes for new jobs (creation of 5 new jobs threshold to qualify) for a period of 3 years or, if wages are in excess of 120% of county average, for 5 years.					
Explanation of How Award is Computed: Entitlement <input checked="" type="checkbox"/> Discretionary _____					
The eligible manufacturer commits to make a capital investment of at least \$75,000 per retained job, or in the case of a modified / expansion of an existing product, commits to make a capital investment of at least \$50,000 within no more than two years of the date the company begins to retain withholdings. For the eligible supplier, the company must derive more than 10% of the total annual sales from the qualified manufacturer and add five or more new jobs.					
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$15 million per year for manufacturing companies. None _____					
Explanation of Cap: Maximum amount of withholding tax that can be retained by any one qualified manufacturing company shall not exceed \$10 million per calendar year and the aggregate amount for all qualified manufacturing companies shall not exceed \$15 million per calendar year. There are no annual limits for qualified suppliers.					
Explanation of Expiration of Authority: This program sunsets on October 12, 2016, unless reauthorized by the Missouri General Assembly.					
Specific Provisions: (if applicable) _____					
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ 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 (#)	N/A	0	0	0	0
Projects (#)	N/A	1	1	2	2
Amount Authorized	N/A	91,828,532	\$36,806,462	\$1,000,000	\$1,000,000
Amount Issued	N/A	0	\$0	\$11,377,223	\$11,898,871
Amount Redeemed	N/A	0	\$0	\$11,377,223	\$11,898,871
EST. Amount Outstanding	N/A	N/A	0	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	128,634,994	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (10 years)	
BENEFITS			
Direct Fiscal Benefits	\$21,059,807	\$196,888,830	Derivation of Benefits
Indirect Fiscal Benefits	\$8,049,788	\$75,257,733	Investment: (a) \$102,000,000 in Durable Equipment Demand in 2012.
Total	\$29,109,595	\$272,146,563	Employment: (a) 1,348 retained jobs in Automotive Manufacturing at average wage rates in 2012-2021.
COSTS			
Direct Fiscal Costs	\$3,680,646	\$33,766,740	Other Assumptions: (a) real wage growth starting in 2013.
Indirect Fiscal Costs	\$0	\$0	Incentives/Credits (a) \$36,806,462 in authorized Manufacturing Jobs Act credits, redeemed between 2012-2021.
Total	\$3,680,646	\$33,766,740	Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
BENEFIT: COST	7.91	8.06	

Other Benefits:

In FY-2012, every dollar of authorized program tax credits returns
 \$63.12 in new personal income totaling \$232.32 million
 \$194.75 in new value-added/GSP totaling \$716.80 million
 \$549.41 in new economic output totaling \$2,022.19 million

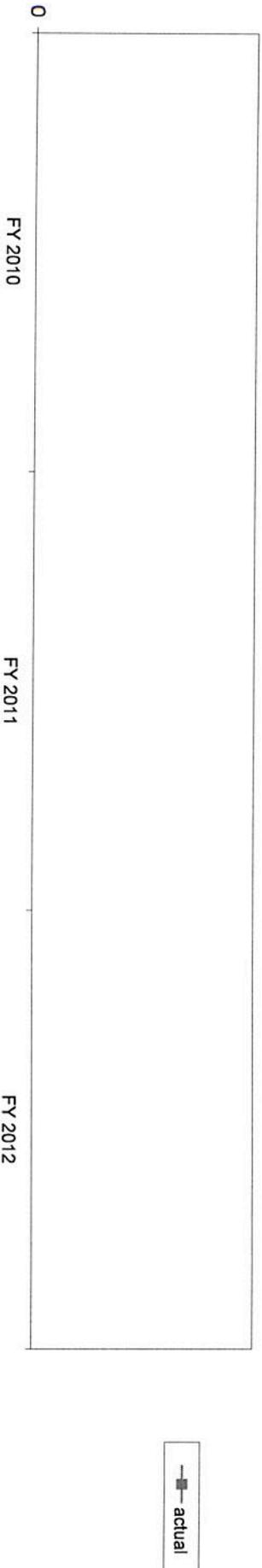
Over 10 Years, every dollar of authorized program tax credits returns
 \$87.55 in new personal income totaling \$2,956.19 million
 \$238.83 in new value-added/GSP totaling \$8,064.36 million
 \$679.10 in new economic output totaling \$22,930.85 million

TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act

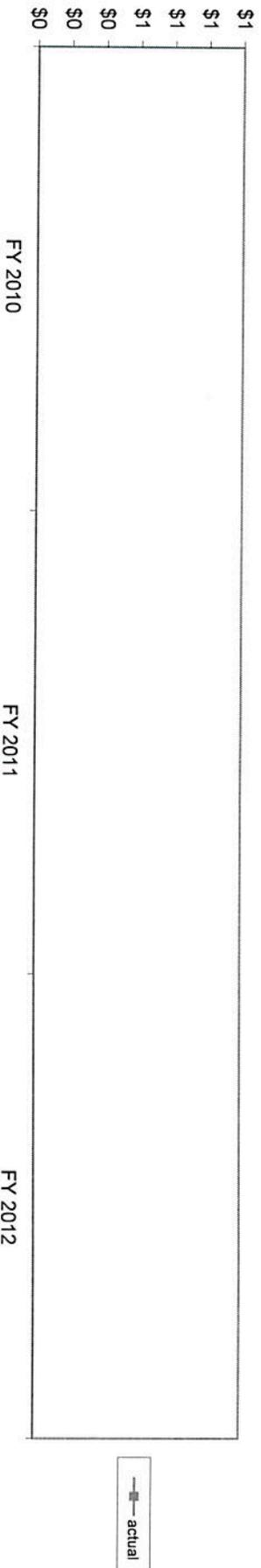
PERFORMANCE MEASURE(S)

Permanent Jobs Retained



Comments on Performance Measure: By statute, cannot begin receiving benefits until January 1, 2012. No projects have begun receiving benefits as of June 30, 2012.

Investment



Comments on Performance Measure: By statute, cannot begin receiving benefits until after January 1, 2012. No projects have begun receiving benefits as of June 30, 2012.