

**Report on Missouri Tax Credits
Administered by the Department of
Economic Development**

February 2014

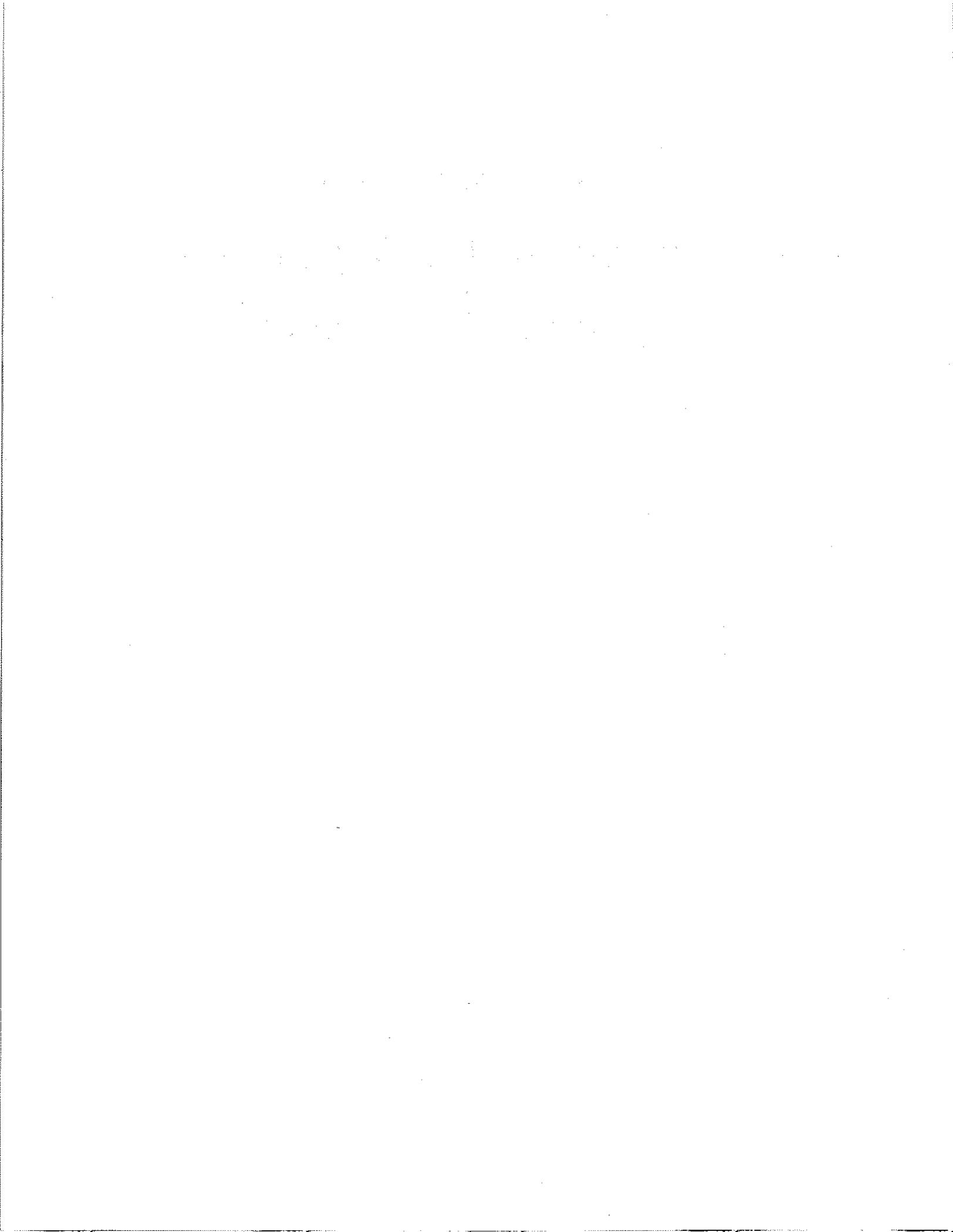


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Economic Impact Overview

Most states offer tax incentives to promote activities, such as business development, that policy makers wish to encourage. One tool used by governments to help understand the impact of an incentivized activity is the economic impact model which estimates future state revenues against the cost of providing a tax benefit.

Economic models follow the flow of income that moves around an economy through the primary relationships between businesses and consumers. Models take into account the typical purchases made by companies to produce products or services, where those companies are, and how workers spend the income that is made. The models follow these spending patterns within the economy to understand the larger impacts that circulate within a region and what income leaks out due to imports.

Economic impact models are particularly suited to analyzing business development tax credits, where the goal is increased economic activity over many years. With tax incentives that target non-economic objectives, the use of these models can still be informative but should be part of a larger decision-making process given the different policy goals.

REMI Missouri Economic Model

The Missouri Department of Economic Development (DED) uses the Regional Economic Models, Inc. (REMI) Policy Insight model to forecast economic impacts statewide and across 17 economic regions. The REMI model assesses the long-term economic and fiscal impacts to the state of new firms and jobs for the primary purpose of determining cost-benefit ratios when tax credit incentives are used. Throughout the year DED uses the model for individual project analysis and on an annual basis for reporting purposes.

The state of Missouri has conducted analysis with the REMI model for over a decade and is one of many government entities throughout the country that use this system to evaluate economic impacts. Over one hundred and fifty organizations, universities, and consulting firms use the model including governmental agencies in twenty nine states. Articles about the research findings have been published in professional journals, such as the *American Economic Review*, the *Journal of Regional Science*, *Applied Economics*, and the *International Regional Science Review*, and documentation of model equations are available on REMI's website.

In 2012 the Pew Center on the States released a study, *Evidence Counts: Evaluating State Tax Incentives for Jobs and Growth*, which indicated Missouri was a top ten state in terms of the quality of tax incentive evaluations. In 2013 a Pew Center and MacArthur Foundation Report, *States' Use of Cost-Benefit Analysis*, also listed Missouri as a top ten state applying cost-benefit analysis to policy-making.

The REMI model is updated annually with federal data from the Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, and other agencies. DED also takes the extra step to annually calibrate the fiscal component of the model with Missouri Office of Administration budget figures to produce better state tax estimates. In addition to calibrating the fiscal component, a feature unique to REMI, the model also provides robust abilities to model impacts that are not found in most other impact models:

- The model can analyze economic impacts over a long period of time and take into account changes expected to occur. For example, unlike most models, REMI includes added cost to the state over time as a new economic activity attracts workers from out-of-state that will bring families and the need for governmental services.
- The model can account for local area competition when a new business arrives and competes with existing firms for market share. Restaurants and retail establishments, for example, may add new jobs but will compete with other firms and therefore could have a lower overall impact on the economy than the new jobs alone would suggest.

Economic Impact Example

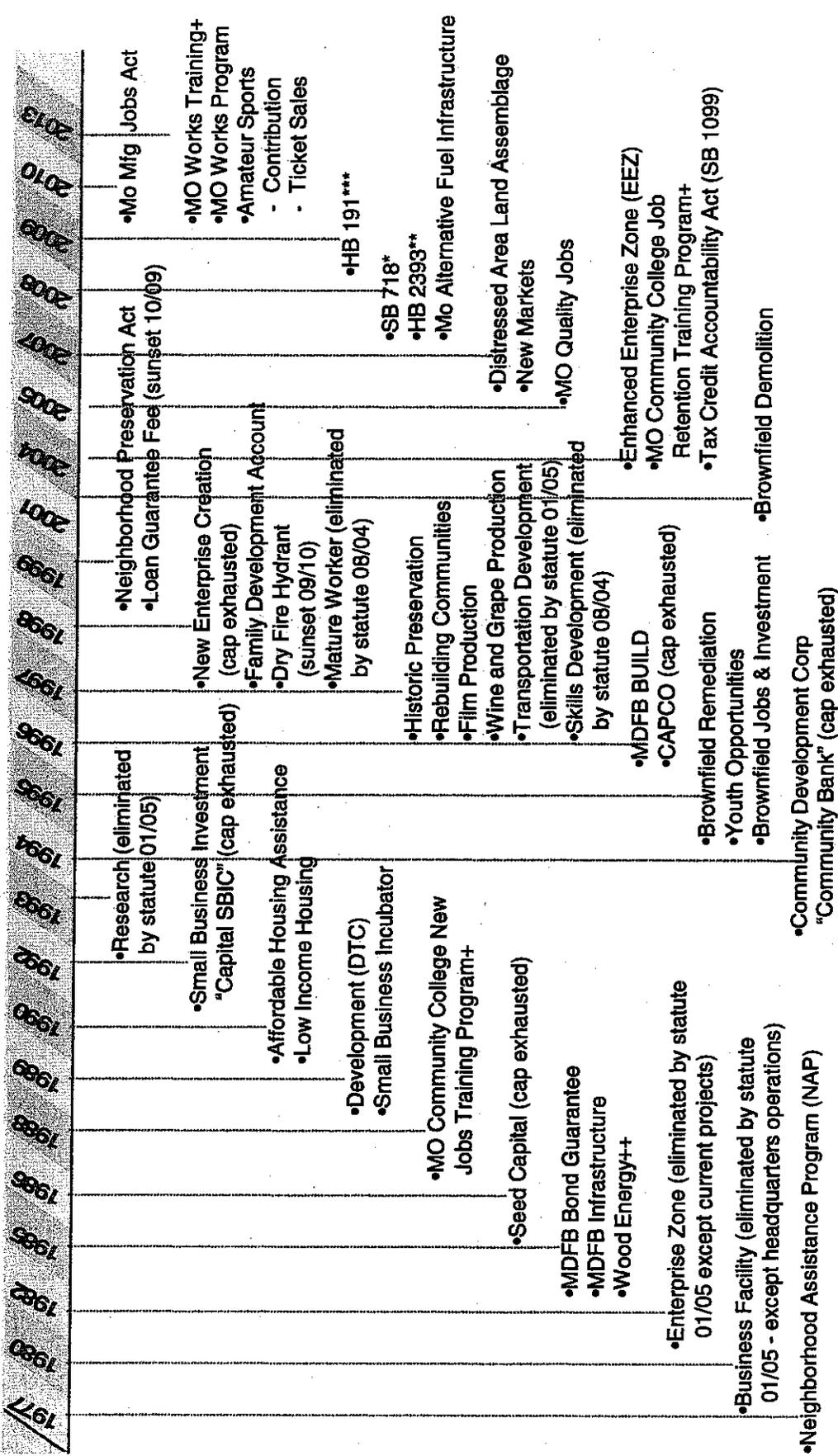
The following project scenario provides an example of the fiscal impact a new manufacturing plant can have to Missouri given the assumptions listed below. Impacts are for a 10-year period and dollar figures are in present value terms.

Project Assumptions:

A new machinery manufacturing company locates in Missouri and creates 100 new jobs after one year of plant construction and equipment purchases which total \$12.5 million. The company then hires 100 full-time workers at average wages. The state offers \$2.0 million in tax incentives spread over six years. Over a ten year period the benefit-cost ratio is 3.41 indicating that for every \$1 dollar of tax incentive the state is expected to receive \$3.41 in net new general revenue.

Category	Description	10-Yr. Total
BENEFIT	Net State General Revenue (Gross Revenue - Gross Expenditures)	\$6,560,740
COST	Tax Incentive spread over six years	\$1,921,374
BENEFIT-COST RATIO		3.41

DED Administered Tax Credits - Enactment Timeline



* SB 718 amended EEZ, MO Quality Jobs, NAP, DTC, New Markets, & Brownfield - established the prohibition for tax credits to companies employing illegal aliens.
 ** HB 2393 amended EEZ to add mega-projects.
 *** HB 191 amended Affordable Housing, MDFB Infrastructure, BUILD, Historic Preservation, MO Quality Jobs, Low Income Housing, Loan Guarantee Fee, New Markets, Family Development Account, and Brownfield - added reporting requirements to the Tax Credit Accountability Act.
 + HB 196 replaced Mo Community College New Jobs Training Program and MO Community College Job Retention Training Program
 ++ Wood Energy amended in 1991, 1996 and 2008.

AFFORDABLE HOUSING ASSISTANCE PROGRAM

MISSOURI HOUSING DEVELOPMENT COMMISSION

PURPOSE

An incentive for businesses and individuals to make donations to non-profit organizations that assist in the production of affordable rental housing or homeownership for low-income families in Missouri.

AUTHORIZATION

Sections 32.105 to 32.125, RSMo

HOW THE PROGRAM WORKS

To receive a tax credit a business firm or eligible individual must donate cash, professional services, real or personal property to a non-profit housing organization to assist with the acquisition, rehabilitation and/or new construction of affordable housing. There is also a set-aside for donations that assist non-profit housing organizations with their basic operating expenses. The amount of tax credit allocated is equal to 55% of the value of the contribution.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Non-profit housing organizations are eligible to apply for tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax
- ✓ Ch. 147-Corporation Franchise Tax
- ✓ Ch. 148 –
 - ✓ Bank Tax
 - ✓ Insurance Premium Tax
 - ✓ Other Financial Institutions Tax
- ✓ Ch. 153-Express Company Tax

This credit's special attributes:

- ✓ Carryforward 10 years
- ✓ Sellable or transferable

APPLICATION PROCEDURE

Refer to the MHDC website for application deadlines and forms.

SPECIAL PROGRAM REQUIREMENTS

Proposals must:

- ✓ Meet a demonstrated housing need;
- ✓ Provide affordable housing for low-income families by restricting rents and purchase prices;
- ✓ Target housing for low- to moderate-income persons as defined by state statute;
- ✓ Provide assistance for the administrative costs of a non-profit housing organization.

Approved proposals for rental or for-sale housing must follow income and rent/resale restrictions for a period of ten years.

CONTACT

Missouri Housing Development Commission
3435 Broadway
Kansas City, MO 64111-2403
Phone: 816-759-6658 Fax: 816-759-6829
E-mail: mword@mhdc.com

ADDITIONAL RESOURCES

Go to the MHDC home page at www.mhdc.com and choose the Rental Production link to obtain guidelines and forms for the Affordable Housing Assistance Tax Credit Program as well as information regarding other MHDC housing programs.



Stronger. Dignity. Quality of Life.
MISSOURI HOUSING
DEVELOPMENT COMMISSION

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program **Contact Name & No.:** Megan Word, 816-759-6656 **Date:** January 2014
Department: Missouri Housing Development Commission **Type: Tax Credit** **Other (specify)** _____
Program Category: Housing **Applicable Taxes:** Income Tax, Bank Tax, Financial Institutions Tax, Corporate Franchise Tax, Tax on Gross Receipts of Express Companies, Insurance Premium Tax

Program Description and Eligibility Requirements:

The Affordable Housing Assistance Tax Credit Program (AHAP) is an incentive for businesses and qualified individuals in Missouri to participate in the production of affordable housing for low-income families. The credit can be used by a business or qualified individual as a reduction in their state tax obligation. To receive the AHAP credit, a business or qualified individual must donate cash, professional services or real or personal property to a non-profit housing organization to assist with the acquisition, rehabilitation and/or new construction of a specific affordable housing development. There is also a set-aside of AHAP credit for the basic operating expenses of non-profit organizations whose primary purpose is to provide affordable housing for low-income families.

Explanation of How Award is Computed:

Entitlement _____ Discretionary
 The amount of Affordable Housing Assistance Program Tax Credit allocated is equal to 55% of the amount of the contribution. Non-profit organizations make application to the Missouri Housing Development Commission (MHDC) for a reservation of AHAP credit. The non-profit organization then solicits contributions from businesses or qualified individuals to assist in the production of a specific affordable housing development. After MHDC receives the necessary documentation of a qualified contribution to the non-profit organization that meets all of the criteria set out in the statute and program regulations, a tax credit is issued to the donor in the amount of 55% of the value of the contribution. Applications for production credits are accepted continuously, and applications for the operating credit set-aside are usually accepted twice a year.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$11,000,000 None _____

Explanation of cap:

The cap on the Affordable Housing Assistance Program is set by statute at \$11 million annually of which \$10 million is for production credits and \$1 million is for operating credits. Once MHDC has made reservations totaling \$11 million in AHAP credit in a fiscal year, the application cycle is closed.

Explanation of Expiration of Authority: N/A

Specific Provisions: (If applicable)

Carry forward 10 years Carry Back 0 years Refundable No Sellable/Assignable Yes Additional Federal Deductions Available Yes

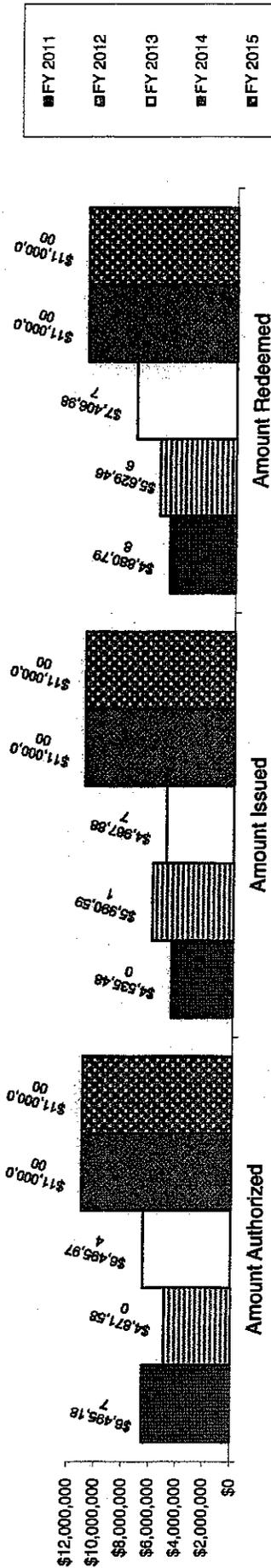
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (projection)	FY 2015 (budget year)
Certificates Issued (#)	272	341	441	172	350	350
Projects (#)	57	67	87	55	65	65
Amount Authorized	\$6,495,187	\$4,871,580	\$6,495,974	\$3,835,172	\$11,000,000	\$11,000,000
Amount Issued	\$4,535,480	\$5,990,591	\$4,967,887	\$2,606,719	\$11,000,000	\$11,000,000
Amount Redeemed	\$4,880,798	\$5,629,466	\$7,406,987	\$3,880,396	\$11,000,000	\$11,000,000
EST. Amount Outstanding	N/A	N/A	\$8,590,856	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$2,866,608	N/A	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: Recent experience (FY10-FY12) has seen a decline in utilization of the AHAP credit, which may be related to problems in the housing and construction industry and fewer charitable contributions due to the downturn in the overall economy. Prior to FY09 annual authorizations averaged approximately \$10,000,000 and annual issuances averaged approximately \$9,000,000. As the economy improves, authorizations and issuances are projected to return to full utilization.

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (12 years)
BENEFITS		
Direct Fiscal Benefits	\$954,953	\$1,162,770
Indirect Fiscal Benefits	\$485,720	\$591,422
Total	\$1,440,673	\$1,754,192
COSTS		
Direct Fiscal Costs	\$974,396	\$6,182,670
Indirect Fiscal Costs	\$0	\$0
Total	\$974,396	\$6,182,670
BENEFIT: COST	1.48	0.28

Derivation of Benefits:

Investment: (a) \$70,334,214 in Residential Investment spending over years 2013-2014. (b) \$1,000,000 operations spending of qualifying non-profit organization over years 2013-2014.
 Employment: (a) N/A
 Other Assumptions: (a) N/A
 Incentives/Credits: (a) \$6,495,974 in AHAP tax credits over years 2013-2023 with 97.7 percent total redemption of credits anticipated.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost Ratio is 0.08 when other program Incentives are included.

Other Benefits: The Affordable Housing Assistance Program (AHAP) increases the availability of rental housing and for sale housing that is affordable to low-income families. Other benefits include the removal of blight in communities and increased local tax revenues such as property taxes. The AHAP credit also increases the capacity of non-profit housing organizations to build or renovate affordable housing for low-income families. The AHAP credit increases the amount of disposable income for low-income families by providing housing that is affordable to them. This improves the overall quality of their lives by providing additional income for other basic necessities such as food, clothing, healthcare and education. Lastly, the operating AHAP credit helps organizations attract donations to support operating funds, without which the agencies may not be able to administer their affordable housing programs.

in FY-2013, every dollar of authorized program tax credit returns:

- \$19.39 in new personal income totaling \$18.89 million
- \$29.85 in new value-added/GSP totaling \$29.08 million
- \$52.68 in new economic output totaling \$51.33 million

Over 12 years, every dollar of authorized program tax credits returns:

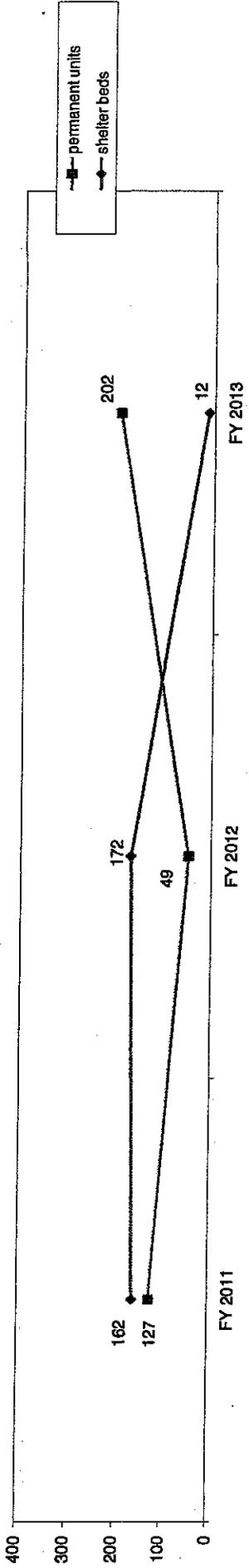
- \$5.81 in new personal income totaling \$35.95 million
- \$6.78 in new value-added/GSP totaling \$41.90 million
- \$11.58 in new economic output totaling \$71.59 million

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program

PERFORMANCE MEASURE(S)

Number of Units by Housing Type



Comments on Performance Measure: The number of housing units produced is based on what is reported to MHDC by the non-profit sponsor of the development. Projects awarded AHAP credits may be awarded additional credits in succeeding years, however, the projects receiving AHAP credits are not counted as "new units". In this circumstance, MHDC places a new LURA on the units, extending the affordability period - In 2013 MHDC extended the affordability on 621 beds.

LOW INCOME HOUSING TAX CREDIT PROGRAM

MISSOURI HOUSING DEVELOPMENT COMMISSION

PURPOSE

An incentive for the new construction or rehabilitation of rental housing affordable to low and moderate income families in Missouri.

AUTHORIZATION

Sections 135.350 to 135.363, RSMo

HOW THE PROGRAM WORKS

This program leverages equity investments from the private sector for the development of rental housing, thereby reducing rents to affordable levels for low and moderate income families. It provides a state tax credit for ten years to qualified owners of affordable rental housing developments equal to approximately 9% of the eligible development costs. The state low-income housing tax credit may be allocated to a qualified development in an amount up to 100% of the federal tax credit allocated to the development. The total amount of federal 9% credits available is capped annually at an amount set by the IRS, based on the population of the state.

Developments financed with tax-exempt bonds are eligible to apply for state tax credits equal to approximately 4% of the eligible development costs. There is a \$6 million statutory annual cap on new authorizations of state 4% credits.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Developers (private and not-for-profit) are eligible to apply for the tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax
- ✓ Ch. 147-Corporation Franchise tax
- ✓ Ch. 148 –
 - ✓ Bank Tax
 - ✓ Insurance Premium Tax
 - ✓ Other Financial Institutions Tax
- ✓ Ch. 153-Express Company Tax

This credit's special attributes:

- ✓ 10-year credit
- ✓ Carryback 3 years
- ✓ Carryforward 5 years
- ✓ Sellable or transferable within an ownership structure

APPLICATION PROCEDURE

Each year MHDC publishes a notice of funding availability announcing the amount of credits available and the deadline for both 9% and 4% applications, which is typically in the fall. The process to determine the allocation of tax credits is competitive. MHDC staff reviews all proposals to determine the financial feasibility and the demand for affordable rental housing in the community. Staff typically makes its recommendations to the Commission from the fall application round in the winter. Depending on the availability of credits, a second round may be held for 4% applications in the spring, following the same competitive evaluation process.

SPECIAL PROGRAM REQUIREMENTS

An eligible proposal must:

- ✓ Develop rental housing that (i) rents at least 20% of its units to families earning 50% of the area median income, or (ii) rents at least 40% of its units to families earning 60% of the area median income;
- ✓ Maintain the affordability of the rental units by restricting rents for an extended period of time, typically 30 years;

01/14

- ✓ Assist in the production of financially viable, market appropriate housing in areas of greatest housing need in the State;
- ✓ Be sponsored by an entity with prior successful housing experience and the ability to proceed in an expeditious manner.

An approved proposal must meet program standards including on-going compliance reviews concerning:

- ✓ Resident household eligibility;
- ✓ Rent restrictions;
- ✓ Occupancy standards;
- ✓ Physical property condition.

CONTACT

Missouri Housing Development Commission
3435 Broadway
Kansas City, MO 64111-2403
Phone: 816-759-6658 Fax: 816-759-6829
E-mail: mword@mhdc.com

ADDITIONAL RESOURCES

Go to the MHDC Rental Production page at www.mhdc.com/rental_production/index.htm to obtain guidelines and forms for the Low Income Housing Tax Credit Program.



Program Name: Missouri Low Income Housing Tax Credit Program **Contact Name & No.:** Megan Word 816-759-6658 **Date:** January 2014
Department: Missouri Housing Development Commission **Type:** Tax Credit Other (specify) _____
Program Category: Housing **Applicable Taxes:** Income Tax; Corporate Franchise Tax; Insurance Company Annual Tax on Gross Premium Receipts;
 Other Financial Institutions Tax; Express Company Annual Tax on Gross Premium Receipts
Statutory Authority: Sections 135.350 - 135.363, RSMo

Program Description and Eligibility Requirements:
 The Missouri Low Income Housing Tax Credit Program (LIHTC) is a ten-year state tax credit to qualified owners and investors in affordable rental housing. The LIHTC generates equity investments from the private sector for the development of new or rehabilitated rental housing in order to lower rents to affordable levels for low-income families. A qualified development is one that rents at least 20% of its units to families earning 50% of the area median family income or at least 40% of its units to families earning 60% of area median family income, adjusted for family size. The development must: meet a demonstrated need for affordable rental housing in the community; be economically feasible; leverage tax credits with other financing; demonstrate local support; and provide affordable rental housing for qualified low-income Missourians for an extended period of time, typically 30 years.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 The amount of the Missouri LIHTC allocated to a given housing development is directly related to the percentage of low-income housing units made available to qualified low-income families and the acquisition, construction or rehabilitation expenditures to create the development, less land and non-depreciable costs. There are two types of Missouri LIHTC: 9% and 4%. Developments compete annually for the 9% Missouri LIHTC, which enables them to receive tax credits equal to 9% of the total eligible development costs. Developments receiving an allocation of tax-exempt bond-financing from the Dept. of Economic Development may apply to receive the 4% Missouri LIHTC in an amount equal to roughly 4% of the total eligible development costs. The maximum amount of Missouri LIHTC that may be issued for any development is 100% of the federal LIHTC issued for the development.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual 100% of federal LIHTC for 9% and \$6 million for 4% None
Explanation of cap: The 9% Missouri LIHTC issued through the competitive application cycle is capped at 100% of the federal LIHTC or approx. \$2.25 per capita for 2014. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance (4% Missouri LIHTC-RSMo 135.352). The Missouri LIHTC is taken annually over a ten year period. There are five year carry forward and three year back provisions.
 Explanation of Expiration or Authority: N/A

Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back 3 years Refundable No Sellable/Assignable No Additional Federal Deductions Available Yes

Comments on Specific Provisions:

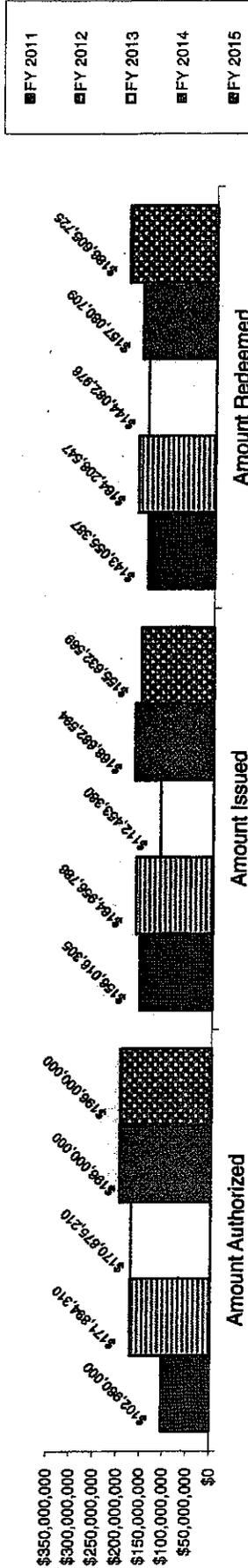
	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	212	457	487	166	482	482
Projects (#)	26	42	27	11	50	50
Amount Authorized (10 yr) 1	\$102,960,000	\$171,894,310	\$170,875,210	\$0	\$196,000,000	\$196,000,000
Amount Issued (10 yr) 2	\$156,016,305	\$164,955,766	\$112,493,380	\$57,025,000	\$168,692,594	\$155,632,569
Amount Redeemed 3	\$143,055,387	\$164,208,547	\$144,082,976	\$74,683,692	\$157,080,709	\$166,605,725
EST. Amount Outstanding 4	N/A	N/A	\$941,262,133	N/A	N/A	N/A
EST. Amount Authorized but Unissued 5	N/A	N/A	\$388,318,880	N/A	N/A	N/A

Notes: 1) The FY 13 Actual Amount Authorized is the total amount of MOLIHTC authorized for low income housing developments FY 13. 2) The FY 13 Actual Amount Issued represents the total 10 year stream of MOLIHTC issued in FY 2013. Each year 1/10th of the total MOLIHTC issued for a low income housing development is eligible to be redeemed. This does not account for the carry forward and carryback provisions. 3) The Actual Amount Redeemed is the total amount of MOLIHTC redeemed in FY 13. The redemption data is submitted by the Department of Revenue. 4) The EST. Amount Outstanding represents the cumulative amount of MOLIHTC issued minus the cumulative amount of MOLIHTC redeemed, less expired/withdrawn/suspended credits. In FY 13, MHDC used a benefit report created through CMS to pull all the outstanding benefits selecting only those benefit records still eligible to be redeemed. 5) The Amount Authorized but Unissued represents developments that have received approval but have not completed construction or have not completed MHDC's process to receive their credits by an issuance of the Eligibility Statement. In order to determine the total maximum liability for MOLIHTC you may add the Estimated Amount Outstanding and the Estimated Amount Authorized but Unissued. For the FY 15 budget, MHDC changed the calculation methodology to reflect more easily understandable data for numbers 2, 4 and 5 above.

TAX CREDIT ANALYSIS

Program Name: Missouri Low Income Housing Tax Credit Program

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: 1) Historically, the amount of authorized and issued LIHTC has fluctuated based upon the number and size of developments receiving an allocation of tax-exempt bond financing from the Department of Economic Development and therefore receiving 4% LIHTC. No more than six million dollars in tax credits shall be authorized each fiscal year for projects financed through tax-exempt bond issuance (4% Missouri LIHTC - RSMo 135.352). The projections for redeemed credits in FY14 and FY15 are estimates based on the amount of credits issued and the historical trend of credits redeemed. This projection cannot precisely account for carry forward and carry back provisions nor the individual credit holder's decision on when to claim a particular credit. 3) For FY10 and forward, the reporting of authorizations reflect projects granted initial commission approval and authorization within the same fiscal year.

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (15 years)
BENEFITS		
Direct Fiscal Benefits	\$3,827,455	\$11,336,241
Indirect Fiscal Benefits	\$2,412,340	\$7,144,923
Total	\$6,239,795	\$18,481,164
COSTS		
Direct Fiscal Costs	\$0	\$150,623,399
Indirect Fiscal Costs	\$0	\$150,623,399
Total	\$0	\$301,246,798
BENEFIT: COST	N/A	0.12

Derivation of Benefits:

Investment: (a) \$384,309,678 in Residential Investment spending in 2013-2014.
 Employment: (a) 82 FTE employees in Rental/Leasing and Repair/Maintenance services in 2015-2027; (b) \$713,035 in annual maintenance contracting between in 2015-2027.
 Other Assumptions: (a) 2,410 low income households with increased disposable income spending of \$6,102,120 per year due to monthly rental savings of \$211 as compared to market rent.
 Incentives/Credits: (a) \$167,680,210 in LIHTC tax credits between years 2014-2024.
 Impacts occur in Specified State Regions. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+
 The multi-year fiscal Benefit-Cost Ratio is 0.09 when other program incentives are included.

Other Benefits: The Missouri LIHTC increases the availability of rental housing that is affordable to low-income families and seniors. It also reduces blight and improves communities through new construction and rehabilitation of affordable rental housing in Missouri. The additional project equity raised by the state LIHTC allows more projects to be built and makes tenant rents more affordable. The reduced rents brought about by the state tax credit increases households' disposable income and allows low-income families and seniors to meet more of their other basic necessities such as food, clothing, education and health care. The subsidy provided by the Missouri LIHTC also makes it economically feasible to develop new or rehabilitated affordable rental housing in many very low-income rural communities in Missouri. Finally the equity raised from the MOLHTC helps preserve affordable rental housing that is in danger of being lost - from existing stock and it leverages millions of dollars of federal rental assistance for many low-income families and seniors in Missouri. The average unit savings between LIHTC and Market Rate units for FY 2013 is \$211 per month. MHDC believes the \$211 does not reflect the total savings to a LIHTC tenant. The total rent savings a LIHTC tenant would receive on a comparable new unit would be much higher. The stated cost savings is based on the total current housing stock irrespective of the age, quality, and condition of residential rental property, not new construction.

Program Name: Missouri Low Income Housing Tax Credit Program

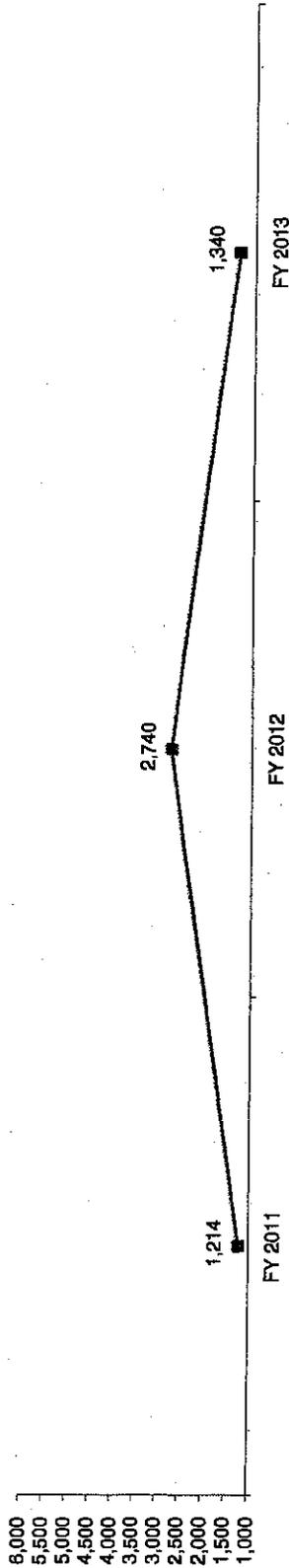
Other Benefits (cont'd):

In FY-2013, every dollar of authorized program tax credits returns
N/A in new personal income totaling \$103.33 million
N/A in new value-added/GSP totaling \$162.38 million
N/A in new economic output totaling \$283.05 million

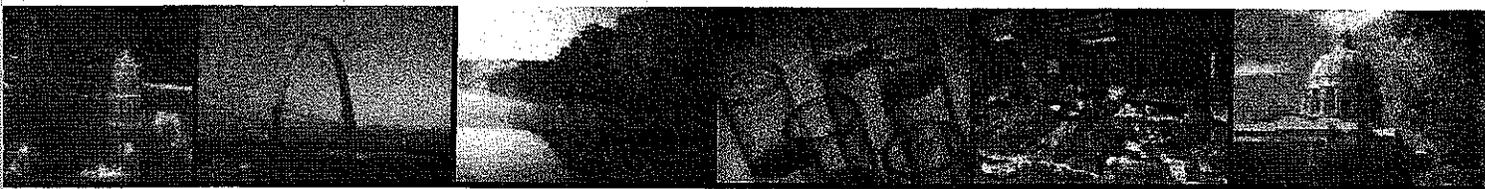
Over 15 YEARS, every dollar of authorized program tax credits returns
\$2.33 in new personal income totaling \$350.22 million
\$3.31 in new value-added/GSP totaling \$498.69 million
\$4.36 in new economic output totaling \$658.71 million

PERFORMANCE MEASURE(S)

Number of Housing Units Produced or Preserved



Comments on Performance Measure: This performance measure is the total number of LIHTC housing units placed in service each year from FY 2011-FY 2013. Total number of units produced each year varies - dependant on the applications received for consideration, the actual number of projects approved (preservation or new construction). The reduction in units placed in service during FY 2011 is largely due to previously approved projects that stalled and/or fell apart due to turmoil in the credit investor market and housing market over the past 18-24 months.



BUILD PROGRAM

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides a financial incentive for the location or expansion of large business projects. The incentives are designed to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding.

AUTHORIZATION

Sections 100.700 to 100.850, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- An eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry (regional, national or international headquarters, telecommunications operations, computer operations, insurance companies or credit card billing and processing centers) in an economic development project; and
- Create a minimum of one hundred new jobs for eligible employees at the economic development project or a minimum of 500 jobs if the economic development project is an office industry or a minimum of 200 new jobs if the economic development project is an office industry located within a distressed community as defined in Section 135.530, RSMo.
- Ineligible: Retail, health or professional services, intra-state relocations or replacement facilities.

PROGRAM BENEFITS/ELIGIBLE USES

The bonds may be used to finance public or private infrastructure to support the project, or the new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory or other operating costs of the business or another entity.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other

Financial Institution Tax

This credit's special attributes:

- Refundable

FUNDING LIMITS

The amount of bonds to be issued will be determined by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), based on the need for funding to initiate the project, and limited to the state's economic benefit. The minimum bond issue is \$500,000.

APPLICATION/APPROVAL PROCEDURE

The business must submit an application to DED and MDFB for review. Applications are due 15 business days prior to the first Monday of the month. DED and MDFB will review on a case-by-case basis.

REPORTING REQUIREMENTS

The business must report to MDFB the number of new jobs; the total amount of salaries and wages paid to eligible employees and investment in capital improvements, semi-annually during the initial 3-year build out phase and annually for the term of the credits.

SPECIAL PROGRAM REQUIREMENTS

The following conditions must be met for a project to be approved.

- **Sale of Bonds:** Unless otherwise approved by the Board, the Applicant will be required to purchase the Bonds.
- **Cooperative Effort:** The political subdivisions benefiting from the project or other local entities must commit significant local incentives relative to their economic benefit compared to the state. Such incentives may include tax abatement, discounted utility fees or others, to the extent allowed by law.
- **"But For" Test:** DED and the MDFB must determine that the program is a material factor in the company's decision to initiate the project, and this is certified by the business.

Revised January 2012

- **Positive State Economic Impact:** The amount of new direct and indirect state taxes over an 8- to 15-year period, as calculated by DED, must exceed the total amount of incentives provided by the state.
- **Requirements:** New full-time (35+ hours per week) jobs in a new or expanding business (not including identical jobs filled by recalled workers, replacement jobs or jobs which previously existed in the business) are considered to be "new jobs". The business or a related taxpayer cannot have employed them during the preceding twelve months. The wages for such employees must be above the average wage for the area.
- **"Clawbacks":** In the event the business does not fulfill the commitments made regarding the number of new jobs or capital investment, the tax credits will be reduced proportionately. In the event the business relocates or reduces the operation below the minimum standards for new jobs or capital investment prior to the term of the bonds, the tax credits received prior to that time must be repaid in full.
- **Bond Purchase:** Since the MDFB cannot guarantee the bonds, the business will likely have to purchase the Bonds.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

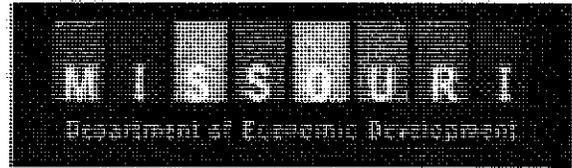
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Missouri Development Finance Board

Governor Office Building

200 Madison Street • Suite 1000 • P.O. Box 567

Jefferson City • MO • 65102

Phone: 573-751-8479 • Fax: 573-526-4418

E-mail: mdfb@ded.mo.gov • Web: www.mdfb.org



Program Name: Business Use Incentives for Large-scale Development (BUILD) **Contact Name & No.:** Krystal Davis 751-8479 **Date:** January 2014
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Business Recruitment **Applicable Taxes:** Income Tax; Bank Tax; Insurance Premium Tax; Other Financial Institution Tax
Statutory Authority: 100.700 - 100.850, RSMo

Program Description and Eligibility Requirements:
 The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance by the Board of certificates (bonds or notes) the principal and interest on which will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri State income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has no Missouri income tax liability. All businesses that manufacture, process (including agricultural processing) or assemble products are eligible. Businesses that conduct research and development or provide services in interstate commerce are also eligible. Certain office industries are also eligible. A manufacturing business must invest a minimum of \$15 million and 100 new jobs. An office business must invest a minimum of \$10 million and 500 jobs. There are other factors.

Explanation of How Award is Computed: Entitlement _____ Discretionary
 The award is computed based on principal, interest and board fees annually and limited to be no more than 5% of gross wages of each eligible employee whose job was created as a result of the project.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 25 million _____ None _____

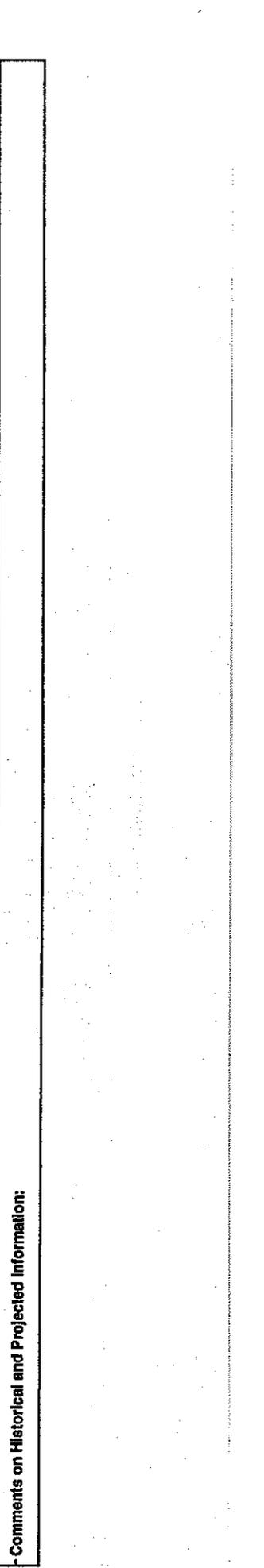
Explanation of cap: Aggregate amount of debt reduction assessments of all companies with bonds outstanding and still active shall not exceed \$25 million annually.

Explanation of Expiration of Authority: _____

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	26	28	34	8	36	40
Projects (#)	26	28	38	41	40	40
Amount Authorized	\$23,408,585	\$11,387,496	29,627,546	\$8,284,670	\$11,273,290	\$15,000,000
Amount Issued	\$10,150,244	\$9,064,677	9,969,516	\$2,087,563	\$10,817,061	\$11,355,296
Amount Redeemed	\$10,976,914	\$6,591,948	8,212,533	\$7,768,596	\$10,817,061	\$11,355,296
EST. Amount Outstanding	N/A	N/A	\$14,265,783	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$94,717,489	N/A	N/A	N/A



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

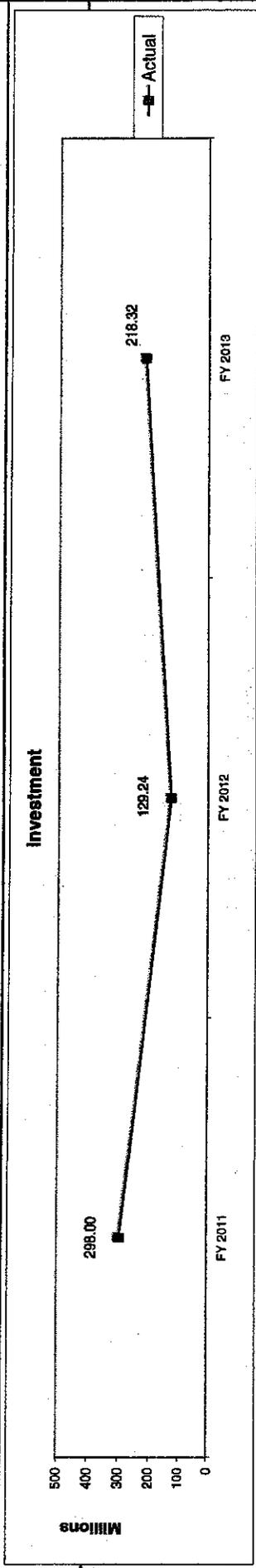
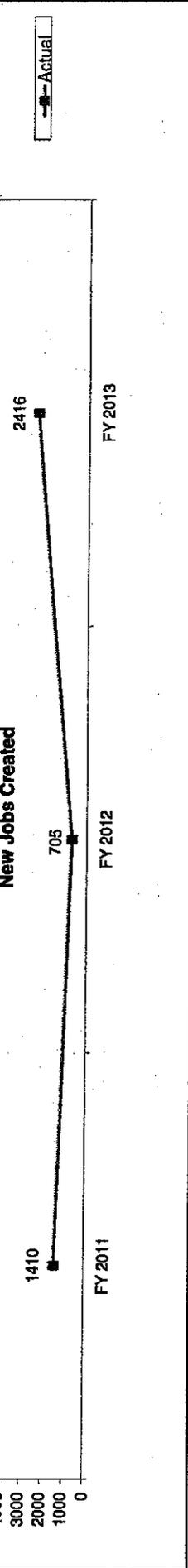
Program Name: Business Use Incentives for Large-scale Development (BUILD)

		BENEFIT-COST ANALYSIS (Includes only state revenue impacts)	
		FY 2013 ACTUAL	Other Fiscal Period (15 years)
BENEFITS			
Direct Fiscal Benefits		\$14,383,350	\$216,857,826
Indirect Fiscal Benefits		\$6,588,907	\$84,263,969
Total		\$19,972,257	\$301,121,795
COSTS			
Direct Fiscal Costs		\$1,975,170	\$26,090,110
Indirect Fiscal Costs		\$1,975,170	\$26,090,110
Total		\$3,950,340	\$52,180,220
BENEFIT-COST		10.11	11.54

Derivation of Benefits:
 Investment: (a) \$141,135,193 in Non-Residential Investment spending in 2013. (b) \$77,182,253 in Durable Equipment spending in 2013.
 Employment: (a) 2,416 jobs in Electronic Product Mfg., Transp. Equipment Mfg., Wholesale Trade, Investment Services, and Prof./Tech. Services at specified wage rates in 2013-2027.
 Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$29,627,547 in BUILD tax credits over years 2013-2027.
 Impacts occur Statewide. All money values in \$2013 dollars. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost Ratio is 5.09 when other program incentives are included.

Over 15 YEARS, every dollar of authorized program tax credits returns
 \$177.80 in new personal income totaling \$4,638.79 million
 \$338.94 in new value-added/GSP totaling \$8,780.86 million
 \$552.38 in new economic output totaling \$14,411.59 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

BOND GUARANTEE

MISSOURI DEVELOPMENT FINANCE BOARD

PURPOSE

In the event of default, purchasers of bonds will receive tax credits for the amount of principle and interest due on the date of default.

AUTHORIZATION

Sections 100.297, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

Investors in bonds authorized for credits, financial institutions or guarantors executing a credit facility as security for bonds.

PROGRAM BENEFITS/ELIGIBLE USES

The Board may authorize a State income tax credit to the owner of revenue bonds issued by the Board in the amount equal to the unpaid principal of and unpaid interest on such bonds in the taxable year of such owner following the calendar year of the default.

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax,
(excluding withholding tax)
- ✓ Ch. 147 – Corporate Franchise Tax
- ✓ Ch. 148 –
 - ✓ Bank Tax
 - ✓ Insurance Premium Tax
 - ✓ Other Financial Institution Tax

This credit's special attributes:

- ✓ Carry forward 10 years
- ✓ Assignable or transferable

APPLICATION/APPROVAL PROCEDURE

Before issuing the bonds, the Board must determine that: (1) the availability of a tax credit is a material inducement to the undertaking of the project in the State and to the sale of the bonds; and (2) the loan with respect to the project is adequately secured by security satisfactory to the Board.

Any portion of the tax credit to which any owner of a bond is entitled that exceeds the total income tax liability of such owner may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

CONTACT

Missouri Development Finance Board

200 Madison Street, Suite 1000

P.O. Box 567

Jefferson City, MO 65102

Phone: 573-751-8479 Fax: 573-526-4418

E-mail: mdfb@ded.mo.gov

Web: www.mdfb.org



TAX CREDIT ANALYSIS

Program Name: MDFB Bond Guarantee
Department: Economic Development
Program Category: Redevelopment
Statutory Authority: 100.297, RSMo

Contact Name & No.: Krystal Davis 751-8479
Type: Tax Credit Other (specify) _____
Applicable Taxes: Income Tax, excluding withholding tax; Corporate Franchise Tax, Bank Tax; Insurance Premium Tax; Other Financial Institutions Tax

Date: January 2014

Program Description and Eligibility Requirements:
 The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of Public Entities for certain bonds. This program uses the Board's bond tax credits as collateral. Credits are **only redeemed** in the event of a default. Currently \$25,078,400 of the total is collateral for MDFB garage debt.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary

They are provided as additional security for the bonds. Tax credits are computed based on inability to meet debt service on bonds after all other resources are utilized and all compliance requirements are met on an annual basis. The credit is issued for the shortfall in an annual debt service payment.

Program Cap: Cumulative \$50 million (remainder of cumulative cap) \$48,812,870 Annual \$ _____ None _____

Explanation of cap:
 A cumulative cap of \$50,000,000 the remainder \$48,812,870 that may continue to be utilized as bond enhancements expire.

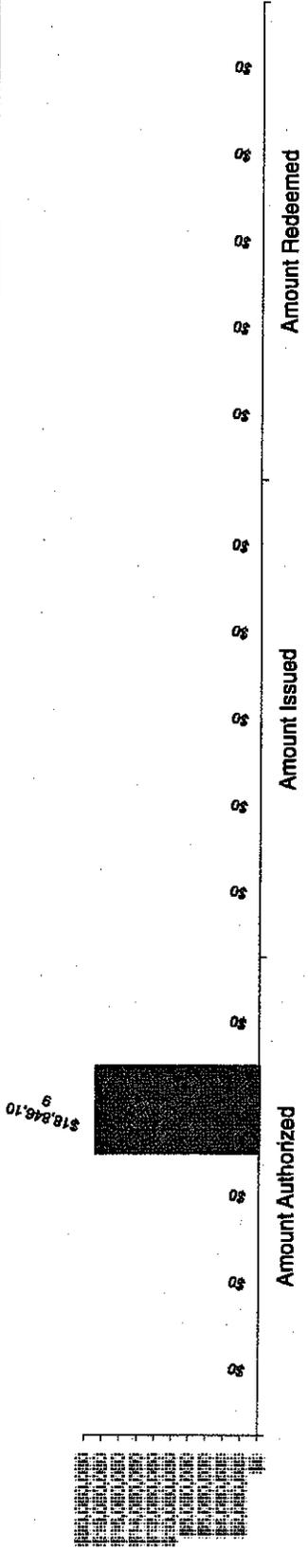
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Yes _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	0	0	0	0	1	0
Projects (#)	0	0	0	0	1	0
Amount Authorized	\$0	\$0	\$0	\$0	\$18,846,109	\$0
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	0	\$0	0	0	\$0	\$0
EST. Amount Outstanding	N/A	N/A	\$0	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$29,966,761	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



- FY 2011
- FY 2012
- FY 2013
- FY 2014
- FY 2015

TAX CREDIT ANALYSIS

Program Name: MDEF Bond Guarantee		BENEFIT COST ANALYSIS (includes only state revenue impacts)	
Comments on Historical and Projected Information:			
	FY 2013 ACTUAL	Other Fiscal Period (indicated time period)	
		31-Years	
BENEFITS			
Direct Fiscal Benefits			
Indirect Fiscal Benefits	\$0		\$0
Total			
COSTS			
Direct Fiscal Costs			
Indirect Fiscal Costs	\$0		\$0
Total	0.00		0.00
BENEFIT: COST			
No Economic Activity to report for FY 2013 due to no new authorizations of credits			

INFRASTRUCTURE TAX CREDIT PROGRAM

(ALSO KNOWN AS THE CONTRIBUTION TAX CREDIT PROGRAM)

MISSOURI DEVELOPMENT FINANCE BOARD

PURPOSE

assist in the funding of capital improvement costs for qualified public facilities and public infrastructure projects within the state of Missouri.

AUTHORIZATION

Sections 100.286(6), RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Public Entities in Missouri

ELIGIBILITY CRITERIA

The Board will only consider applications submitted by a Public Entity and, in the case of any Public Entity created on behalf of and for the benefit of another governmental entity, the written approval of the application by such entity

PROGRAM BENEFITS/ELIGIBLE USES

The Missouri Development Finance Board (MDFB) is authorized to grant a tax credit equal to 50% of contributions received from a taxpayer. The contributed funds are granted to local governments, state agencies or used by the MDFB to finance infrastructure improvements needed to facilitate an approved project.

"Infrastructure facilities" means the highways, streets, bridges, water supply and distribution systems; mass transportation facilities and equipment; telecommunication facilities, jails and prisons; sewers and sewage treatment facilities; wastewater treatment facilities; airports, railroads, reservoirs, dams and interways in this state; acquisition of blighted real estate and the improvements thereon; demolition of existing structures and preparation of sites in anticipation of development; public facilities and any other improvements provided by any form of government or development agency.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch 147 – Corporate franchise tax
- Ch. 148 –
- Bank Tax
- Insurance Premium Tax

This credit's special attributes:

- Carry-forward 5 years
- Sellable or transferable
- All credits must be redeemed within 10 years

FUNDING LIMITS

The amount of credits approved in a calendar year cannot exceed \$10 million unless authorized by specific agency directors. Under no circumstances shall the amount approved exceed \$25 million.

APPLICATION/APPROVAL PROCEDURE

The Board will consider Applications twice a year following the completion of two funding cycles, the first ending April 30 and the second ending September 30.

SPECIAL PROGRAM REQUIREMENTS

Discretionary program and credits.

CONTACT

Missouri Development Finance Board
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102
Phone: 573-751-8479 Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov
Web: www.mdfb.org



Program name: MD-E Infrastructure Development Fund Contribution Tax Credit
Department: Economic Development
Program Category: Redevelopment
Statutory Authority: 100.286, RSMo

Contact Name & No.: Krystal Davis 751-9479
Type: Tax Credit Other (specify) _____
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:
 Tax Credit is 50% of contribution received from taxpayer for specific approved project.
 Entitlement Discretionary

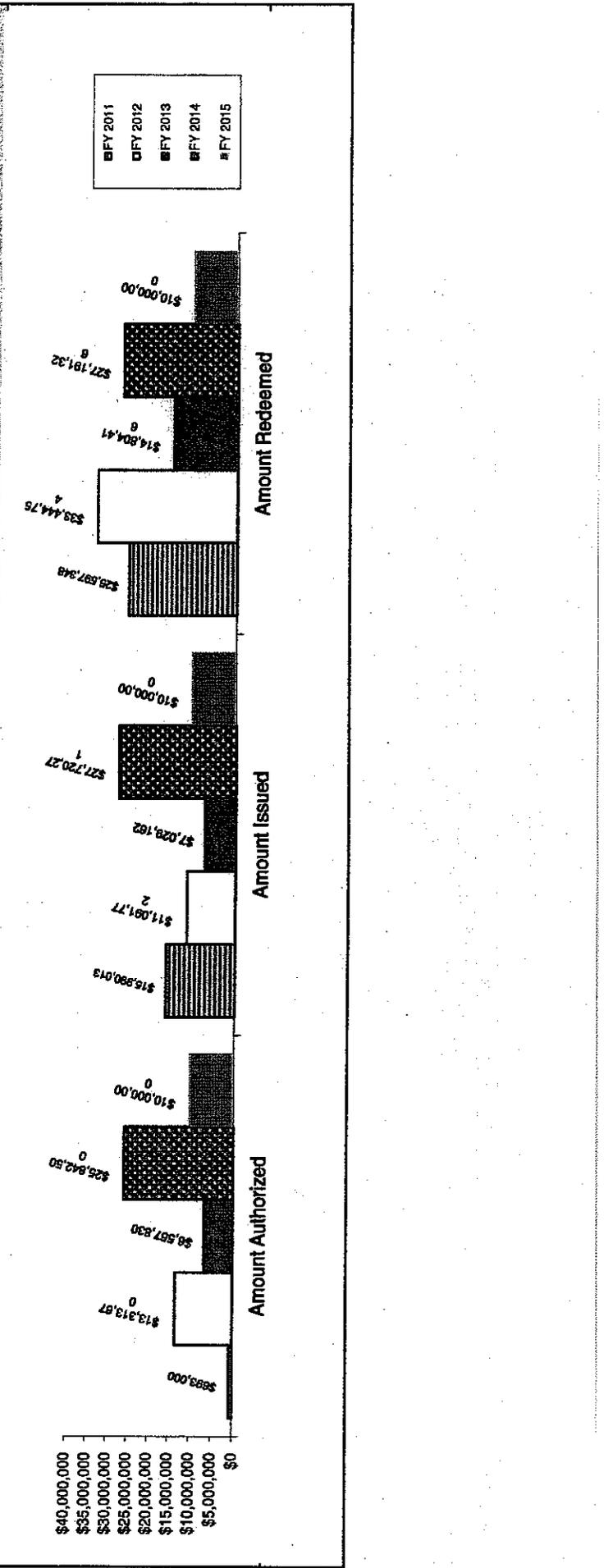
Program Cap: Cumulative \$ _____ Annual (See Below) None

Explanation of cap:
 The Board can authorize 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 _____ years Carry Back _____ years Refundable Sellable/Assignable Additional Federal Deductions Available yes

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (projection)	FY 2015 (budget year)
Certificates Issued (#)	352	212	228	12	200	200
Projects (#)	8	6	3	4	3	3
Amount Authorized	\$693,000	\$13,313,670	\$6,557,830	\$20,842,500	\$25,842,500	10,000,000
Amount Issued	\$15,990,013	\$11,091,772	\$7,029,182	\$22,720,271	\$27,720,271	10,000,000
Amount Redeemed	\$25,597,348	\$33,444,754	\$14,804,416	\$12,118,670	\$27,191,326	10,000,000
EST. Amount Outstanding	N/A	N/A	\$11,589,724	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$12,778,297	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (15 years)
BENEFITS		
Direct Fiscal Benefits	\$337,058	\$1,016,914
Indirect Fiscal Benefits	\$235,461	\$710,395
Total	\$572,519	\$1,727,308
COSTS		
Direct Fiscal Costs	\$1,092,972	\$6,300,021
Indirect Fiscal Costs	\$0	\$0
Total	\$1,092,972	\$6,300,021
BENEFIT: COST	0.52	0.27

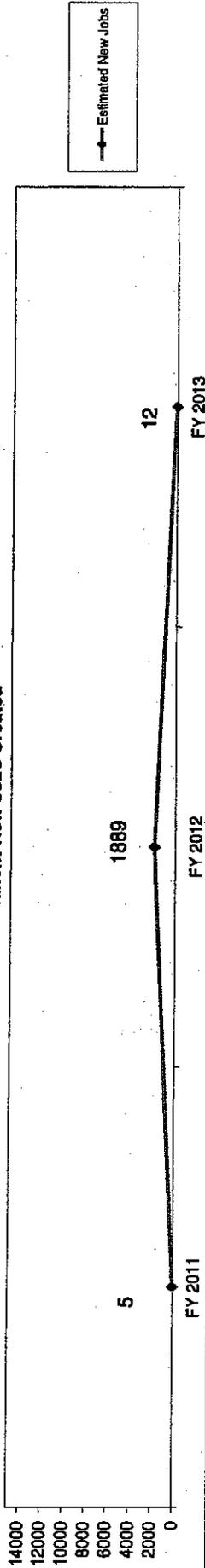
Derivation of Benefits:
 Investment: (a) \$44,482,225 in Non-Residential Investment spending in 2013-2015. (b) \$796,360 in Durable Equipment spending in 2013 (c) \$1,400,000 in property acquisition costs resulting in \$84,000 in Real Estate fees in 2013.
 Employment: (a) 12 jobs in Museum Services in 2013-2027.
 Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$6,557,830 in Contribution tax credits over years 2013-2018.
 Impacts occur Statewide. All money values in \$2013 dollars. Assumptions provided by DED. Estimated using REMI-PI+.

Other Benefits:
 In FY-2013, every dollar of authorized program tax credits returns \$7.18 in new personal income totaling \$7.84 million
 \$10.19 in new value-added/GSP totaling \$11.14 million
 \$18.29 in new economic output totaling \$19.99 million

Over 15 YEARS, every dollar of authorized program tax credits returns
 \$7.11 in new personal income totaling \$44.77 million
 \$8.45 in new value-added/GSP totaling \$53.25 million
 \$13.60 in new economic output totaling \$66.94 million

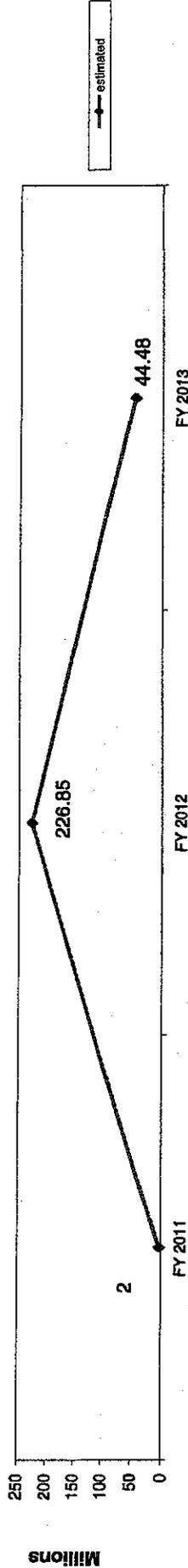
PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:

Estimated Investment



Comments on Performance Measure:



MISSOURI WORKS TRAINING

Investing in Business through Workforce Training

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT • DIVISION OF WORKFORCE DEVELOPMENT

WHAT IT IS

Missouri Works Training (RSMo. Sections 620.800-620.809) invests in Missouri business by providing training assistance for new and existing workers allowing companies to stay competitive and create jobs.

HOW IT WORKS

In Missouri, the Department of Economic Development partners with Missouri Community Colleges and other local education agencies to offer training assistance to meet the needs of Missouri businesses. The program provides training resources and funding to eligible company start-ups, expansions and existing companies needing to upgrade workers' skills.

PROGRAM BENEFITS

Missouri Works Training offsets costs for company-specific training based on customer choice which includes training provided by educational agencies, company experts, private vendors, or a combination of providers. Assistance may range from technical to soft skills training, and take place at a local education agency or on-site at the company. As an added benefit, Missouri Works Training can provide personalized assistance with recruiting, screening, and hiring potential employees at no cost to the business.

WHO IS ELIGIBLE

Missouri Works Training is designed to benefit Missouri companies of any size in a variety of industries as indicated below.

ELIGIBLE APPLICANTS INCLUDE

- Manufacturers, headquarters operations, transportation and logistics, and other businesses engaged in interstate commerce.
- Companies creating new jobs in Missouri or retraining existing employees as a result of substantial new capital investments.
- Companies must offer health insurance to all full-time employees in Missouri and pay at least 50% of the premium.
- Training assistance for full-time, permanent employees (working an average of at least 35 hours per week) earning competitive base wages and low turnover rates. Other eligibility criteria may apply.

Funding is contingent upon applicable appropriation and availability of funds.

APPLICATION

The statewide network of Local Educational Agencies (LEAs) such as your community college assists companies in utilizing Missouri Works Training. To be determined eligible for training assistance, the company works with the appropriate LEA to submit the necessary request forms to the Division of Workforce Development. The request must be received by the Division of Workforce Development before training costs are incurred and jobs are created or capital investments are made. Local Educational Agency contacts may be obtained by contacting the Division of Workforce Development's Industry Training Unit at (800) 877-8698.

CONTACT

Missouri Department of Economic Development

Division of Workforce Development

Business and Industry Services

421 East Dunklin • P.O. Box 1087

Jefferson City • MO • 65102

Phone: 573-526-8254 • Fax: 573-522-9496

Toll Free Phone: 800-877-8698



TAX CREDIT ANALYSIS

Program Name: Missouri Works Community College New Jobs Training Program
 Department: Economic Development
 Contact Name & No.: Amy Sublett, 626-8271
 Date: January, 2014
 Program Category: Training & Educational
 Type: Appropriation based on employer withholding
 Statutory Authority: 620.800 - 620.809, RSMo.
 Applicable Taxes: N/A - is an appropriation of funds, not a credit

Program Description and Eligibility Requirements:
 Companies creating a substantial number of new jobs may qualify for training assistance through this program. This program is best suited for large attraction & expansion projects creating a substantial number of new jobs. Generally, funds are generated by deferring a portion of the state employer withholding tax - approximately 2% - on the newly created jobs. Eligible companies include manufacturing, research and development, and companies engaged in interstate commerce. This program is administered locally through the community colleges.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary X
 A formula using the number of jobs to be created and the average annual salary of the workers in the new jobs calculates the amount that can be generated over a period of several years through the diversion of a portion of the employer withholding tax. Discretionary measures such as review of types of industry and wage rates paid are considered before approving a project.

Program Cap: Cumulative \$55 million (remainder of cumulative cap) \$42,579,409 Annual \$ _____ None
Explanation of cap: There is a statewide cap of \$55 million on the amount of outstanding debt (total outstanding project amounts) there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

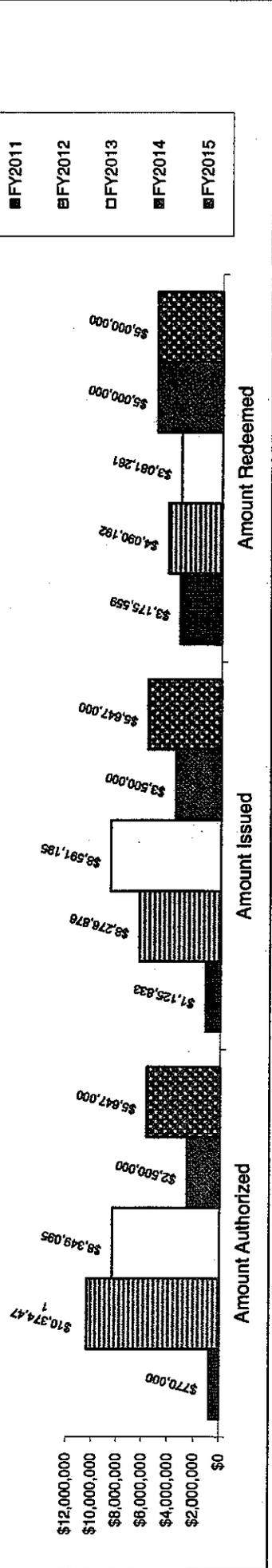
Explanation of Expiration of Authority: Program sunsets July 1, 2019

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

Projects (#)	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
2		5	6	3	5	4
Amount Authorized	\$770,000	\$10,374,471	\$8,349,095	\$370,800	\$2,500,000	\$5,647,000
Amount Issued	\$1,125,833	\$6,276,876	\$8,591,195	\$2,752,600	\$3,500,000	\$5,647,000
Amount Redeemed	\$3,175,559	\$4,090,192	\$3,081,261	\$3,211,815	\$5,000,000	\$5,000,000

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

BENEFIT COST ANALYSIS (Includes only state revenue impacts)	
	Derivation of Benefits Investment: (a) N/A
BENEFITS	Other Fiscal Period (10 years)
FY 2013 ACTUAL	
Direct Fiscal Benefits	\$110,572,462
Indirect Fiscal Benefits	\$44,002,492
Total	\$154,574,954
COSTS	

Employment: (a) 1,600 jobs in Professional/Tech. Services, Credit Intermediation, Transp. Equipment, Electronic Product and Fabricated Metal Manufacturing at specified wage rates in 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014. (b) Income tax gain of 250 jobs in Company Management transferred across state border.
 Incentives/Credits: (a) \$8,349,095 in NJTP tax credits spread over 6 years from 2013-2018. (b) Assumptions provided by DED. Estimated using REMI-PI+.

TAX CREDIT ANALYSIS

Program Name: Missouri Works Community College New Jobs Training Program

Direct Fiscal Costs	\$1,391,516	\$8,020,866
Indirect Fiscal Costs	\$0	\$0
Total	\$1,391,516	\$8,020,866
BENEFIT: COST	11.40	19.27

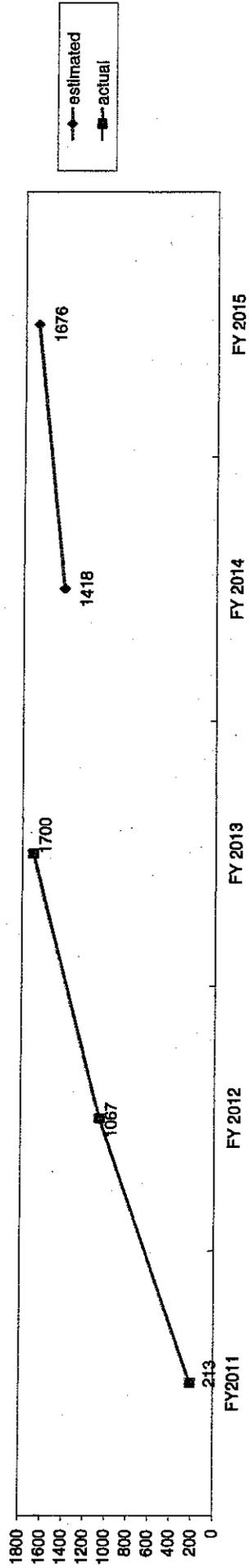
The multi-year fiscal Benefit-Cost Ratio is 3.35 when other program incentives are included.

Other Benefits:
 In FY 13, every dollar of authorized program tax credits returns:
 \$112.42 in new personal income totaling \$156.43 million
 \$259.09 in new value-added/GSP totaling \$360.53 million
 \$488.96 in new economic output totaling \$680.39 million

Over 10 years, every dollar of authorized program tax credits returns:
 \$261.23 in new personal income totaling \$2,095.31 million
 \$519.10 in new value-added/GSP totaling \$4,163.64 million
 \$962.13 in new economic output totaling \$7,717.13 million

PERFORMANCE MEASURE(S)

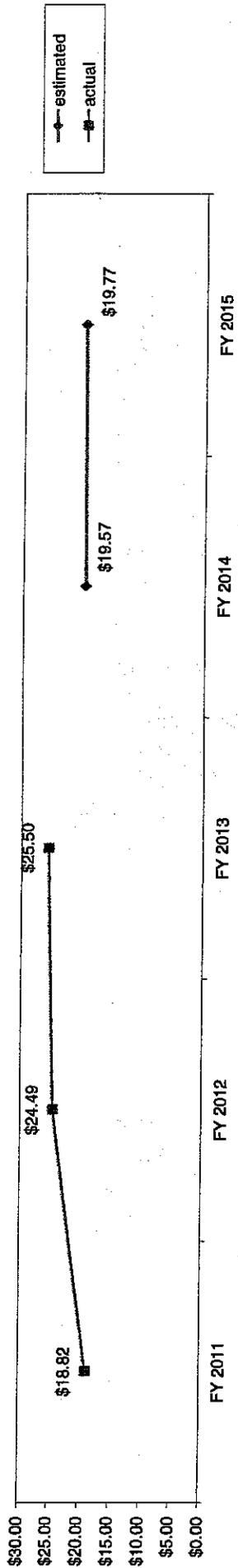
Permanent New Jobs Created



Comments on Performance Measure:

Program Name: Missouri Works Community College New Jobs Training Program

Average Wage



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Missouri Works Job Retention Training Program
 Department: Economic Development
 Contact Name & No.: Amy Sublett 526-8271
 Date: January, 2014
 Program Category: Training & Educational
 Type: appropriation based on employer withholdings
 Applicable Taxes: N/A - is an appropriation of funds, not a tax credit

Statutory Authority: 620.800 - 620.809 RSMo.
 Program Description and Eligibility Requirements:
 Provides training assistance for job retention efforts. Companies making a large capital investment and/or at risk of leaving the state may be eligible. This program is best-suited for large retention and training projects. The company must make a minimum capital investment of \$1 million and the retained jobs must have been in existence for the previous 2 calendar years. The company must also be making substantial capital investment, located in a border county, or be determined to represent a substantial risk of relocation.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary X
 A formula using the number of jobs to be retained and the average annual salary of workers in retained jobs calculates the amount that can be generated by diverting a portion of the employer withholding tax (approximately 2%). Discretionary measures such as review of types of industry, occupations, and wage rates are considered before approving a project.

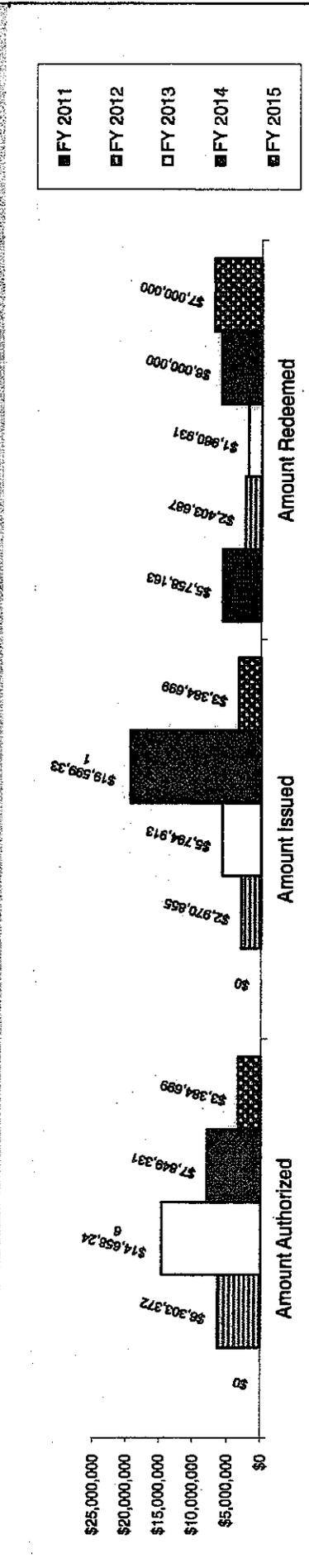
Program Cap: Cumulative \$ 45 million (remainder of cumulative cap) \$35,456,248 Annual \$ _____ None
 Explanation of cap: There is a statewide cap of \$45 million on the amount of outstanding debt there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

Explanation of Expiration of Authority: Program sunsets July 1, 2019
 Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

Projects (#)	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
0	\$0	\$6,303,372	\$14,658,246	\$7,403,481	\$7,849,331	\$3,384,699
1	\$0	\$2,970,855	\$5,794,913	\$4,320,901	\$19,599,331	\$3,384,699
2	\$5,758,163	\$2,403,687	\$1,950,931	\$1,354,248	\$6,000,000	\$7,000,000

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Missouri Works Job Retention Training Program

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	\$979,666	\$991,285
Indirect Fiscal Benefits	\$2,074,340	\$2,098,941
Total	\$3,054,007	\$3,090,226
COSTS		
Direct Fiscal Costs	\$3,214,812	\$14,252,926
Indirect Fiscal Costs		
Total	\$3,214,812	\$14,252,926
BENEFIT: COST	0.95	0.22

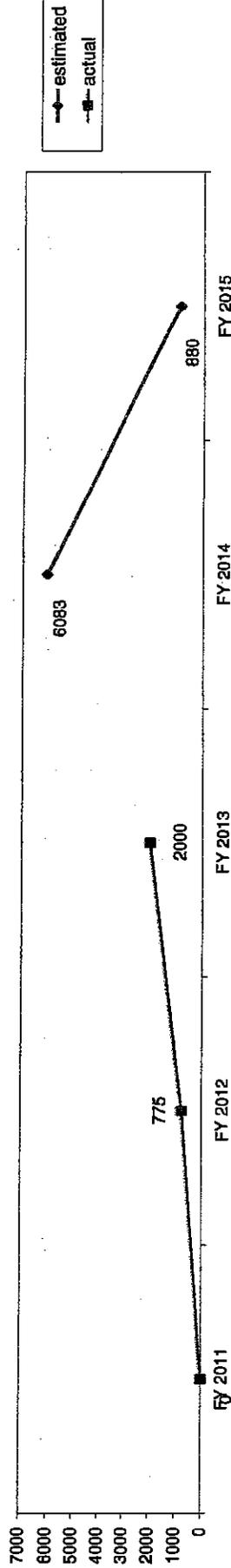
Derivation of Benefits
Investment: (a) \$73,386,241 in Non-Residential Investment spending in 2013. (b) \$73,386,241 in Durable Equipment spending in 2013.
Employment: (a) 4,000 retained jobs in Transp. Equipment, Fabricated Metal, and Food Manufacturing in 2013-2017.
Other Assumptions: (a) \$3,213,638 in increased personal income to 1,999 retained workers following training in years 2016-2017.
Incentives/Credits: (a) \$14,658,246 in Job Retention Training Program credits over years 2013-2017.
Impacts occur Statewide. All money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PL+.
If all retained jobs had exited the state but for this incentive the fiscal benefit-cost ratio would be 19.25 in 5 years.

Other Benefits:
In FY 13, every dollar of authorized program tax credits returns:
\$13.84 in new personal income totaling \$4.49 million
\$20.37 in new value-added/GSP totaling \$65.49 million
\$35.64 in new economic output totaling \$114.56 million

Over 5 years, every dollar of authorized program tax credits returns:
\$4.90 in new personal income totaling \$69.82 million
\$5.33 in new value-added/GSP totaling \$75.90 million
\$8.81 in new economic output totaling \$125.56 million

PERFORMANCE MEASURES

Permanent Jobs Retained

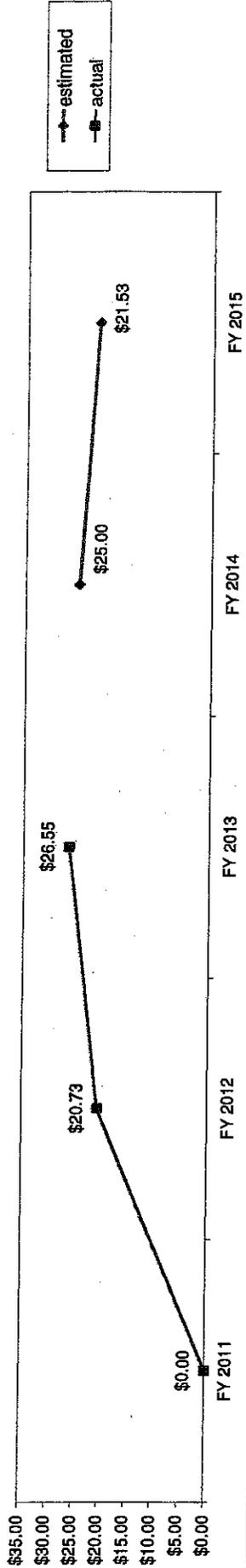


Comments on Performance Measure:

TAX CREDIT ANALYSIS

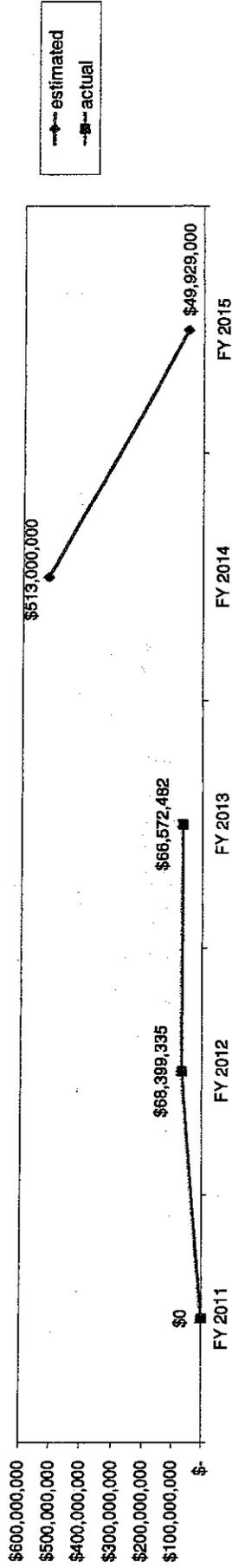
Program Name: Missouri Works Job Retention Training Program

Average Wage



Comments on Performance Measure:

Capital Investment



Comments on Performance Measure:



Missouri Alternative Fuel Infrastructure Tax Credit

Energy Center fact sheet

9/2013

Business owners who invest in alternative fuel infrastructure projects in Missouri may be eligible for a state tax credit. For all tax years beginning on or after Jan. 1, 2009, but before Jan. 1, 2012, any eligible applicant who installs and operates a qualified alternative fuel vehicle refueling property may be allowed a credit against the tax otherwise due for any tax year in which the applicant is constructing the refueling property. The credit allowed per eligible applicant cannot exceed the lesser of \$20,000 or 20 percent of the total costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle refueling property, which does not include the following:

- (1) Costs associated with the purchase of land where a qualified property is placed;
- (2) Costs associated with the purchase of an existing qualified alternative fuel vehicle refueling property; or
- (3) Costs for the construction or purchase of any structure.

Eligible applicants include business entities that own qualified alternative fuel vehicle refueling property. A qualified alternative fuel vehicle refueling property must be owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens which, if constructed after Aug. 28, 2008, was constructed with at least 51 percent of the costs being paid to qualified Missouri contractors for:

- (a) Fabrication of pre-manufactured equipment or process piping used in the construction of such facility;
- (b) Construction of such facility; and
- (c) General maintenance of such facility during the time period in which such facility receives any alternative fuel infrastructure tax credit.

If no qualified Missouri contractor is located within 75 miles of the property, the requirement that 51 percent of the costs be paid to qualified Missouri contractors will not apply. A qualified Missouri contractor is a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years.

Tax credits allowed must be claimed by the applicant at the time an applicant files a return for the tax year when the storage and dispensing facilities were placed in service at a qualified property. The credits must be applied against the income tax liability after all other credits provided by law have been applied.

If the amount of the tax credit exceeds the eligible applicant's tax liability, the difference will not be refundable. Any amount of credit that an eligible applicant is prohibited from receiving in a taxable year may be carried forward to any of the applicant's two subsequent taxable years. Tax credits allowed may be assigned, transferred, sold, or otherwise conveyed.

A property where an applicant receives tax credits that ceases to sell alternative fuel will cause the forfeiture of the applicant's tax credit for the taxable year when the alternative fuel vehicle refueling property ceased to sell alternative fuel. The forfeiture will also apply to future taxable years, with no recapture of tax credits obtained by an applicant with respect to the tax years that ended before the sale of alternative fuel ceased.

The cumulative amount of tax credits which may be filed for by eligible applicants claiming all credits authorized will not exceed the following amounts:

- (1) In taxable year 2009 - \$3 million.
- (2) In taxable year 2010 - \$2 million.
- (3) In taxable year 2011 - \$1 million.

Any eligible applicant desiring to file for a tax credit must submit the appropriate application for the credit with the Department of Economic Development. The Department of Economic Development will review the applications and certify to the Department of Revenue each eligible applicant that qualifies for the tax credit. A project owner must receive certification before the credit can be filed for on a Missouri tax return.

Questions?

For questions on claiming the tax credit, contact the Missouri Department of Revenue at 573-751-5860 or send email to taxcredit@dor.mo.gov.

For More Information

For more information, please contact:
Missouri Department of Economic Development
Division of Energy
P.O. Box 1766
Jefferson City, MO 65102-0176
Phone: 573-751-3443 or 1-855-522-2796
Web: ded.mo.gov/energy
e-mail: energy@ded.mo.gov

Program Name: Alternative Fuel Stations
Department: Economic Development
Program Category: Environmental
Statutory Authority: 135.710
Contact Name & No.: Cindy Carroll (573) 751-6653
Date: February 2014
Type: Tax Credit Other (specify) _____
Applicable Taxes: Tax credit on taxes otherwise due under Chapter 143 RSMo, except sections 143.191 to 143.265 (withholding of tax).

Program Description and Eligibility Requirements:
 SB 931 (2008 legislative session) section 135.710 RSMo, created a tax credit, for the costs of construction of qualified alternative fuel vehicle refueling properties. The credit is for the costs directly associated with the purchase and installation of equipment used for storage and dispensing of alternative fuels into motor vehicles owned by eligible applicants or private citizens. The new law further states that a business is eligible to apply for the tax credit if at least fifty-one percent of the costs associated with the project are paid to qualified Missouri contractors. Any eligible applicant who installs and operates a qualified alternative fuel vehicle refueling property shall be allowed a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265 RSMo, or due under chapter 147 RSMo or chapter 148 RSMo.

Explanation of How Award is Computed:
 Entitlement Discretionary _____
 The tax credit shall not exceed the lesser of twenty thousand dollars or twenty percent of the costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle property. The total amount of credits that may be claimed may not exceed \$3 million in taxable year 2009; \$2 million in taxable year 2010; and \$1 million in taxable year 2011.

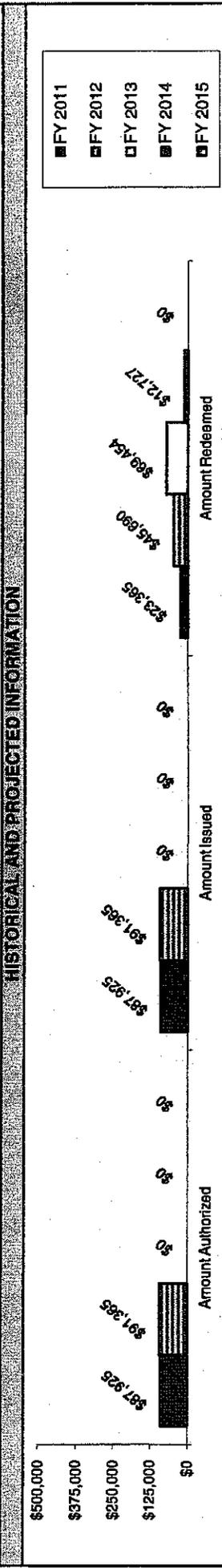
Program Cap: Cumulative ___ see above (remainder of cumulative cap) \$ _____ Annual ___ see above None _____
Explanation of cap: There is an annual cap of \$3 million for taxable year 2009; \$2 million for taxable year 2010; and \$1 million for taxable year 2011.

Explanation of Expiration of Authority: The tax credit is authorized for tax years beginning January 1, 2009, and ending before January 1, 2012.

Specific Provisions: (if applicable)
 Carry forward years Carry Back years Refundable Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions: A federal tax credit is available for hydrogen alternative fuel refueling properties placed in service before January 1, 2015.

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	7	6	0	0	0	0
Projects (#)	7	6	0	0	0	0
Amount Authorized	\$87,925	\$91,365	\$0	\$0	\$0	\$0
Amount Issued	\$87,925	\$91,365	\$0	\$0	\$0	\$0
Amount Redeemed	\$23,365	\$45,690	\$69,454	\$784	\$12,727	\$0
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	N/A	N/A	N/A	N/A

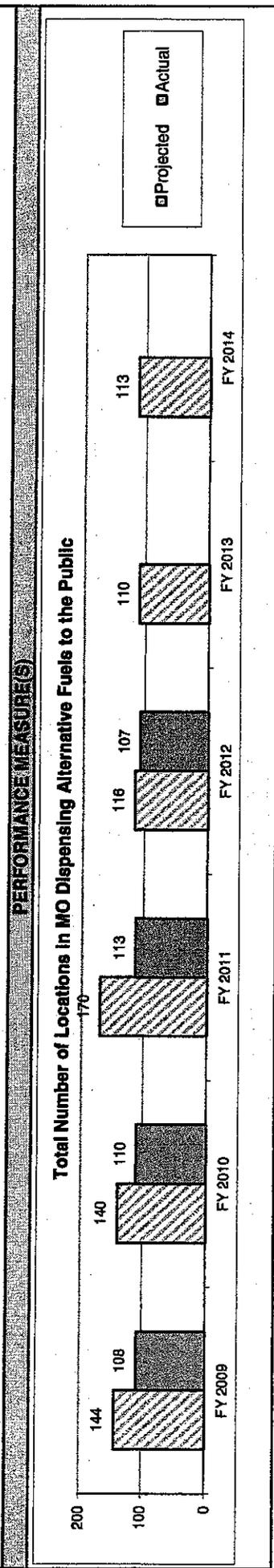
Notes: This was a new tax credit beginning in FY 2009, and took some time to get the program established. This program has ended. It is now in it's redemption stage.



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Alternative Fuel Stations		BENEFIT: COST ANALYSIS (includes only state revenue impacts)
FY 2012 ACTIVITY	Other Fiscal Period (Indicated time period)	Derivation of Benefits:
BENEFITS	N/A	
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS	N/A	
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		
Other Benefits:		



Missouri Wood Energy Tax Credit

The Wood Energy Tax Credit (Sections 135.300-135.311, RSMo) was enacted in 1985 and amended in 1991, 1996 and 2008. There have been efforts to extend the expiration date of June 30, 2013. Currently, tax credit applications will be processed if claims were earned prior to the sunset date of June 30, 2013, and submitted before June 30, 2014.

A Missouri wood energy producer (any person, firm or corporation that engages in the business of producing processed wood products from Missouri forest industry residue to be used as an energy source) is eligible for a tax credit of five dollars per ton of processed material.

A multiplier of 4 applies to charcoal, based on the amount of Missouri forest industry residue required to produce one ton of charcoal. Any amount of credit exceeding the tax due by a company in the year of production may be carried over to a subsequent taxable year, not to exceed four years. A credit earned under this program may also be transferred to third parties for use within this five-year period. To be considered an eligible fuel, forestry industry residues must have undergone some thermal, chemical or mechanical process(es) sufficient to alter the residues into a fuel product.

The Division of Energy evaluates the tax credit applications and certifies to the Department of Revenue each applicant that qualifies as a wood energy-producing facility.

Program Name: Wood Energy
Department: Economic Development
Program Category: Environmental
Contact Name & No.: James Reicha (573) 522-3371
Date: February 2014
Type: Tax Credit Other (specify) _____
Statutory Authority: 135.300-135.311
Applicable Taxes: Tax credit on taxes otherwise due under Chapter 143 RSMo, except sections 143.191 to 143.261 (withholding of tax).

Program Description and Eligibility Requirements:
 A Missouri wood energy producer (any person, firm or corporation that engages in the business of producing processed wood products from Missouri forest industry residue to be used as an energy source) is eligible for a tax credit on taxes otherwise due. Reenacted in 1996 by the 88th General Assembly, the credit applies to all tax periods beginning on or after January 1, 1997. The credit can only be used against the income tax otherwise due and is not available for use against withholding tax liabilities.

Explanation of How Award is Computed:
 Entitlement Discretionary _____
 Credit of \$5/ton for wood products from processed wood residue.
 Credit of \$5/ton for wood used in charcoal production. Wood usage is inferred at 4 tons of wood residue used per ton of wood char produced.

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

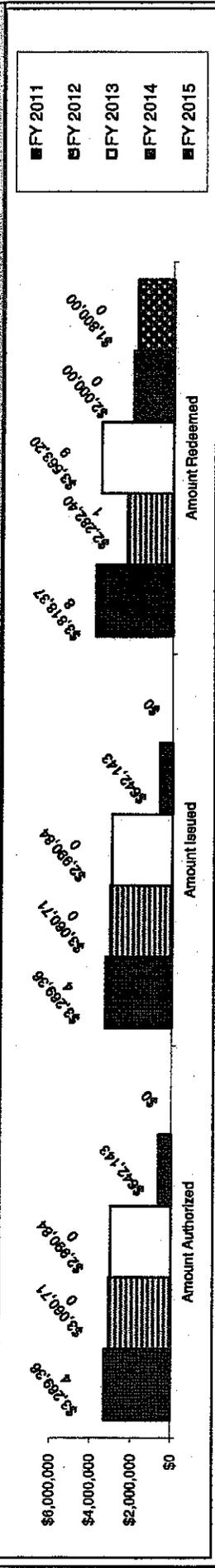
Explanation of cap:

Explanation of Expiration of Authority: HB 2058 (2008) states that no new wood energy tax credits shall be authorized after June 30, 2013 (FY 2013). For credits earned prior to the sunset date

Specific Provisions: (if applicable)
 Carry forward 4 years Carry Back _____ years Refundable _____ Sellable/Assignable X Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	17	10	12	1	11	0
Projects (#)	17	10	12	1	11	0
Amount Authorized	\$3,269,364	\$3,060,710	\$2,990,840	\$940,376	\$642,143	\$0
Amount Issued	\$3,269,364	\$3,060,710	\$2,990,840	\$970,376	\$642,143	\$0
Amount Redeemed	\$3,618,378	\$2,282,401	\$3,563,209	\$1,484,931	\$2,000,000	\$1,600,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	N/A	N/A	N/A	N/A



Comments on Historical and Projected Information: (1) Credits issued are based on amount of credits processed and forwarded to the Department of Revenue (DOR) during a fiscal year. It is assumed that all credits authorized by the department are issued by DOR immediately upon receipt of our authorization. (2) Actual redeemed credit information was provided by DOR. (3) FY14

TAX CREDIT ANALYSIS

Program Name: Wood Energy

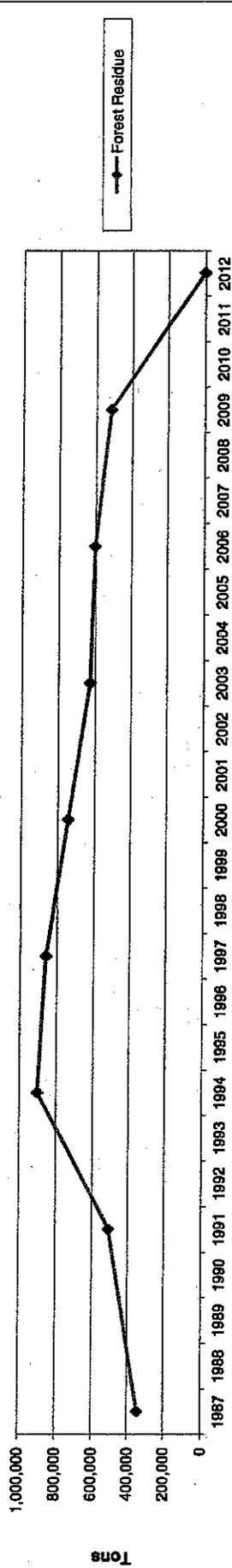
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

Derivation of Benefits:

	FY 2012 ACTIVITY	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	See Performance Measure	
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		
Other Benefits:		

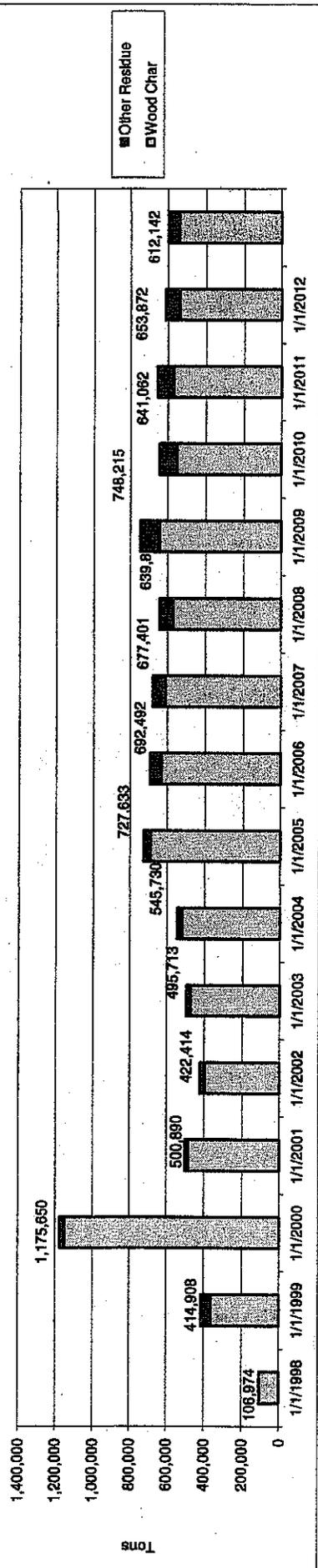
PERFORMANCE MEASURE(S)

Tons of Forest Residue Used by Charcoal Facilities



Data source: surveys of the Missouri Timber Industry conducted by the U.S Forest Service. The surveys are completed every three years. The most recent information available is for 2009.

Tons Residue Claimed for Wood Energy Tax Credit



Data source: DNR Division of Energy, and is based on the fiscal year that the claim was filed not the year the receipt was sent

**AMATEUR SPORTING TAX CREDIT PROGRAM
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT**

PURPOSE

To promote the growth of Missouri's economy by incentivizing the selection of competitively bid amateur sporting events in Missouri.

AUTHORIZATION

Section 67.3000, RSMo

ELIGIBLE APPLICANTS

One or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively.

PROGRAM BENEFITS/ELIGIBLE USES

The Program provides tax credits equal to the lesser of:

- \$5 per admission ticket sold to the event; or
- 100% of eligible costs incurred by the applicant.

Tax Credits can be applied to:

- Ch. 143 – Income Tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The special attributes of the tax credits include:

- Useable within 1 year of the tax year the tax credit is issued
- Sellable, transferable, and refundable

FUNDING LIMITS

The program has an overall cap of \$3 million for each state fiscal year. All applications received must be for sporting events held prior to August 28, 2019.

APPLICATION/APPROVAL PROCEDURE

The program is administered through a four part application process. A Project Proposal is first submitted to the Missouri Department of Economic Development (DED). If the DED approves the Project Proposal, the applicant must submit a Support Contract and Event Notification prior to the sporting event. A Cost Certification is submitted, just following the completion of the sporting event.

REPORTING REQUIREMENTS

Please contact the Department of Revenue for details on the Reporting Requirements of this program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Development Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-526-0748 • Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov • Web: www.ded.mo.gov

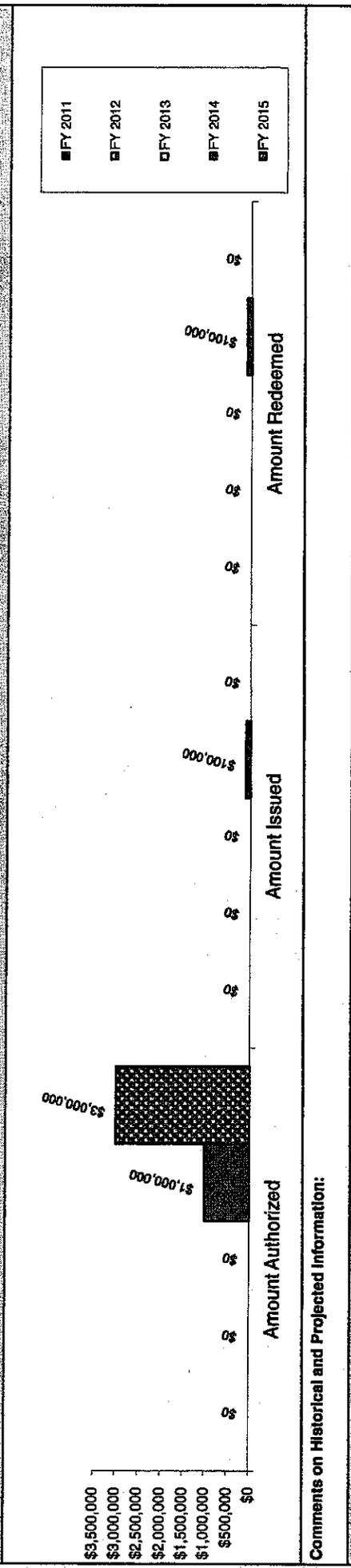
DRAFT

Program Name: Amateur Sporting Tax Credit
Department: Economic Development
Contact Name & No.: Nathan Potter (573) 522-8006
Date: January 2014
Program Category: _____
Type: Tax Credit Other (specify) _____
Statutory Authority: 67.3000
Applicable Taxes: Income tax, bank tax, insurance premium tax, other financial institutions tax
Program Description and Eligibility Requirements:
 This program provides a tax credit that is designed to encourage the location of competitively bid amateur sporting events in Missouri. The program is available to: "certified sponsors" active in the National Association of Amateur Sports Organizations.
Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 Eligible applicants can be awarded up to the lesser of \$5 per event ticket, or 100% of eligible costs. Eligible cost include: 1) costs necessary for conducting the sporting event, 2) costs relating to the preparations necessary for the conduct of the sporting event, and 3) the applicant's pledged obligations to the site selection organization as evidenced by the support contract.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$3 million None
Explanation of cap:
 No more than \$3 million dollars in tax credits can be issued in a given year.
Explanation of Expiration of Authority: The Amateur Sporting Tax Credit sunsets August 28, 2019.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (annual projection)	FY 2015 (budget year)
Certificates issued (#)	0	0	0	0	0	3
Projects (#)	0	0	0	0	0	3
Amount Authorized	\$0	\$0	\$0	\$0	\$1,000,000	\$3,000,000
Amount Issued	\$0	\$0	\$0	\$0	\$100,000	\$0
Amount Redeemed	\$0	\$0	\$0	\$0	\$100,000	\$0
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A



Comments on Historical and Projected Information:

BENEFIT-COST ANALYSIS: (includes only state revenue impacts)
 Derivation of Benefits:
 FY 2013 ACTIVITY
 Other Fiscal Period (indicated time period)

TAX CREDIT ANALYSIS

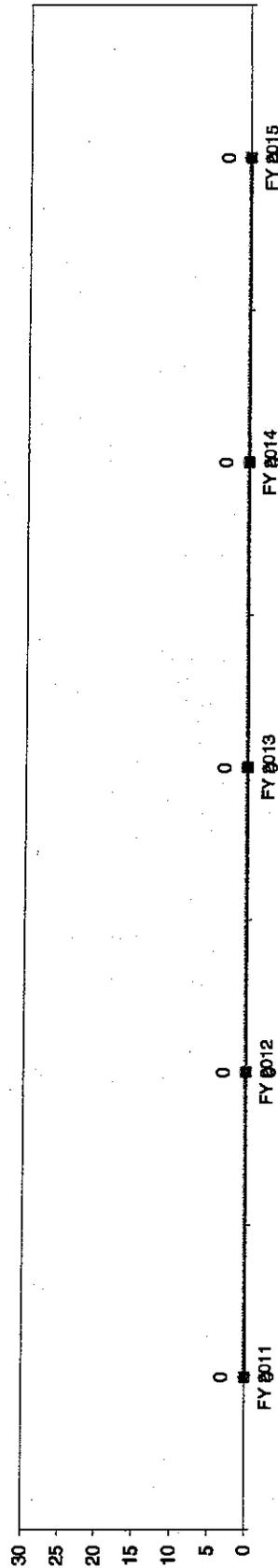
Program Name: Amateur Sporting Tax Credit

BENEFITS		#DIV/0!
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		#DIV/0!
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

Other Benefits:

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:

**AMATEUR SPORTING TAX CREDIT PROGRAM
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT**

PURPOSE

To incentivize donations to certified sponsors and local organizing committees.

AUTHORIZATION

Section 67.3005, RSMo

ELIGIBLE APPLICANTS

Certified sponsors and local organizing committees.

PROGRAM BENEFITS/ELIGIBLE USES

The Program provides tax credits to those making eligible donations to certified sponsors and local organizing committees. The tax credits are applied for by the certified sponsors and local organizing committees and are equal to 50% of the eligible donation.

Tax Credits can be applied to:

- Ch. 143 – Income Tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The special attributes of the tax credits include:

- Useable within 1 year of the tax year the tax credit is issued
- Sellable and transferable

FUNDING LIMITS

The program has an overall cap of \$10 million for each state fiscal year. The program will sunset on August 28, 2019.

APPLICATION/APPROVAL PROCEDURE

Applications are submitted for review to the Department of Economic Development along with payment of the Issuance Fee.

REPORTING REQUIREMENTS

Please contact the Department of Revenue for details on the Reporting Requirements of this program.

SPECIAL PROGRAM REQUIREMENTS

Applicants must submit an Issuance Fee payment to the Department of Economic Development equal to 50% of the claimed eligible donation in order for a donor to be issued tax credits under this program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Development Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-526-0748 • Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov • Web: www.ded.mo.gov

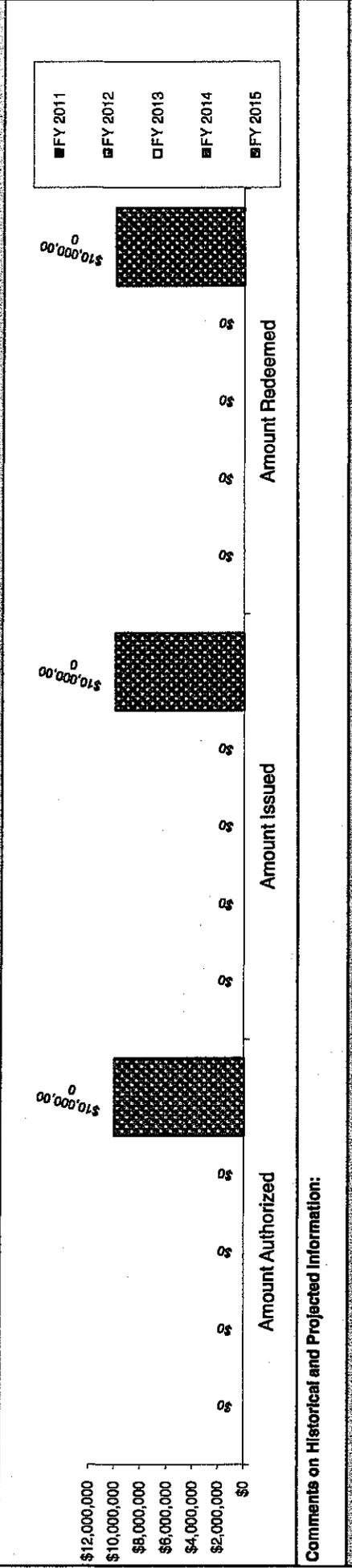
DRAFT

Program Name: Amateur Sporting Contribution Tax Credit
Department: Economic Development
Contact Name & No.: Nathan Potter (573) 522-8006
Date: January 2014
Program Category: Type: Tax Credit Other (specify) _____
Statutory Authority: 67.3005
Applicable Taxes: Income tax, bank tax, insurance premium tax, other financial institutions tax
Program Description and Eligibility Requirements:
 This program provides a tax credit to taxpayers making eligible donations to "certified sponsors" and "local organizing committees". Certified sponsors and local organizing committees must provide the State with payment
Explanation of How Award Is Computed:
 Entitlement Discretionary _____
 Taxpayers can receive tax credits equal to 50% of an eligible donation to an eligible applicant.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$10 million. None _____
Explanation of cap:
 No more than \$10 million dollars in tax credits can be issued in a given fiscal year.
Explanation of Expiration of Authority: The Amateur Sporting Tax Credit sunsets August 28, 2019.

Specific Provisions: (if applicable)
 Carry forward 2 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (annual projection)	FY 2015 (budget year)
Certificates Issued (#)	0	0	0	0	0	45
Projects (#)	0	0	0	0	0	20
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$10,000,000
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$10,000,000
Amount Redeemed	\$0	\$0	\$0	\$0	\$0	\$10,000,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A



Comments on Historical and Projected Information:

BENEFIT COST ANALYSIS (includes only state revenue impacts)

FY 2013 ACTIVITY	Other Fiscal Period (Indicated time period)	Derivation of Benefits:

TAX CREDIT ANALYSIS

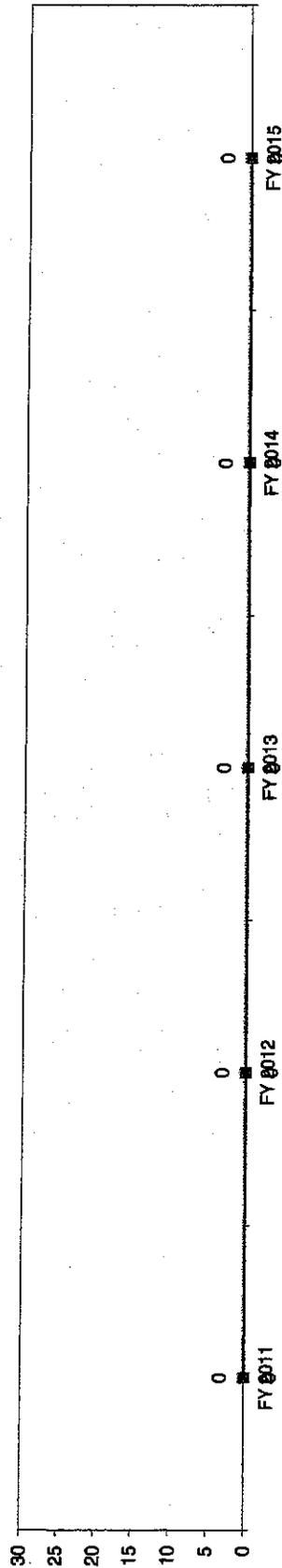
Program Name: Amateur Sporting Contribution Tax Credit

BENEFITS		#DIV/0!
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		#DIV/0!
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		#DIV/0!

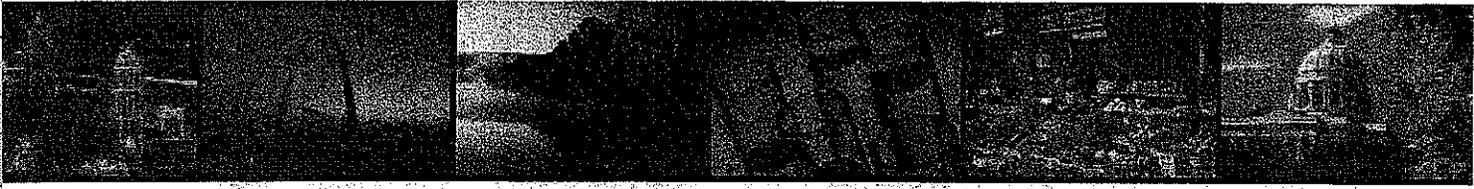
Other Benefits:

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:



BROWNFIELD REDEVELOPMENT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides financial incentives for the redevelopment of commercial/industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years.

AUTHORIZATION

Sections 447.700 to 447.718, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any Missouri taxpayer is eligible to participate in the program.

ELIGIBILITY CRITERIA

- The applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project.
- If the property is not owned by a public entity, the city or county must endorse the project.
- The project must be accepted into the "Voluntary Cleanup Program" of the Missouri Department of Natural Resources (DNR).
- The project must be projected by the Missouri Department of Economic Development (DED) to result in the creation of at least ten new jobs or the retention of 25 jobs by a private commercial operation.

PROGRAM BENEFITS/ELIGIBLE USES

• Remediation Tax Credits

DED may issue tax credits for up to 100% of the cost of remediating the project property. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR. The tax credit may also include up to 100 percent of the costs of demolition that are not directly part of the remediation activities, provided that the

demolition is on the property where the voluntary remediation activities are occurring, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development. The demolition may occur on an adjacent property if the project is located in a municipality which has a population less than twenty thousand and the above conditions are otherwise met. The adjacent property shall independently qualify as abandoned or underutilized. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation.

The tax credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

The remediation tax credit's special attributes:

- Carry forward 20 years
- Sellable or transferable

FUNDING LIMITS

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED.

The amount of remediation tax credits issued must be the least amount necessary to cause the project to occur.

Revised December 2010

APPLICATION/APPROVAL PROCEDURE

An applicant must submit an application to DED for determination of eligibility and request for remediation tax credits.

An application must also be submitted to the Department of Natural Resources (DNR) for participation in the "Voluntary Cleanup Program." Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from DED will not be eligible for tax credits and may jeopardize the project's overall eligibility for the program.

Applications may be submitted year-round. Each application is reviewed on a case-by-case basis.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

Credits are subject to 2.5% issuance fee.

CONTACT

Missouri Department of Economic Development

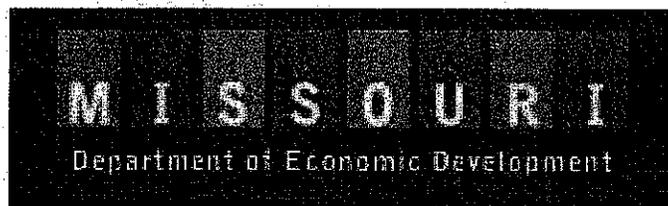
Division of Business and Community Services
Development Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Department: Economic Development **Contact Name & No.:** Nathan Potter 522-8006 **Date:** January 2014

Program Category: Redevelopment **Type:** Tax Credit Other (specify) _____

Statutory Authority: 447.700 - 718, RSMo **Applicable Taxes:** Income tax; Corporate Franchise tax; bank tax; insurance premium tax; other financial institutions tax

Program Description and Eligibility Requirements:
Credit for businesses at a contaminated site that successfully participates in VCP. For eligibility, the property must be 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
Combination of benefits of the BFC and EZ Programs, resulting in up to \$600 in credits for each new or retained job, up to an additional \$400 per new or retained job that exceeds 10 new jobs; And \$400 per employee for workers who are difficult to employ or are eligible for certain relief programs; and a 2% investment credit, (each year for up to 10 years). Total benefits to project capped by state economic benefit of project.

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

Explanation of cap: _____

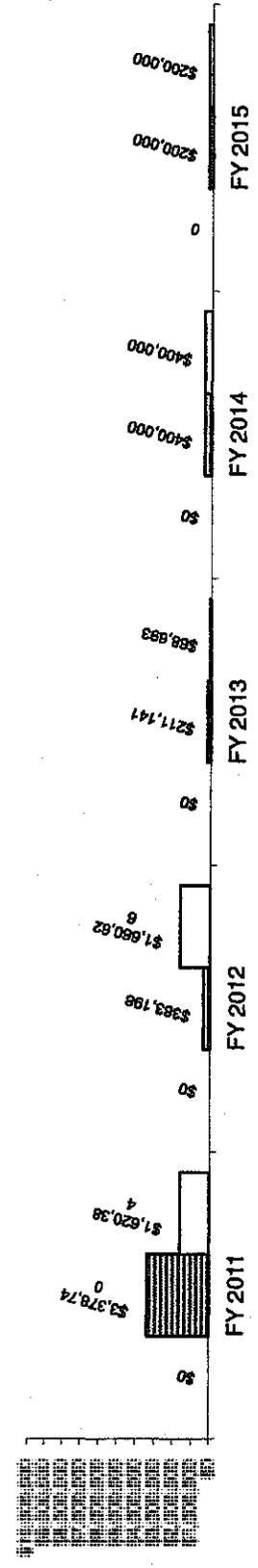
Explanation of Expiration of Authority: _____

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable (at DED discretion) Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: _____

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	4	2	2	0	2	2
Projects (#)	3	2	2	0	2	1
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$3,378,740	\$383,198	\$211,141	\$0	\$400,000	\$200,000
Amount Redeemed	\$1,620,384	\$1,660,626	\$68,693	\$103,830	\$400,000	\$200,000
EST. Amount Outstanding	N/A	N/A	\$525,646	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	N/A	N/A	N/A	N/A

Amount Authorized
 Amount Issued
 Amount Redeemed



Comments on Historical and Projected Information: _____

Program Name: Brownfield Jobs/Investment

TAX CREDIT ANALYSIS

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

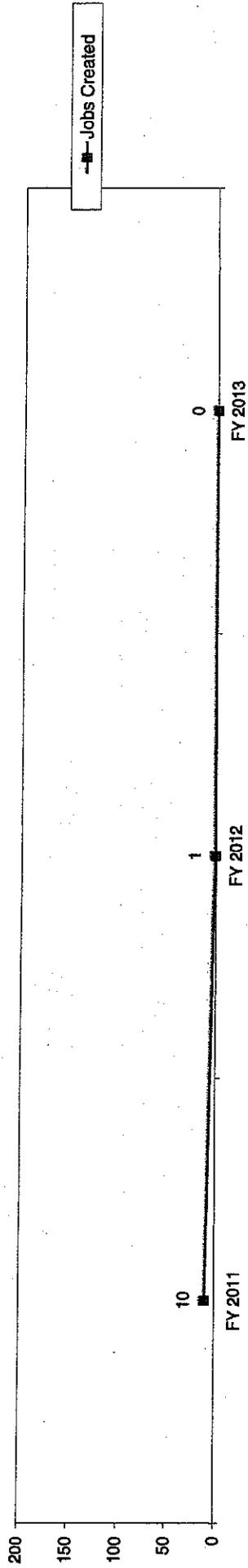
Derivation of Benefits:

No New Authorizations in FY 2013.

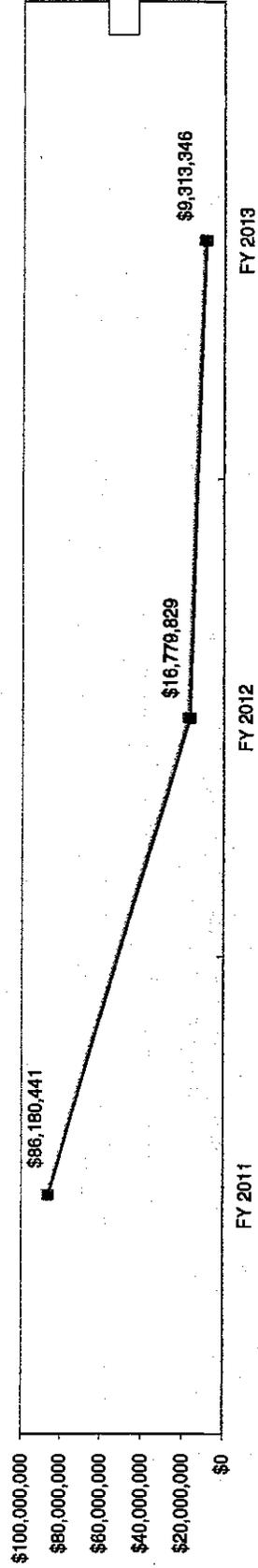
	FY 2013 ACTUAL	Other Fiscal Period 12 Years
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	\$0	\$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	\$0	\$0
BENEFIT: COST	0.00	0.00

PERFORMANCE MEASURE(S)

Jobs Created



Investment



Comments on Performance Measure:

Department: Economic Development **Contact Name & No.:** Nathan Potter 522-8006 **Date:** January 2014

Program Category: Redevelopment **Type:** Tax Credit 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
 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.

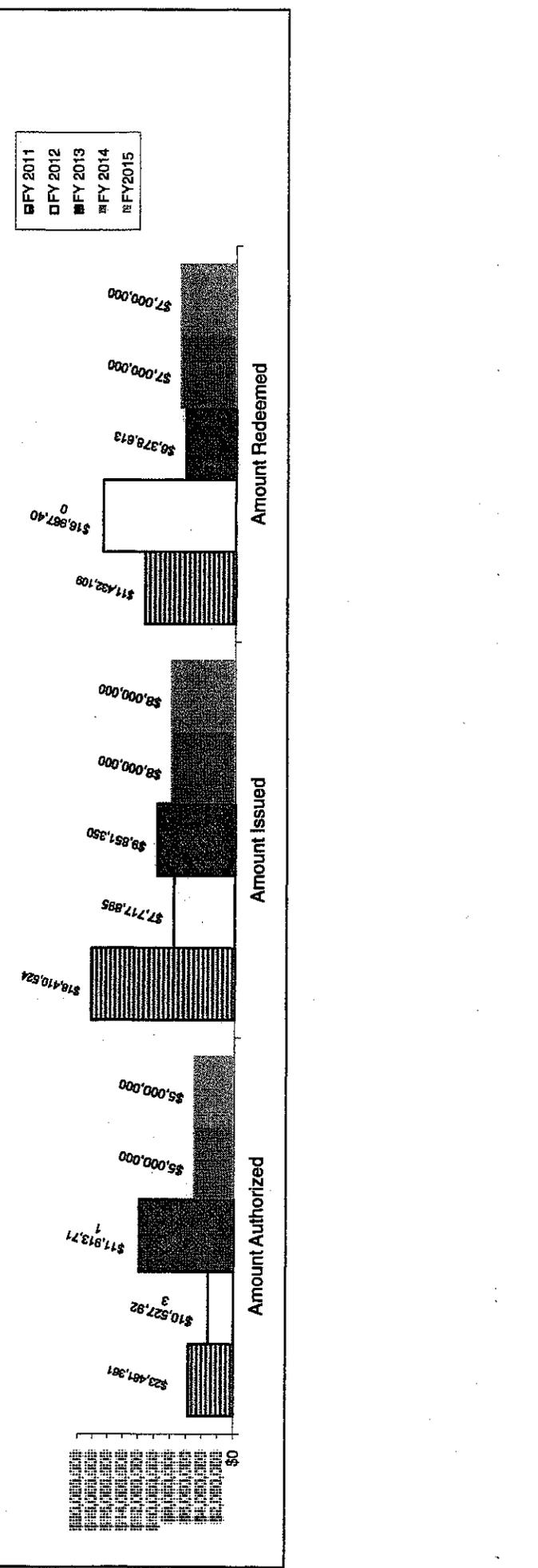
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None X

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	60	36	43	5	40	40
Projects (#)	27	14	11	4	22	22
Amount Authorized	\$5,734,035	\$3,234,873	\$11,913,711	\$0	\$5,000,000	\$5,000,000
Amount Issued	\$18,410,524	\$7,717,895	\$9,851,350	\$1,037,965	\$8,000,000	\$8,000,000
Amount Redeemed	\$11,432,109	\$16,967,400	\$6,378,613	\$4,114,705	\$7,000,000	\$7,000,000
EST. Amount Outstanding	N/A	N/A	\$20,749,971	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$26,325,613	N/A	N/A	N/A



TAX CREDIT ANALYSIS

Program Name: Brownfield Remediation
 Comments on Historical and Projected Information:

BENEFIT-COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period 10 Years
BENEFITS		
Direct Fiscal Benefits	\$1,017,107	\$31,621,421
Indirect Fiscal Benefits	\$580,287	\$18,040,873
Total	\$1,597,394	\$49,662,294
COSTS		
Direct Fiscal Costs	\$5,956,856	\$11,839,355
Indirect Fiscal Costs	\$0	\$0
Total	\$5,956,856	\$11,839,355
BENEFIT: COST	0.27	4.19

Derivation of Benefits:

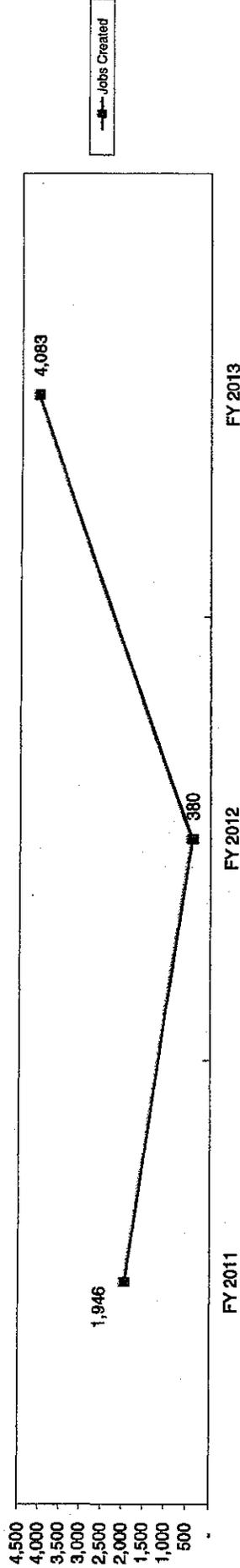
Investment: (a) \$74,203,886 in Non-Residential Investment spending in 2013-2014. (b) \$14,220,000 in Durable Equipment spending in 2013-2014. (c) \$9,222,000 in property acquisition cost resulting in \$553,320 in Real Estate fees in 2013. Employment: (a) 1,290 jobs in Manufacturing, Warehouse, Professional/Technical, and Administrative Services in 2014-2022. (b) 257 jobs in Retail and Real Estate Services in locally competitive markets in 2014-2022. Other Assumptions: (a) real wage growth starting in 2014. Incentives/Credits: (a) \$11,913,711 in Brownfield Remediation tax credits over years 2013-2014. Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+. The multi-year fiscal Benefit-Cost Ratio is 3.61 when other program incentives are included.

Other Benefits:
 In FY 2013, every dollar of authorized program tax credits returns \$3.08 in new personal income totaling \$18.34 million
 \$4.34 in new value-added/GSP totaling \$25.85 million
 \$7.78 in new economic output totaling \$46.33 million

Over 10 years, every dollar of authorized program tax credits returns \$102.13 in new personal income totaling \$1,209.14 million
 \$134.70 in new value-added/GSP totaling \$1,594.82 million
 \$202.00 in new economic output totaling \$2,391.60 million n

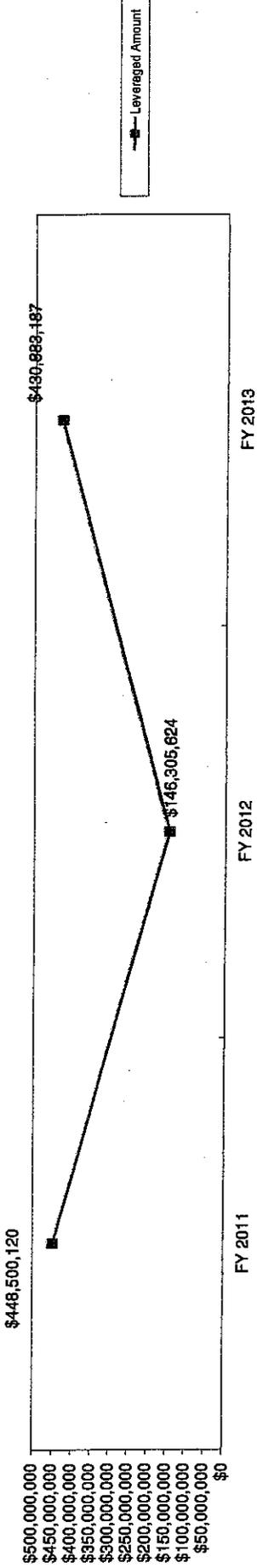
PERFORMANCE MEASURE(S)

Jobs Created



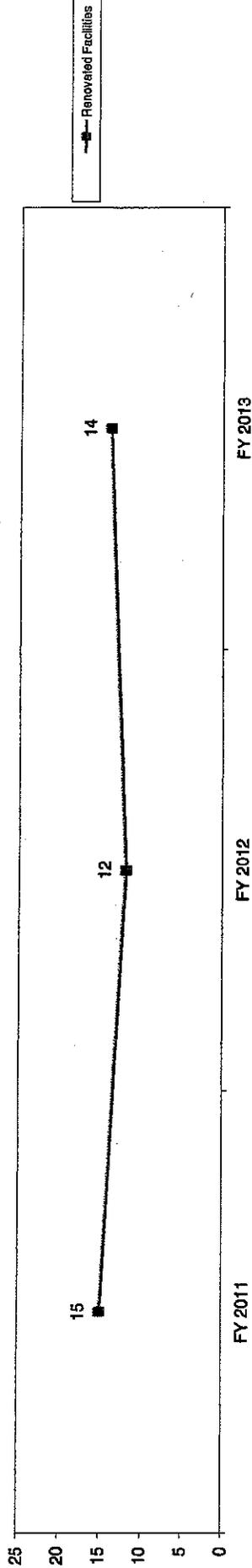
Comments on Performance Measure:

Leverage Amount



Comments on Performance Measure:

Renovated Facilities



Comments on Performance Measure:



HISTORIC PRESERVATION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide an incentive for the redevelopment of commercial and residential historic structures in Missouri.

AUTHORIZATION

Sections 253.545 to 253.559, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any taxpayer is eligible to participate in this program. Not-for-profit entities and government entities are ineligible.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 10 years
- Sellable or transferable

FUNDING LIMITS

- Effective 1/1/2010, there is a program cap of \$70 million for projects receiving tax credits over \$275,000.
- Effective 7/1/2010, the cap is \$140 million for projects receiving tax credits over \$275,000.
- Owner occupied residential has a project cap of \$250,000 and projects receiving less than \$275,000 do not fall under the program cap.

APPLICATION/APPROVAL PROCEDURE

An application is submitted to the Missouri Department of Economic Development (DED), which will then be submitted to the State Historic Preservation Office to determine the eligibility of the property and proposed rehabilitation, based on the standards of the U.S. Department of the Interior. There are no application deadlines, and the program is non-competitive.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

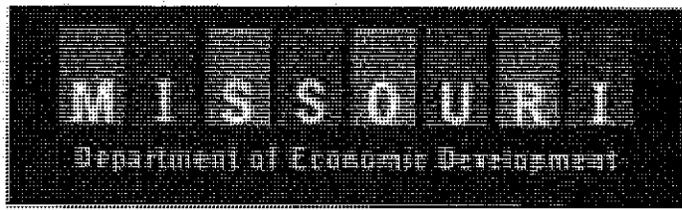
An eligible property must be:

- listed individually on the National Register of Historic Places;
- certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register; or
- of a local historic district that has been certified by the U.S. Department of the Interior.

The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property (acquisition cost).

CONTACT

Missouri Department of Economic Development
 Division of Business and Community Services
 Development Finance Team
 301 West High Street • Room 770 • P.O. Box 118
 Jefferson City • MO • 65102
 Phone: 573-522-8004 • Fax: 573-522-9462
 E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised April 2010

Program Name: Historic Preservation (HTC) **Contact Name & No.:** Nathan Potter 522-8006 **Date:** November 2014

Department: Economic Development **Type:** Tax Credit Other (specify) _____

Program Category: Redevelopment **Applicable Taxes:** Income tax, bank tax, insurance premium tax, other financial institutions tax

Statutory Authority: 253.545 -253.561, FSMo

Program Description and Eligibility Requirements:
25% credit issued for qualified rehabilitation costs on historic structures. Individuals, organizations and businesses which have a Missouri liability are eligible to apply.

Explanation of How Award is Computed:
Entitlement Discretionary _____

Applicant applies to DED at beginning of project to receive preliminary approval. Along with application requirements, proposed work is reviewed by DNR SHPO. After work is complete, applicant files second application along with proof of expenses. Credits are issued after project has met program requirements and work is complete. This is a fiscal year program.

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

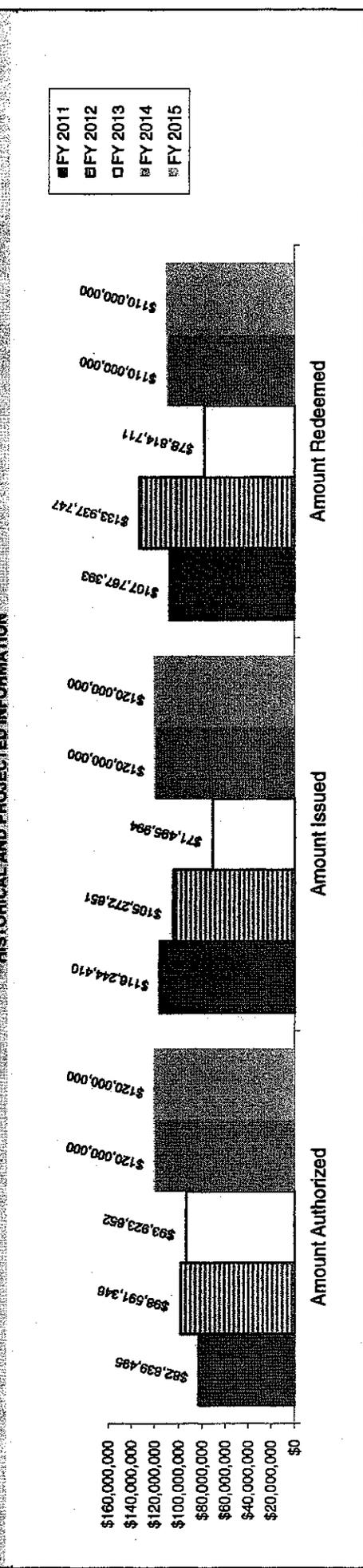
Explanation of cap:
January 1, 2010 - June 30, 2010 cap is \$70M; Beginning FY 11 cap is \$140M /FY. Projects not under cap: Owner-occupied residences (capped at \$250,000 in credits) and projects to receive \$275,000 in credits.

Explanation of Expiration of Authority: 253.550, RSMo

Specific Provisions: (if applicable)
Carry forward 10 years Carry Back 3 years Refundable _____ Sellable/Assignable Additional Federal Tax Credits Available

Comments on Specific Provisions: 20% Federal Historic Credit

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	161	178	142	59	204	204
Projects (#)	161	178	118	51	170	170
Amount Authorized	\$82,839,495	\$98,591,346	\$93,923,652	\$59,921,928	\$120,000,000	\$120,000,000
Amount Issued	\$116,244,410	\$105,272,651	\$71,495,994	\$19,343,617	\$120,000,000	\$120,000,000
Amount Redeemed	\$107,767,393	\$133,937,747	\$78,814,711	\$50,811,379	\$110,000,000	\$110,000,000
EST. Amount Outstanding	N/A	N/A	\$76,919,769	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$237,936,635	N/A	N/A	N/A



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Historic Preservation (HTC)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period 10-Year
BENEFITS		
Direct Fiscal Benefits	\$642,220	\$5,861,389
Indirect Fiscal Benefits	\$2,033,472	\$18,559,012
Total	\$2,675,692	\$24,420,401
COSTS		
Direct Fiscal Costs	\$18,784,730	\$91,076,856
Indirect Fiscal Costs	\$0	0
Total	\$18,784,730	\$91,076,856
BENEFIT: COST	0.14	0.27

Derivation of Benefits:

Investment: (a) \$142,290,756 in Residential investment spending in 2013-2017. (b) \$233,403,851 in Non-Residential investment spending in 2013-2017.
 Employment: (a) 1,043 jobs across various industries in local competitive markets at average wage rates in 2018-2022.

Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$93,923,652 in Historic Preservation tax credits over years 2013-2017.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost ratio is 0.19 when other program incentives are included.

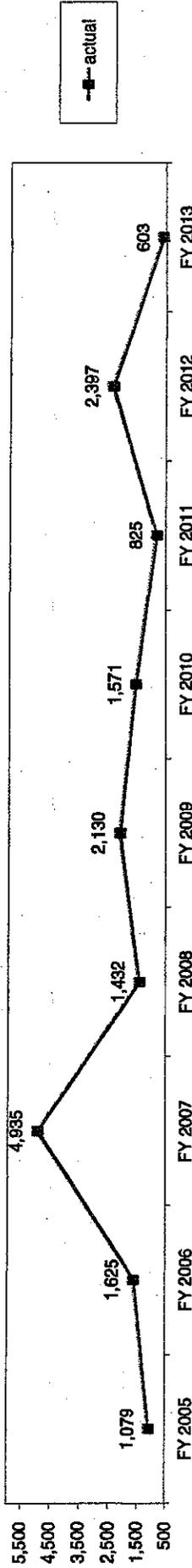
Other Benefits:
 In FY 2013, every dollar of authorized program tax credits returns
 \$1.96 in new personal income totaling \$36.74 million
 \$2.80 in new value-added/GSP totaling \$52.64 million
 \$5.02 in new economic output totaling \$94.39 million

Over 10 years, every dollar of authorized program tax credits returns
 \$4.86 in new personal income totaling \$442.54 million
 \$7.31 in new value-added/GSP totaling \$665.77 million
 \$11.34 in new economic output totaling \$1,033.17 million

PERFORMANCE MEASURES(S)

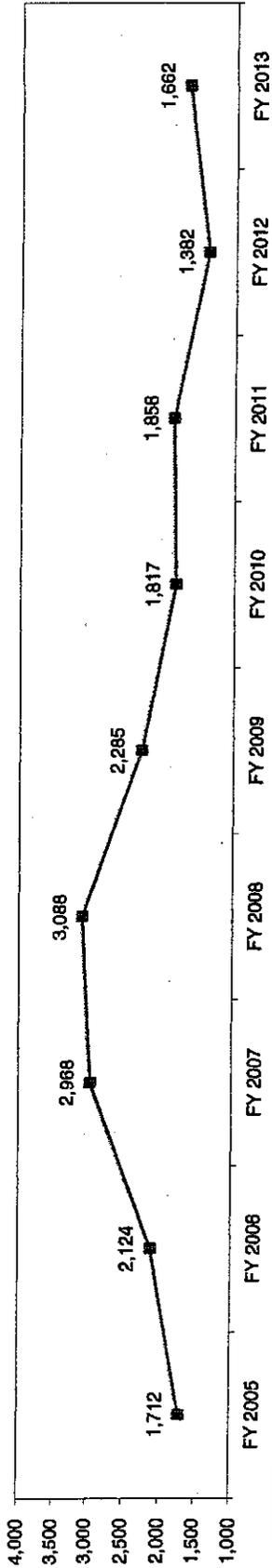
Other Benefits:

Jobs Created



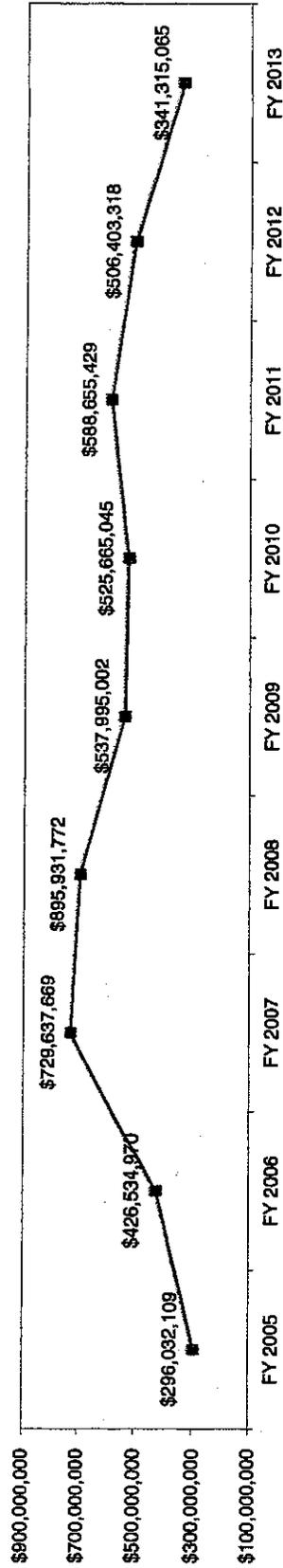
Comments on Performance Measure:

Housing Units



Comments on Performance Measure:

Amount Leveraged



Comments on Performance Measure:



LAND ASSEMBLAGE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Support redevelopment of blighted areas into productive use.

AUTHORIZATION

Section 99.1205, RSMo. (HB1, Special Session, 2007).

ELIGIBLE AREAS

- An area of at least 75 acres;
- At least 80% must be within a Distressed Area (applicable to other DED programs) or a federal "Qualified Census Tract" (26 U.S.C. Section 42);
- The redeveloper must acquire at least 50 acres of the area;
- The average parcels per acre must be four or more; and
- Less than five percent of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences.

ELIGIBLE APPLICANTS

Redeveloper, which is a person, firm, partnership, trust, limited liability company, or corporation.

ELIGIBILITY CRITERIA

The redeveloper must have incurred acquisition cost for at least 50 acres of eligible parcels, have been appointed the redeveloper of the area by a city or county, have entered into a redevelopment agreement, and have been approved for redevelopment incentives for the area.

PROGRAM BENEFITS/ELIGIBLE USES

State tax credits are provided to the redeveloper based on 50% of the acquisition costs and 100% of the interest costs incurred for a period of five years after the acquisition of an eligible parcel. Maintenance costs (boarding up and securing vacant structures, costs of removing trash, and costs of cutting grass and weeds) may also be included as acquisition costs.

FUNDING LIMITS

- Maximum aggregate amount of tax credits for all projects: \$95 million.
- Maximum annual amount of tax credits, all projects (by one or more redevelopers): \$20 million. If the amount to be issued to more than one redeveloper exceeds \$20 million/year, the amount will be pro-rated between the redevelopers. Any amount of tax credits that exceeds the \$20 million annual cap shall be carried forward for the benefit of the redevelopers to subsequent years.

APPLICATION/APPROVAL PROCEDURE

A redeveloper may submit an application to the Department of Economic Development (DED). The redeveloper must identify the boundaries of the eligible project area in the application. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act and municipal ordinances.

REPORTING REQUIREMENTS

Redevelopers must submit satisfactory evidence of all acquisition, maintenance, and interest costs to DED annually prior to November 15. If maintenance costs are to be included, DED must post on its website the type and amount of such costs.

SPECIAL PROGRAM REQUIREMENTS

- No tax credits shall be authorized after August 28, 2013. Any tax credits which have been authorized on or before August 28, 2013, but not issued, may be issued, subject to the limitations provided under this subsection, until all such authorized tax credits have been issued.
- Tax credits may be applied against the taxes imposed under chapters 143, 147, and 148, RSMo, except for sections 143.191 to 143.265, RSMo, or any unused portion may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148, RSMo, for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265.
- Unused tax credits may be sold, assigned, or transferred. Such transfer must be submitted to DED on Form MO-TF.

CONTACT

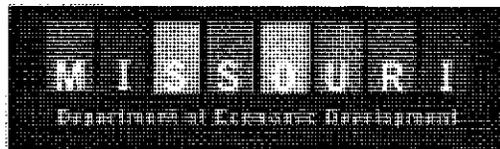
Missouri Department of Economic Development
Division of Business and Community Services
Development Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised August 2009

Program Name: Distressed Areas Land Assemblage
Department: Economic Development
Contact Name & No.: Nathan Potter 522-8006
Date: January 2014
Program Category: Redevelopment
Type: Tax Credit **Other (specify)** _____
Statutory Authority: 99.1205
Applicable Taxes: Income tax, bank tax, insurance premium tax, other financial institutions tax
Program Description and Eligibility Requirements:
 Applicant that has incurred, within an eligible project area, acquisition costs for the acquisition of 50 acres of at least seventy-five acres and whom has been appointed by the local municipality as the redeveloper of the redevelopment area is entitled to a tax credit of fifty percent of the interest costs and one hundred percent of the interest costs incurred for a period of five years after the acquisition of an eligible parcel.
Explanation of How Award is Computed:
 Entitlement Discretionary _____
Program Cap: Cumulative \$.95M (remainder of cumulative cap) \$ _____ Annual \$.20M _____ None _____
Explanation of cap:
 Tax credits that will exceed the \$20M in any year shall either be issued to one applicant, if there is only one applicant, or issued on a pro rata basis to all applicants entitled to receive tax credits in that year. Any

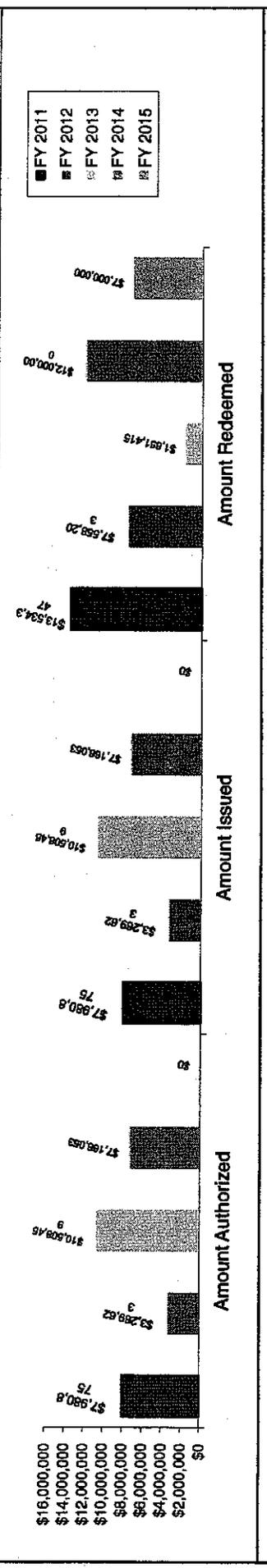
Explanation of Expiration of Authority: No tax credits shall be authorized after 8/28/2013.

Specific Provisions: (if applicable)
 Carry forward 6 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	1	2	3	4	2	0
Projects (#)	1	0	1	2	2	0
Amount Authorized	\$7,980,875	\$3,269,623	\$10,508,459	\$7,201,468	\$7,166,053	\$0
Amount Issued	\$7,980,875	\$3,269,623	\$10,508,459	\$5,519,402	\$7,166,053	\$0
Amount Redeemed	\$13,534,347	\$7,558,203	\$1,651,415	\$7,300,924	\$12,000,000	\$7,000,000
EST. Amount Outstanding	N/A	N/A	\$12,186,039	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Distressed Areas Land Assemblage

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (5-Year)
BENEFITS		
Direct Fiscal Benefits	\$60,676	\$78,694
Indirect Fiscal Benefits	\$20,774	\$28,943
Total	\$81,451	\$105,637
COSTS		
Direct Fiscal Costs	\$7,881,344	\$10,475,666
Indirect Fiscal Costs	\$0	\$0
Total	\$7,881,344	\$10,475,666
BENEFIT: COST	0.01	0.01

Derivation of Benefits:

Investment: (a) \$18,579,780 in property acquisition cost resulting in Real Estate fees of \$1,114,787. (b) \$1,408,728 in brokerage, loan, and interest fees to Banks through 2017. (c) \$112,511 in Maintenance spending through 2017.

Employment: (a) N/A

Other Assumptions: (a) N/A

Incentives/Credits: (a) \$10,508,459 in DALA tax credits over years 2013-2014.

Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PH.

Over 20 years the developer expects area employment to reach 22,000 if all project facilities are built to original plan however specific figures are not available at this time.

Other Benefits:

In FY 2013, every dollar of authorized program tax credits returns

\$0.04 in new personal income totaling \$0.34 million

\$0.23 in new value-added/GSP totaling \$1.83 million

\$0.35 in new economic output totaling \$2.78 million

Over 5 YEARS, every dollar of authorized program tax credits returns

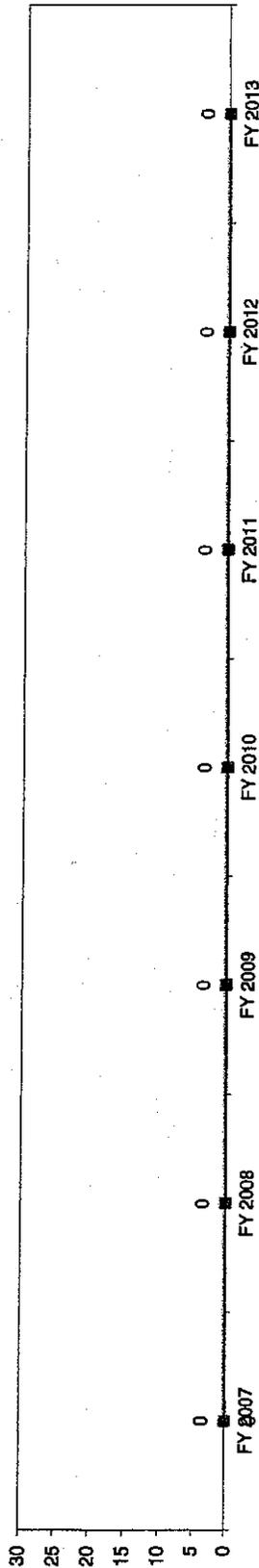
\$0.07 in new personal income totaling \$0.73 million

\$0.24 in new value-added/GSP totaling \$2.53 million

\$0.37 in new economic output totaling \$3.88 million

PERFORMANCE MEASURE(S)

Parcels of land redeveloped



Comments on Performance Measure:



NEIGHBORHOOD PRESERVATION ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To provide an incentive for the rehabilitation or construction of owner-occupied homes in certain areas of the state.

AUTHORIZATION

Sections 135.475 to 135.487, RSMo

ELIGIBLE AREAS

"Qualifying Areas" include "distressed communities," as defined in 135.530, RSMo, and areas with a median household income of less than 70% of the median household income for the applicable MSA or non-MSA.

"Eligible Areas" with a median household income of 70% to 89% of the median household income for the applicable MSA or non-MSA.

ELIGIBLE APPLICANTS

Any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area.

PROGRAM BENEFITS/ELIGIBLE USES

The Department of Economic Development (DED) issues state tax credits to a homeowner who rehabilitates a home or to a homeowner or developer that constructs a new home for owner-occupancy in certain areas of the state.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The maximum credits available are \$8 million for Qualifying Areas and \$8 million for Eligible Areas.

The credits for a project are determined as follows:

- New Residences in Eligible Areas – 15% of eligible costs, tax credits cannot exceed \$25,000 per residence;
- New Residences in Qualifying Areas – 15% of eligible

costs, tax credits cannot exceed \$40,000 per residence;

- Substantial Rehabilitation in Eligible Areas – 25% of eligible costs, minimum costs \$10,000, tax credits cannot exceed \$25,000 per residence;
- Substantial Rehabilitation in Qualifying Areas – 35% of eligible costs, minimum costs the greater of \$5,000 or 50% of the purchase price, tax credit cannot exceed \$70,000 per residence.
- Non-substantial Rehabilitation in Qualifying Areas – 25% of eligible costs, minimum costs \$5,000, tax credits cannot exceed \$25,000 per residence.

APPLICATION/APPROVAL PROCEDURE

A pre-application is submitted to DED that includes cost estimates and scope of work. Applications will be accepted during an application cycle starting in September and ending in mid-November. The applications are granted preliminary approval based on a lottery process.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

Tax credits may not be claimed in addition to any other state tax credits, with the exception of the Historic Preservation tax credit authorized by sections 253.545 to 253.559, RSMo. If Historic Preservation tax credits are claimed, the maximum available credits under this program will be the lesser of 20% of the eligible costs or \$40,000.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services
Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

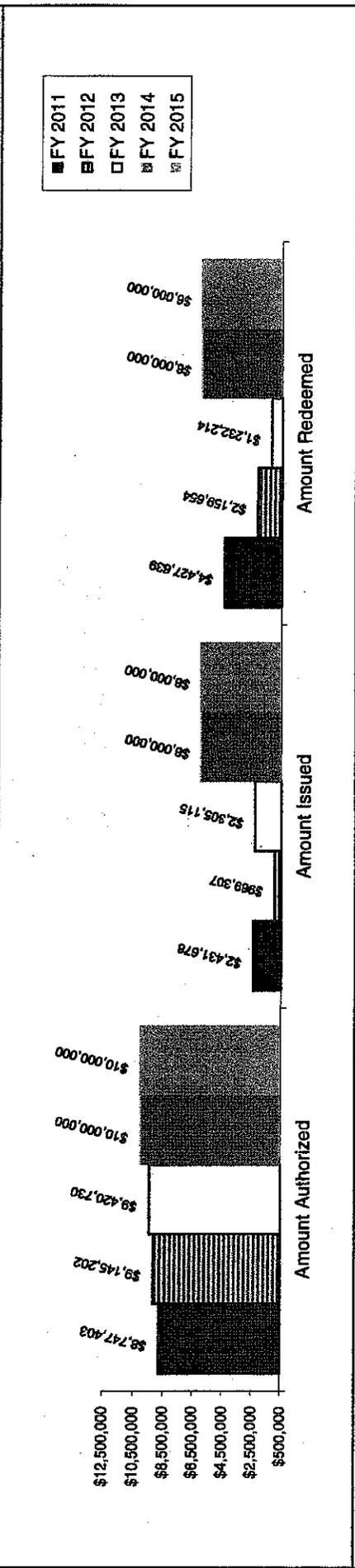
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Program Name: Neighborhood Preservation Tax Credit (NPA) **Contact Name & No.:** Nathan Potter 522-8006 **Date:** January 2014
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Housing **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax
Statutory Authority: 135.475 - 135.487, RSMo
Program Description and Eligibility Requirements:
 Provide an incentive for homeowners in certain lower income areas to rehabilitate their home, or incentive for "in-fill" new construction of owner-occupied housing. Geographic eligibility restrictions; age of home restrictions; must be residence intended for owner-occupancy.
Explanation of How Award is Computed:
 Entitlement Discretionary _____
 Tax Credit of 25% - 35% of eligible renovation costs, or 15% of new construction. This is a calendar year program.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million _____ None _____
Explanation of cap:
 \$8M for qualifying areas (as defined by law). Credits are awarded on a first-come first-served basis by utilizing a lottery system.
Explanation of Expiration of Authority:
 Specific Provisions: (if applicable)
 Carry forward 5 years Carry Back 3 years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	97	41	86	21	150	150
Projects (#)	97	41	86	21	150	150
Amount Authorized	\$8,747,403	\$9,145,202	\$9,420,730	\$0	\$10,000,000	\$10,000,000
Amount Issued	\$2,431,678	\$669,307	\$2,305,115	\$635,944	\$6,000,000	\$6,000,000
Amount Redeemed	\$4,427,639	\$2,159,654	\$1,232,214	\$1,399,537	\$6,000,000	\$6,000,000
EST. Amount Outstanding	N/A	N/A	\$2,903,344	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$36,858,191	N/A	N/A	N/A



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit (NPA)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period 5 Years
BENEFITS		
Direct Fiscal Benefits	\$1,020,513	\$1,217,353
Indirect Fiscal Benefits	\$156,674	\$186,894
Total	\$1,177,187	\$1,404,247
COSTS		
Direct Fiscal Costs	\$9,420,730	\$9,420,730
Indirect Fiscal Costs	\$0	0
Total	\$9,420,730	\$9,420,730
BENEFIT: COST	0.12	0.15

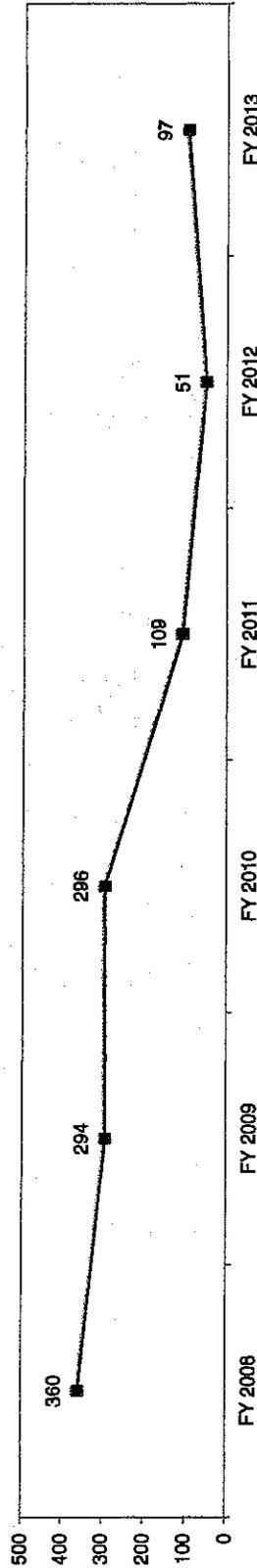
Derivation of Benefits:
 Investment: (a) \$56,375,793 in Residential Investment spending in 2013.
 Employment: (a) N/A
 Other Assumptions: (a) N/A
 Incentives/Credits: (a) \$9,420,730 in NPA credits in year 2013.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost Ratio is 0.12 when other program incentives are included.

Other Benefits:
 In FY2013, every dollar of authorized program tax credits returns
 \$1.83 in new personal income totaling \$15.32 million
 \$2.52 in new value-added/GSP totaling \$23.77 million
 \$4.44 in new economic output totaling \$41.87 million

Over 5 years, every dollar of authorized program tax credits returns
 \$3.03 in new personal income totaling \$28.53 million
 \$3.57 in new value-added/GSP totaling \$33.60 million
 \$8.10 in new economic output totaling \$57.50 million

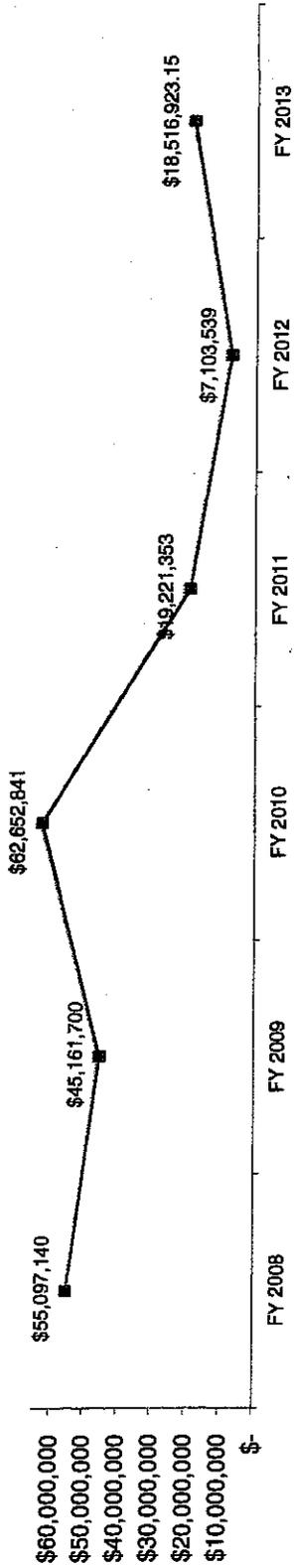
PERFORMANCE MEASURE(S)

Housing Units



Comments on Performance Measure:

Amount Leveraged



Comments on Performance Measure:



NEW MARKETS TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide supplemental funding for investment entities that have been approved for the Federal New Markets Tax Credit (NMTC) program in order to direct more funding to Missouri projects. The NMTC program provides state and federal tax credits to investors that make investments into approved funds, which will make investments in eligible projects located in low income census tracts in Missouri.

This program does not provide tax credits directly to businesses. Eligible businesses interested in obtaining funding should contact the approved "Community Development Entities" that are listed on the website below.

AUTHORIZATION

Section 135.680, RSMo, enacted in 2007.

ELIGIBLE AREAS

Low-income communities (LIC) are census tracts that have a poverty rate of 20% or more, or the median income is below 80% of the greater than (a) statewide median income; or (b) metropolitan median income.

ELIGIBLE APPLICANTS

Community Development Entities (CDEs) which have been allocated federal New Markets Tax Credits for Missouri. The state New Markets Tax Credits are provided to investors, which invest in the funds established by a CDE for projects in Missouri.

ELIGIBILITY CRITERIA

A CDE may make an investment (loan or equity) into a **Qualified Active Low-Income Community Business (QALICB)**, which is any corporation (including a nonprofit corporation) or partnership which meets the following criteria for any taxable year:

- At least 50 percent of total gross income of the QALICB is derived within any Low-Income Community.
- A substantial portion of the use of the tangible property of the QALICB (whether owned or leased) is within any Low-Income Community.
- A substantial portion of the services performed of the QALICB by its employees are performed in any Low-Income Community.
- Less than 5 percent of the average of the aggregate unadjusted bases of the property of the QALICB is

attributable to collectibles, other than collectibles that are held primarily for sale to customers in the ordinary course of such business; and

- Less than 5 percent of the average of the aggregate unadjusted bases of the property of the QALICB is attributed to nonqualified financial property.

Any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate shall not be considered to be a QALICB.

PROGRAM BENEFITS/ELIGIBLE USES

The tax credit amount shall be equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified investment:

- 0% for each of the first 2 credit allowance dates;
- 7% for the third credit allowance date;
- 8% for the next four credit allowance dates

FUNDING LIMITS

The amount of tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed.

The maximum state tax credit in any fiscal year for all CDEs is \$25 million. There is no limit per CDE, and state tax credits are allocated on a first come basis.

APPLICATION/APPROVAL PROCEDURE

CDEs that have been certified by the Federal NMTC program are eligible to apply for the state NMTC program. The state application will be a two-part process:

- The CDE submits an application to the Department of Economic Development (which is available on the website below).
- Once eligibility is determined, DED will send a preliminary approval letter to the applicant CDE, which will include an allocated amount of NMTC contingent upon qualified investments being made within 30 days of the date of the preliminary approval letter.
- If an approved CDE is not successful in gaining proof of the investment, the CDE will be required to reapply and will be required to obtain a commitment that secures the investment in the amount of the application to accompany the new submittal.

Revised February 2010

REPORTING REQUIREMENTS

Twelve months from the date of the official allocation letter, the Applicant CDE must notify DED where the QEI was invested, provide adjusted purchase price, Senator and Representative information on where investment was made, and how much of a tax credit will be available for the taxpayer.

SPECIAL PROGRAM REQUIREMENTS

- The tax credit is not refundable or transferable. Any amount of credit that cannot be used in the taxable year may be carried forward to any of the taxpayer's five subsequent taxable years.
- Tax credits earned by a partnership, limited liability company, S-corporation, or other "pass through" entity may be allocated to the partners, members or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders.
- Qualified investments shall not be made following fiscal year 2010, unless the program is reauthorized by the general assembly.
- Pursuant to Section 620.1900, RSMo, a fee in an amount up to 2.5% of the tax credit amount applies to the Missouri New Markets Tax Credit Program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services

Development Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



To search for approved Community Development Entities please use the following link:

<http://www.cdfifund.gov/awardees/db/index.asp>

TAX CREDIT ANALYSIS

Program Name: New Markets Tax Credit (NMTC) **Contact Name & No.:** Nathan Potter 522-9006 **Date:** January 2014
Department: Economic Development
Program Category: Redevelopment **Type: Tax Credit** **Other (specify)** _____
Statutory Authority: 135.680 **Applicable Taxes:** Income tax, bank tax, insurance premium tax, other financial institutions tax, Express companies tax

Program Description and Eligibility Requirements: Taxpayers making a qualified equity investment into a qualified community development entity (CDE) earn a vested right to tax credits. The tax credit amount is equal to the applicable percentage of the adjusted purchase price paid to the CDE. The credit percentages are zero percent for the first two years, seven percent for the third year and eight percent for the next four years. The CDE will invest the contributions into qualified active low-income community businesses. Effective August 28, 2008, a legislative change allows DED to issue letter rulings regarding the program.

Explanation of How Award Is Computed: Entitlement Discretionary _____
 Awarded on a first come, first serve basis. This is a fiscal year credit.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ \$25M None _____
Explanation of cap: DED shall limit the monetary amount of qualified equity investments to a level necessary to limit tax credit utilization to no more than \$15M of tax credits in any fiscal year. Effective 6/4/2009, cap increased to \$25M.

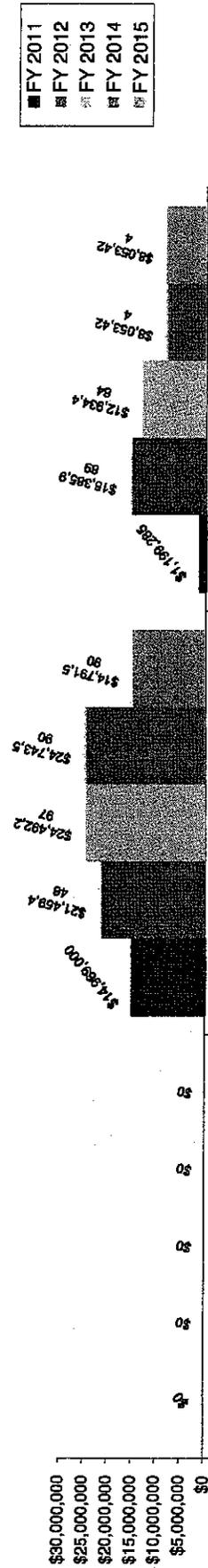
Explanation of Expiration of Authority: Following FY2010, no equity investments shall be made unless program shall be reauthorized. This program automatically sunsets 6 years after the effective date of 9/4/2007 unless reauthorized.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	12	35	68	63	68	62
Projects (#)	11	19	22	19	22	22
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$14,969,000	\$21,459,446	\$24,492,297	\$18,408,920	\$24,743,590	\$14,791,590
Amount Redeemed	\$1,199,285	\$15,385,989	\$12,934,464	\$0	\$8,053,424	\$8,053,424
EST. Amount Outstanding	N/A	N/A	\$40,744,975	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$50,274,797	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: Allocations of tax credits to Community Development Entities started in FY08, however, since the program will not issue tax credits until 2010, the credits will not be authorized, issued or redeemed until that time.

TAX CREDIT ANALYSIS

Program Name: New Markets Tax Credit (NIMTC)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

Derivation of Benefits:

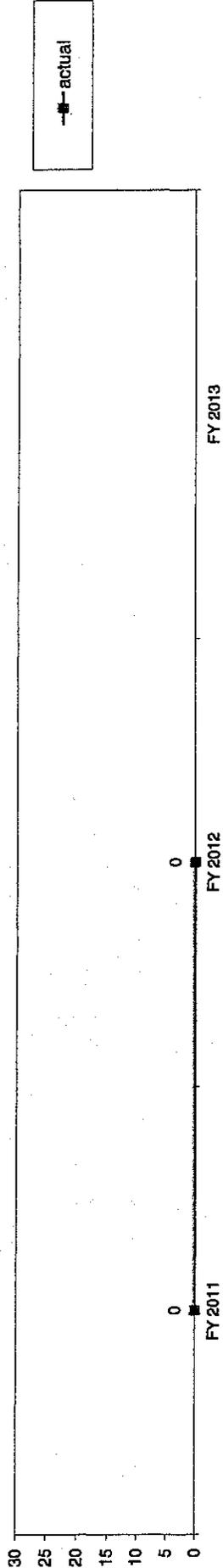
No New Authorizations in FY 2013.

	FY 2013 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	0	0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	0	0
BENEFIT: COST	0.00	0.00

Other Benefits:

PERFORMANCE MEASURE(S)

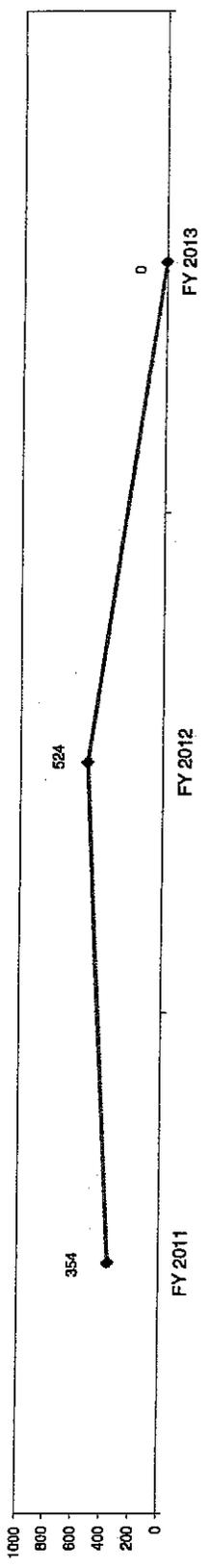
Businesses Receiving Investment



Comments on Performance Measure:

Program Name: New Markets Tax Credit (NMTC)

Jobs Created



actual

Comments on Performance Measure:

BUSINESS FACILITY TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

NOTICE

Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence.

- ✓ Only a facility that has commenced operations or put its development into use on or before December 31, 2004, can be eligible for the program.
- ✓ Facilities that do not commence operations until January 1, 2005, or later, will not be eligible to receive incentives under the program.

Remember that Form 135.258, the pre-application ("Letter of Intent") for the facility, must be postmarked no later than 14 days before commencement of operations. For a business commencing operations ON December 31, 2004, the form must be postmarked no later than December 16, 2004. Forms postmarked after that date will be ineligible for the program without regard to the date of commencement of operations.

- ✓ Facilities already in the program as of December 31, 2004, will continue to receive the state tax incentives under this program for up to ten years as provided in the law. These facilities are considered to be "grandfathered" into the program.

Pursuant to HB 191 (2009), "headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations on or before December 31, 2019 may be eligible for the program.

PURPOSE

Provide tax incentives to facilitate the expansion of new or existing businesses in Missouri.

AUTHORIZATION

Sections 135.100 to 135.160, 135.258, RSMo

HOW THE PROGRAM WORKS

State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations.

ELIGIBLE AREAS

Statewide: Higher credit amounts are given for businesses in "distressed communities." For a list of cities and census block groups that are "distressed communities," visit DED's web site at www.missouridevelopment.org.

ELIGIBLE APPLICANTS

Facility eligibility is determined by its primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code, and includes manufacturing, warehousing, wholesale distribution, mining, insurance carriers, research and development, recycling operations, computer-related services and certain office activities.

To receive credits in any of the ten years, the facility must create at least 2 new jobs (25 for office) and make \$100,000 in new investment (\$1,000,000 for "replacement facilities") in that year as compared to the base year (the year prior to the commencement of operations at the facility). For expansions of "headquarters" of

1/11

certain "employee-owned" businesses, the facility must create at least 25 new jobs and make \$1,000,000 in new investment as compared to the base year.

The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 148 – Insurance Premium Tax
- ✓ Sec. 375.916 – Insurance Co. Retaliatory Tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

APPLICATION PROCEDURE

The business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations, otherwise the project is ineligible for the tax credits. DED must determine eligibility of the business within 15 days of receipt of the letter of intent form. Failure to meet this requirement precludes participation in the program for the base year sought.

The business must file an application for tax credits for its first year of operations by the end of the tax year immediately following the tax year during which operations were commenced. Failure to timely file the application for credits for the first year of operations will result in a denial of the application and precludes participation in the program for the base year sought.

FUNDING LIMITS

New Companies

A new Missouri company can receive \$75 (or \$125 if in a distressed community) for each new

job and for each \$100,000 of new capital investment at the project facility.

Existing Companies

An existing Missouri company can receive \$100 (or \$150 in a distressed community) for each new job and for each \$100,000 of new capital investment at the project facility.

CONTACT

Business and Community Services
Business and Community Finance Team
301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102
Phone: 573-522-4539 Fax: 573-522-4322
E-mail: dedinfo@ded.mo.gov



ADDITIONAL RESOURCES

Go to the department's home page at www.missouridevelopment.org to obtain guidelines and forms for this program as well as a wealth of information regarding Missouri's many other economic development programs and policies.

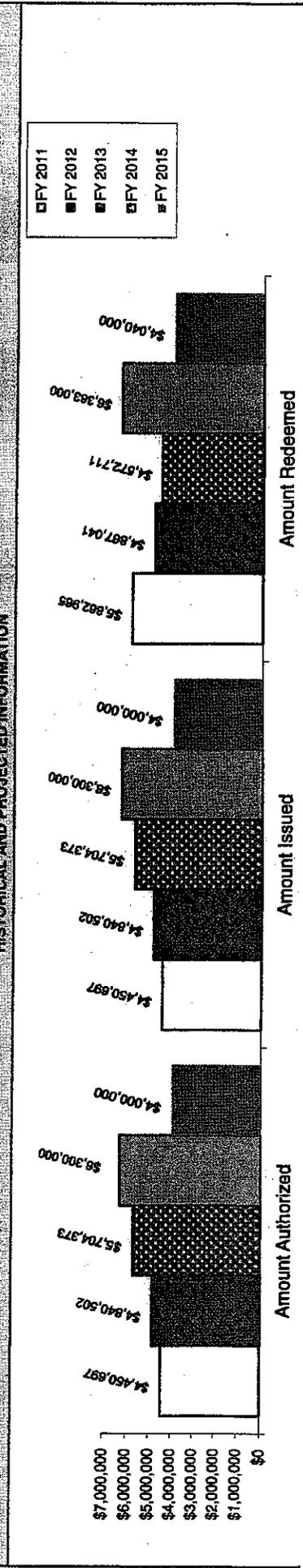
TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit (BFC) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development
Program Category: Business Recruitment **Type:** Tax Credit Other (specify) _____
Statutory Authority: 135.100 to 135.150, and 135.258
Program Description and Eligibility Requirements:
 Program has sunset as of Jan. 1, 2005 except that headquarters that commence operations before Jan. 1, 2020 may be eligible for the program. Tax credits given to eligible applicants who establish new facilities or expand existing ones. At least two new jobs must be created or maintained and at least \$100,000 of new investment.
Explanation of How Award is Computed: Entitlement Discretionary _____
 The tax credit is equal to \$75 to \$150 per new job and per \$100,000 of new investment each year for 10 years.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None
Explanation of cap: _____

Explanation of Expiration of Authority: No revenue-producing enterprise shall receive the incentives set forth in sections 135.100 to 135.150 for facilities commencing operations on or after January 1, 2005. SB 1155 (2004). Headquarters may receive incentives for facilities commencing operations on or after Jan. 1, 2005 but not on or after Jan. 1, 2020.

Specific Provisions: (if applicable)
 Carry forward years Carry Back _____ years Refundable Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions: Carry forward, Refundable and Sellable/Assignable provisions are limited in application.

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	29	22	19	9	15	11
Projects (#)	29	22	19	9	15	11
Amount Authorized	\$4,450,697	\$4,840,502	\$5,704,373	\$666,000	\$6,300,000	\$4,000,000
Amount Issued	\$4,450,697	\$4,840,502	\$5,704,373	\$666,000	\$6,300,000	\$4,000,000
Amount Redeemed	\$5,882,965	\$4,867,041	\$4,572,711	\$3,438,960	\$6,363,000	\$4,040,000
EST. Amount Outstanding	N/A	N/A	\$3,306,169	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	\$0	\$0	\$0



TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit (BFC)

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$1,196,654	\$4,884,407
Indirect Fiscal Benefits	\$606,764	\$2,476,642
Total	\$1,803,418	\$7,361,049
COSTS		
Direct Fiscal Costs	\$1,230,596	\$11,932,373
Indirect Fiscal Costs	\$1,230,596	\$11,932,373
Total	1.40	0.62

Derivation of Benefits:

Investment: (a) \$19,856,675 in Durable Equipment spending in 2013.
 Employment: (a) 142 jobs in Professional/Tech. Services at average wage rates in 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$12,905,960 in Business Facility tax credits over years 2013-2022.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 This program is unique in that authorized credits do not represent approved projects in a given fiscal year. The cost of tax credits approved in the year and estimated to be paid out over 10 years (\$12.9M) is analyzed along with the benefits of new business activity (investments and jobs) linked to those credits over the same time period.

BENEFIT: COST

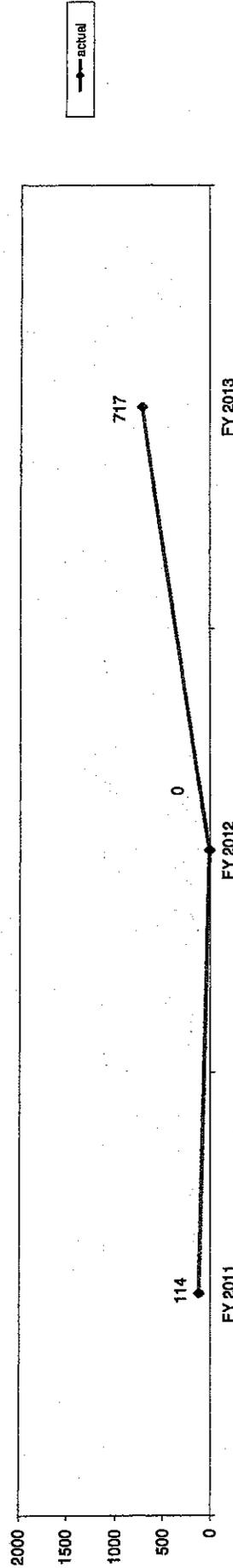
In FY 2013, every dollar of authorized program tax credits returns \$12.46 in new personal income totaling \$18.08 million
 \$20.05 in new value-added/GSP totaling \$25.88 million
 \$30.48 in new economic output totaling \$39.34 million

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

\$14.38 in new personal income totaling \$171.33 million
 \$18.72 in new value-added/GSP totaling \$223.42 million
 \$27.48 in new economic output totaling \$327.85 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created

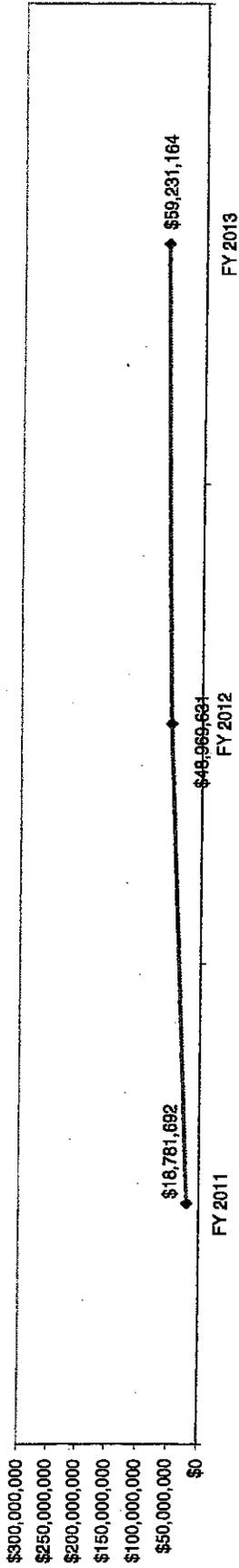


Comments on Performance Measure: Benefits are based on the number of new jobs above the base. For the projects for which credits were issued, the jobs were not net new for this fiscal year but did have new jobs over the base.

TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit (BFC)

New Investment



Comments on Performance Measure:



DEVELOPMENT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To facilitate a business project in order to create new jobs.

The Development Tax Credit Program (DTC) offers state tax credits to taxpayers making contributions to a not-for-profit corporation (NFP) for projects approved by the Department of Economic Development (DED). The credits are for 50% of the contribution of cash or the value of certain types of property.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

Regulations: 4 CSR 85-2.015, 2.030 to 2.040

ELIGIBLE AREAS

Statewide, but the project must be located or qualify as a "blighted" or "conservation" area as defined in Tax Increment Financing (§99.805, RSMo), an enterprise zone (Ch. 135.200 et seq., RSMo), an enhanced enterprise zone (Ch.135.9, RSMo) or an urban redevelopment area (Ch. 353, RSMo).

ELIGIBLE APPLICANTS

Generally, manufacturing, processing or assembly projects that propose wages above the average for the area and provide health benefits are prioritized.

Other types of projects may be considered for approval if tax credits remain near the end of the state fiscal year.

There must be a positive economic benefit to the state. This calculation includes other state incentives provided for the project, and new public costs necessary to support the project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

The DTC program may be used for the acquisition of land or buildings through the purchase from cash contributions or donation of real estate. The acquisition of new or used machinery and equipment is also eligible if it is to be placed in an existing building.

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The amount of tax credits available for a single project:

- Is limited to the lesser of \$500,000, or \$10,000 per full-time, permanent job created by the business within two years of execution of the lease; and
- Must be the least amount necessary to cause the project to occur.

Credits authorized under this program are limited to \$6,000,000 per fiscal year.

APPLICATION/APPROVAL PROCEDURE

- Applications will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria, the need for this program to make a project feasible, a positive economic impact on the state and the availability of tax credits.
- The company cannot make a public announcement of the project prior to DED's contingent approval of an application.
- The not-for-profit (NFP) submits application documents to DED. If DED approves the request, a letter will be sent to the sponsor and company.

A DTC Agreement is executed between DED, the company and the not-for-profit. A lease agreement is executed between the company and the NFP. After the contribution is made, DED will issue tax credit certificates to the contributor.

Revised December 2010

REPORTING REQUIREMENTS

For three years following the year of the first issuance of tax credits, a Tax Credit Accountability Act Reporting form is sent out by the DED. It must be filled out and received back by June 30 to avoid penalties.

SPECIAL PROGRAM REQUIREMENTS

- The NFP must retain ownership of all properties acquired by the contribution for a minimum of five years. DED may allow a longer lease period depending on the needs of the project.
- The eventual disposition of properties acquired by the contribution will be no less than 75% of the fair market value of the facility, excluding the value of leasehold improvements.
- The amount of the lease payments will be determined by DED based on the following:
 - costs of the non-profit to operate and maintain the subject assets (if any); and
 - the amount of tax credits issued. In most cases, the NFP will provide DED the lease payments received in an amount to repay the tax credits plus interest.
- Only not-for-profit organizations authorized to operate in Missouri and headquartered in the geographic area of the proposed project are eligible recipients of DTC approved contributions. The business that will lease property from the NFP cannot have significant representation on the NFP's board.

- Ineligible NFP's include: churches and their denominational headquarters, units of government and any affiliated organization under their direct supervision, partisan organizations and public or tuition-based private schools.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



TAX CREDIT ANALYSIS

Program Name: Development Tax Credit (DTC) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development
Program Category: Business Recruitment **Type:** Tax Credit Other (specify) _____
Statutory Authority: 32.100 to 32.125, RSMo **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax

Program Description and Eligibility Requirements:
 Donations must be made to a non-profit corporation; specified number of jobs must be created within 2 years and maintained for 5 years; application must have the local agency's endorsement; project must be located in a distressed or blighted area; and, the benefiting business must be a for-profit business.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary

The tax credit is equal to 50% of a contribution made to a non-profit corporation. The non-profit uses the contributed funds to purchase assets that would be leased to an approved business.

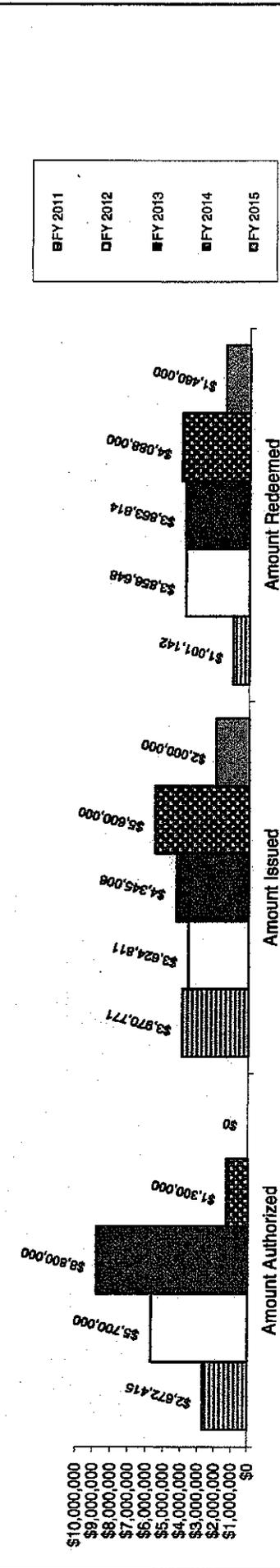
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$.6 million _____ None _____
Explanation of cap: Credits may not exceed \$4 million for any one fiscal year, except that for fiscal years 2005, 2006 and 2007 credits shall not exceed \$6 million per fiscal year. SB 1155 (2004). Effective August 28, 2008, the cap is \$6 million.

Explanation of Expiration of Authority: No new projects may be proposed after August 27, 2013.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (Budget Year)
Certificates Issued (#)	8	9	5	3	7	1
Projects (#)	6	7	6	4	6	0
Amount Authorized	\$2,672,415	\$5,700,000	\$8,800,000	\$650,000	\$1,900,000	\$0
Amount Issued	\$3,970,771	\$3,624,811	\$4,345,006	\$2,400,000	\$5,600,000	\$2,000,000
Amount Redeemed	\$1,001,142	\$3,856,648	\$3,863,814	\$2,773,774	\$4,088,000	\$1,460,000
EST. Amount Outstanding	N/A	N/A	\$5,735,812	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$8,104,994	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: The cap for the Development Tax Credit program is tracked through a spreadsheet that includes all proposals and approved projects. Authorizations are only reported on this form once a project has completed all paperwork and has signed agreements with DED to create jobs/investment. Reported authorizations may lag in fiscal year vs the fiscal year for which they are counted against the cap and may have multiple years authorizations in a year.

TAX CREDIT ANALYSIS

Program Name: Development Tax Credit (DTC)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$1,287,070	\$5,838,745
Indirect Fiscal Benefits	\$408,173	\$1,851,663
Total	\$1,695,244	\$7,690,408
COSTS		
Direct Fiscal Costs	\$1,760,000	\$8,533,275
Indirect Fiscal Costs	\$0	\$0
Total	\$1,760,000	\$8,533,275
BENEFIT: COST	0.96	0.90

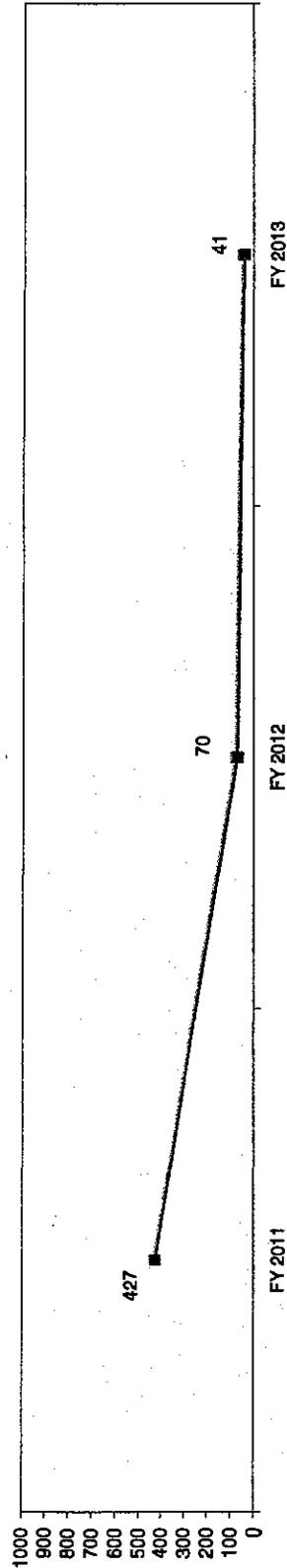
Derivation of Benefits:
 Investment: (a) \$17,800,000 in Durable Equipment spending in 2013.
 Employment: (a) 100 new jobs in Insurance Carriers between 2013-2022. (b) 40 new jobs in Credit Interm. Services between 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014. (b) 4,310 in retained jobs at Insurance & Credit Interm. Services.
 Incentives/Credits: (a) \$8,800,000 in DTC over years 2013-2017.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 If all retained jobs had exited the state but for this incentive the fiscal Benefit-Cost Ratio would be 19.96 in 10 years.
 The multi-year fiscal Benefit-Cost Ratio is 0.70 when other program incentives are included.

In FY-2013, every dollar of authorized program tax credits returns
 \$7.73 in new personal income totaling \$13.61 million
 \$15.09 in new value-added/GSP totaling \$26.55 million
 \$26.77 in new economic output totaling \$47.12 million

Over 10 years, every dollar of authorized program tax credits returns
 \$16.70 in new personal income totaling \$142.55 million
 \$27.50 in new value-added/GSP totaling \$234.65 million
 \$49.07 in new economic output totaling \$418.70 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created

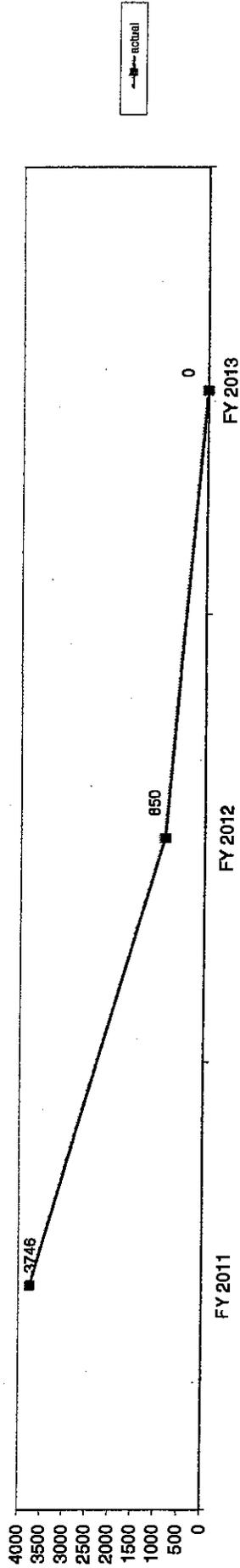


Comments on Performance Measure: Numbers reflect the companies that were within their 2-year job creation reporting period or in their 5 year maintenance reporting period during FY reported.

TAX CREDIT ANALYSIS

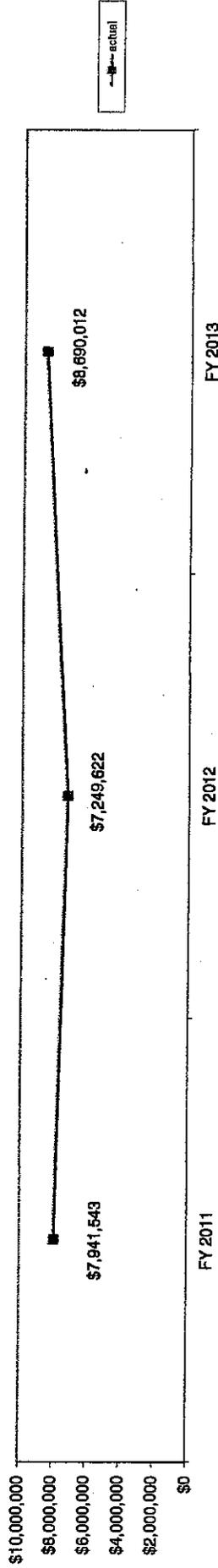
Program Name: Development Tax Credit (DTO)

Permanent Jobs Retained



Comments on Performance Measure: Numbers reflect the companies that were within their 2-year job creation reporting period or in their 5 year maintenance reporting period during FY reported.

Amount of Investment



Comments on Performance Measure:

ENHANCED ENTERPRISE ZONE TAX BENEFIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone.

AUTHORIZATION

Sections 135.950 to 135.973, RSMo

ELIGIBLE AREAS

Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development (DED). Zone designation is based on certain demographic criteria, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development. The Zone designation demographic criteria currently utilizes population and income data from the 2000 Census, U.S. Census Bureau. Unemployment information is updated annually using data from the U.S. Bureau of Labor Statistics.

ELIGIBLE APPLICANTS

An eligible business must be located in a Missouri Enhanced Enterprise Zone (EEZ). Individual business eligibility will be determined by the zone, based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Headquarters or administrative offices of an otherwise excluded business may qualify if the offices serve a multi-state territory. See application for complete information.

Ineligible Applicants:

Gambling establishments (NAICS group 7132),
Retail trade (NAICS sectors 44 & 45),
Educational services (NAICS sector 61),
Religious organizations (NAICS group 8131),
Public administrations (NAICS sector 92) and
Food and drinking places (NAICS subsector 722) are prohibited by statute from receiving the state tax credits.

ELIGIBILITY CRITERIA

The Enhanced Enterprise Zone program is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises.

Tax credits may be provided each year for five tax years after the project commences operations.

To receive tax credits for any of the years, the facility must create and maintain the minimum:

- New or expanded business facility – 2 new employees and \$100,000 new investment;
- Replacement business facility – 2 new employees and \$1,000,000 new investment
- Company must offer health insurance at all times, of which at least 50% is paid by the employer, to all full time employees in Missouri.

Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to Ch. 143 – Income tax, excluding withholding tax

Tax credits can only be applied to tax liability for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits.

FUNDING LIMITS

Tax credits will be an amount authorized by DED, based on the state economic benefit, supported by the number of new jobs, wages and new capital investment that the project will create.

Tax credits issued under this program are limited to \$24,000,000 annually, effective August 28, 2008.

APPLICATION/APPROVAL PROCEDURE

DED must first offer program benefits to the business in the form of a formal proposal. The company must return the accepted proposal within 90 days of the proposal date.

The company must submit the Notice of Intent (NOI), (Application & guidelines, pages 7-9), and be notified of approval before any new construction, and/or purchase of machinery and equipment can be eligible as new investment. NOIs will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria.

Revised October 2013

REPORTING REQUIREMENTS

Annual Application for Tax Credits –

The facility must file the Annual Application for Tax Credits and supporting documents each year for calculation of the facility's state tax benefits. See page 10 of the application for a list of requirements. The deadline for submitting the Annual Application for Tax Credits is during the tax period immediately after the tax period for which the credits are being requested.

SB 1099 Reporting –

The "Tax Credit Accountability Act" reporting form must be returned for this program to DOR by June 30 of each year. Contact (573) 526-8733 (Personal Tax) or (573) 751-4541 (Corporate Tax) with any questions.

SPECIAL PROGRAM REQUIREMENTS

Applicants must be eligible for and receive at least ten years' local property tax abatement at 50% pursuant to the local enhanced enterprise zone plan.

Projects relocating employees from one Missouri location to another Missouri location must obtain the endorsement of the governing body of the community from which the jobs are being relocated and include this endorsement with the Notice of Intent.

A business cannot earn tax credits under this program if earning Enterprise Zone, Business Facility, Quality Jobs, Rebuilding Communities or Brownfield Jobs and Investment tax credits for the same project for the same tax period.

CONTACT

Missouri Department of Economic Development

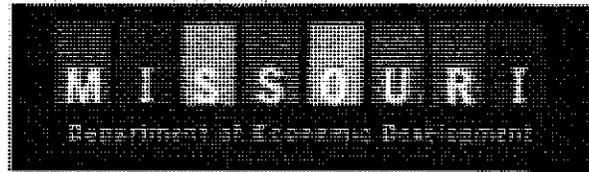
Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone (EEZ) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development
Program Category: Business Recruitment **Type:** Tax Credit Other (specify) _____
Statutory Authority: 135.950 to 135.973, RSMo **Applicable Taxes:** Income tax

Program Description and Eligibility Requirements:
 Tax credits to new or expanding businesses in enhanced enterprise zones. At least two new jobs must be created or maintained and at least \$100,000 of new investment within the zone. Business eligibility determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Businesses also qualify for local abatement.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 Tax credits shall be the lesser of a formula amount based on number of jobs created, number of employees who are residents of the zone, number of employees paid wages above the county average wage and amount of new capital investment OR an amount authorized by DED that is limited to the projected state economic benefit. The credits may be provided each year for up to ten tax years after the project commences operations.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$24 million None
Explanation of Cap: Annual calendar year cap increased from \$4 million to \$7 million beginning January 1, 2007. Effective December 2007, the annual calendar year cap increased again from \$7 million to \$14 million. Effective August 28, 2008, the annual calendar year cap increased to \$24 million.

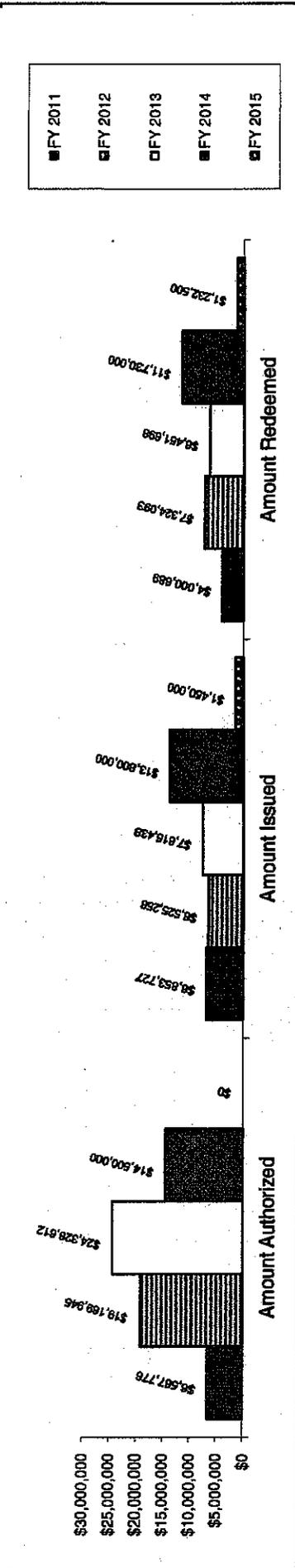
Explanation of Expiration of Authority: No new projects may be proposed after August 27, 2013.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (Projection)
Certificates Issued (#)	70	75	96	59	150	200
Projects (#)	50	65	87	31	27	0
Amount Authorized	\$6,567,776	\$19,169,945	\$24,328,612	\$9,480,869	\$14,500,000	\$0
Amount Issued	\$6,853,727	\$6,525,256	\$7,615,438	\$4,802,414	\$13,800,000	\$1,450,000
Amount Redeemed	\$4,000,689	\$7,324,093	\$6,451,698	\$5,243,563	\$11,730,000	\$1,232,500
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$66,930,829	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: FY10 is reported with the 5 year numbers.

TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone (EEZ)

BENEFIT/COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$25,376,162	\$155,368,978
Indirect Fiscal Benefits	\$8,821,168	\$54,008,791
Total	\$34,197,330	\$209,377,769
COSTS		
Direct Fiscal Costs	\$4,054,769	\$23,372,177
Indirect Fiscal Costs	\$0	\$0
Total	\$4,054,769	\$23,372,177
BENEFIT: COST	8.43	8.96

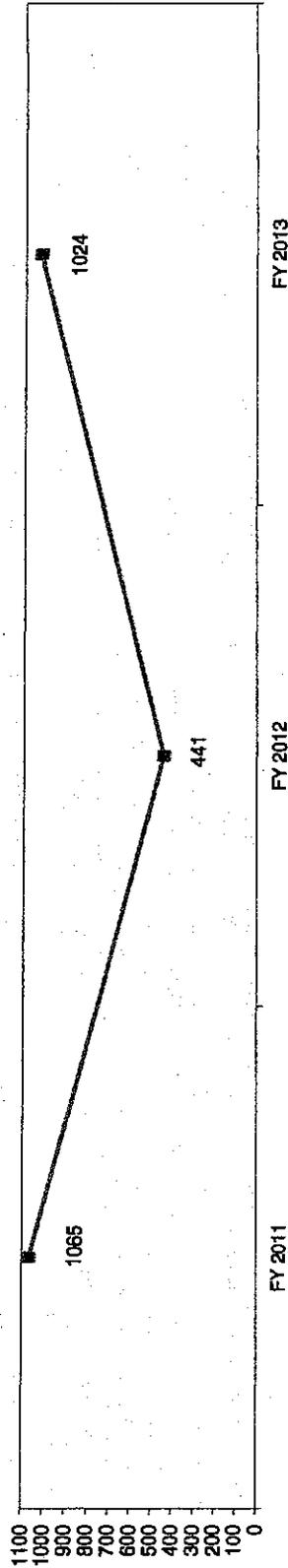
Derivation of Benefits:
 Investment: (a) \$291,523,264 in Non-Residential Investment spending in 2013. (b) \$356,306,212 in Durable Equipment spending in 2013.
 Employment: (a) 2,493 jobs in Manufacturing and Service Industries in 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$24,328,612 in EEZ tax credits over years 2013-2018.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost Ratio is 8.77 when other program incentives are included.

Other Benefits:
 In FY-2013, every dollar of authorized program tax credits returns \$108.26 in new personal income totaling \$438.96 million
 \$197.11 in new value-added/GSP totaling \$799.22 million
 \$428.83 in new economic output totaling \$1,738.80 million

Over 10 years, every dollar of authorized program tax credits returns
 \$153.49 in new personal income totaling \$3,587.31 million
 \$284.89 in new value-added/GSP totaling \$6,191.04 million
 \$616.03 in new economic output totaling \$14,398.04 million

PERFORMANCE MEASURES

Permanent Net New Jobs Created Over Previous Year

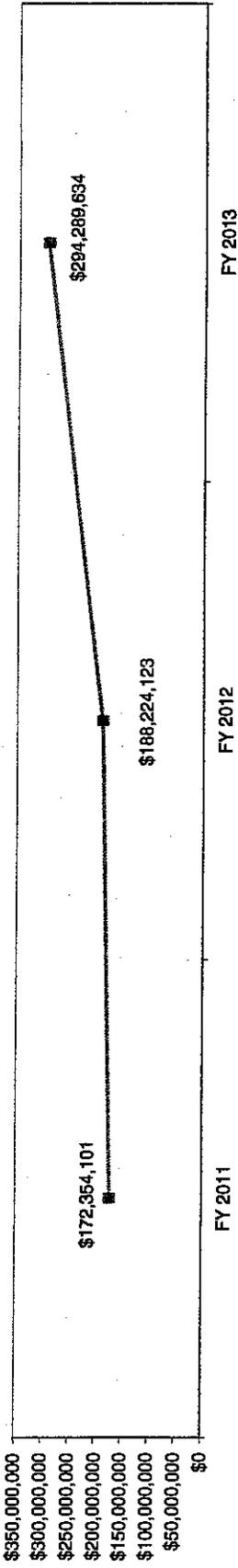


Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone (EEZ)

Net New Investment Over Previous Year



Comments on Performance Measure:

ENTERPRISE ZONE TAX BENEFIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

NOTICE

Pursuant to SB 1155 (2004), the Enterprise Zone tax benefit program is being phased out of existence.

- ✓ Only a facility that has commenced operations or put its development into use on or before December 31, 2004, can be eligible for the state tax incentives under the program.
- ✓ Facilities that do not commence operations until January 1, 2005, or later, will not be eligible to receive the state tax incentives under the program.

Remember that Form 135.258, the pre-application ("Letter of Intent") for the facility, must be postmarked no later than 15 days before commencement of operations. For a business commencing operations ON December 31, 2004, the form must be postmarked no later than December 16, 2004. Forms postmarked after that date will be ineligible for the state incentives portion of the program without regard to the date of commencement of operations.

- ✓ Facilities already in the program as of December 31, 2004 will continue to receive the state tax incentives under this program for up to ten years as provided in the law. These facilities are considered to be "grandfathered" into the program.

Enterprise zone real property local tax abatement is not affected by the phase-out of the state incentive program.

PURPOSE

Provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones.

AUTHORIZATION

Sections 135.200 to 135.270, RSMo

HOW THE PROGRAM WORKS

Local property tax abatement, a state income tax exemption and state income tax credits may be provided to a business based on various factors:

- ✓ the number of new jobs created
- ✓ the number of enterprise zone residents employed
- ✓ the number of "difficult to employ" people employed
- ✓ zone residents or difficult to employ employees receiving training
- ✓ the amount of new investment at the qualifying facility

The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time.

ELIGIBLE AREAS

The eligible project must be located in one of Missouri's "enterprise zones." Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The number of zones that may be certified is limited by law.

A list of certified enterprise zones can be obtained from the department or via its web site. To determine whether a particular location is in an enterprise zone, contact the local zone administrator for that zone.

ELIGIBLE APPLICANTS

Facility eligibility is determined by its primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code, and includes manufacturing, warehousing, wholesale distribution, mining, insurance carriers, research and development,

1/11

recycling operations, computer-related services and certain office activities.

To receive credits in any of the ten years, the facility must create at least 2 new jobs and make \$100,000 in new investment (\$1,000,000 for "replacement facilities") in that year as compared to the base year (the year prior to the commencement of operations at the facility).

The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 148 – Insurance Premium Tax
- ✓ Sec. 375.916 – Insurance Co. Retaliatory Tax

This credit has no special attributes and can only be applied to tax liability for the year it was earned, unless it was issued for a new facility, for which there may be up to a \$75,000 refund of state income taxes in the first two years of eligibility.

APPLICATION PROCEDURE

The business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations; otherwise, the project is ineligible for the tax credits. DED must determine eligibility of the business within 15 days of receipt of the letter of intent form. Failure to meet this requirement precludes participation in the program for the base year sought.

The business must file an application for tax credits for its first year of operations by the end of the tax year immediately following the tax year during which operations were commenced. Failure to timely file the application for credits for the first year of operations will result in a denial of the application and precludes participation in the program for the base year sought.

FUNDING LIMITS

A company can receive:

- ✓ Up to a 50% state income tax exemption
- ✓ A \$400 credit for each new job
- ✓ A \$400 credit for each employee who is an enterprise zone resident
- ✓ A \$400 credit for each employee who was a "difficult to employ" person (receiving welfare or unemployed for a specified period of time)
- ✓ Up to \$400 credit per employee trained who was a zone resident or "difficult to employ"
- ✓ A credit equal to \$5,500 for the first \$100,000 of new capital investment at the facility and 2% of new capital investment amounts above \$100,000 at the facility
- ✓ 50% local property tax abatement on improvements

CONTACT

Business and Community Services

Finance Management

301 West High Street, Room 770

P.O. Box 118

Jefferson City, MO 65102

Phone: 573-751-4539 Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov

ADDITIONAL RESOURCES

Go to the department's home page at www.missouridevelopment.org to obtain guidelines and forms for this program as well as a wealth of information regarding Missouri's many other economic development programs and policies.

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

TAX CREDIT ANALYSIS

Program Name: Enterprise Zone Benefits (EZ) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development
Program Category: Business Recruitment **Type:** Tax Credit Other (specify) _____
Statutory Authority: 135.200 to 135.270, 135.283, RSMo **Applicable Taxes:** Income tax, insurance premium tax, insurance company retaliatory tax
Program Description and Eligibility Requirements:
 Program has sunset -- No new applications being accepted. Tax credits, exemptions and refunds given to taxpayers who establish new facilities or expand existing ones in state designated enterprise zones. At least two new jobs must be created or maintained and at least \$100,000 of new investment within the enterprise zone.
Explanation of How Award is Computed:
 Entitlement Discretionary
 Tax credits of up to \$1,200 per new job created, training credit up to \$400, investment credit of \$23,500 per \$1 million of new investment, income exemptions of 50%, refunds up to \$75,000, and a local real property tax abatement.
Program Cap: Cumulative \$ _____ Annual \$ _____ None

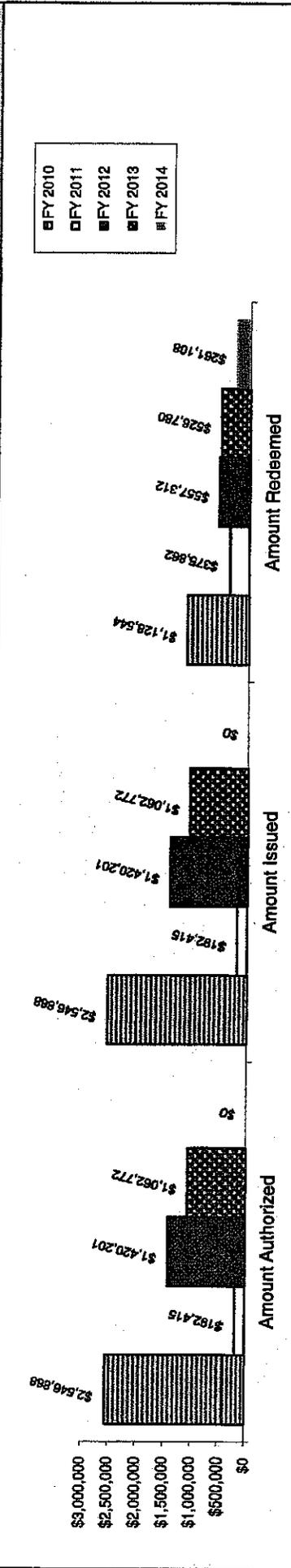
Explanation of Authority: No revenue-producing enterprise shall receive the state tax exemption, state tax credits, or state tax refund as provided in sections 135.000 to 135.283 for facilities commencing operations on or after January 1, 2005. SB 1155 (2004) Local real property tax abatement is not affected.

Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: Refundable provision is limited in application.

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	5	1	1	1	1	0
Projects (#)	5	1	1	1	1	0
Amount Authorized	\$2,546,868	\$192,415	\$1,420,201	\$1,062,772	\$1,062,772	\$0
Amount Issued	\$2,546,868	\$192,415	\$1,420,201	\$1,062,772	\$1,062,772	\$0
Amount Redeemed	\$1,128,544	\$375,882	\$557,312	\$504,129	\$526,780	\$261,108
EST. Amount Outstanding	N/A	N/A	\$822,036	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A



Comments on Historical and Projected Information: The Amount Redeemed includes income modifications of \$1,969 and \$142,872 for FY11 and FY12 respectively. Tax savings on the income modifications are estimated at 6.25%.

TAX CREDIT ANALYSIS

Program Name: Enterprise Zone Benefits (EZ)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

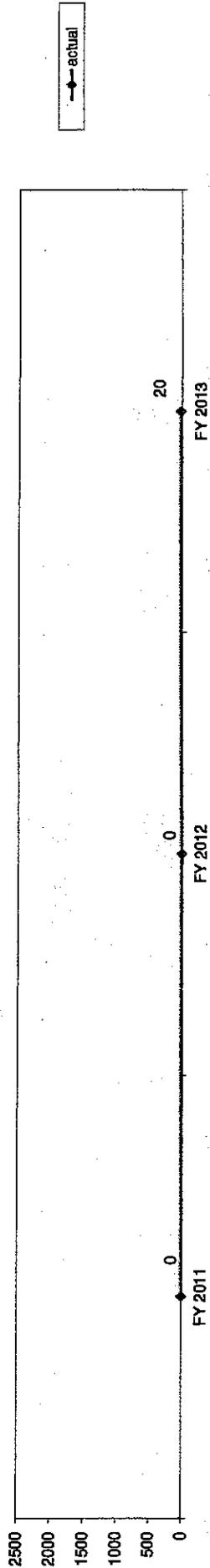
	FY 2013 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	\$0	\$0
Total	\$0	\$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs	\$0	\$0.00
Total	\$0	0.00
BENEFIT: COST		

Derivation of Benefits:

There are no new authorizations.

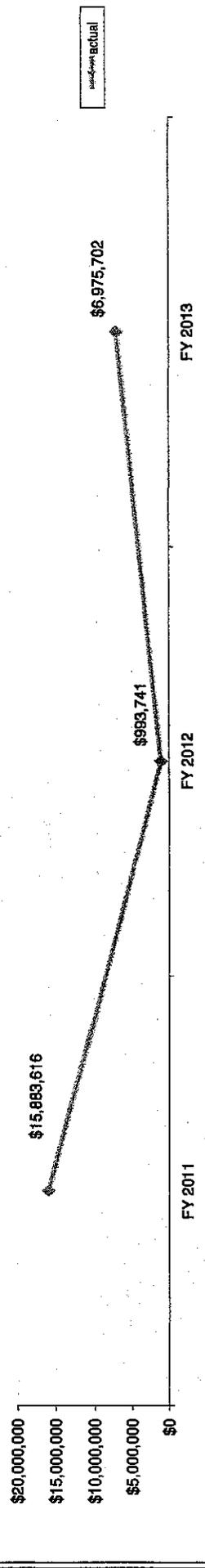
PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure: There were new jobs over the base year, but not net new jobs over the previous year.

Investment



Comments on Performance Measure:



FAMILY DEVELOPMENT ACCOUNT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

This program promotes self-sufficiency for low-income Missourians through a matched savings program.

AUTHORIZATION

Sections 208.750 to 208.775, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

A community-based organization formed under Chapter 352, RSMo or any non-profit corporation formed under Chapter 355, RSMo.

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) issues state tax credits to an eligible taxpayer who donates money to an organization approved to administer a Family Development Account (FDA) project.

Organizations approved to administer a Family Development Account project recruit low-income Missourians to participate in a matched savings program to help pay for:

- Education at an accredited institution of higher learning;
- Job training at an accredited or licensed training program;
- Purchase of a primary residence;
- Major repairs or improvements to a primary residence; or
- Start-up capitalization of a small business.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

FUNDING LIMITS

- The total tax credits available for any fiscal year are \$300,000.
- An organization applying for one or two years may request up to \$100,000 in tax credits.
- The tax credit is for 50% of the amount of the contribution, not to exceed \$25,000 (a \$50,000 contribution) per contributor.

APPLICATION/APPROVAL PROCEDURE

Applications from eligible organizations may be submitted to the FDA program at any time. Applications will be reviewed in the order they are received. Every effort is made to notify organizations of a tax credit award within 60 days from receipt of the application.

REPORTING REQUIREMENTS

Quarterly reports, final report, final audit for projects using \$25,000 or more in tax credits, and 1099 reporting.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

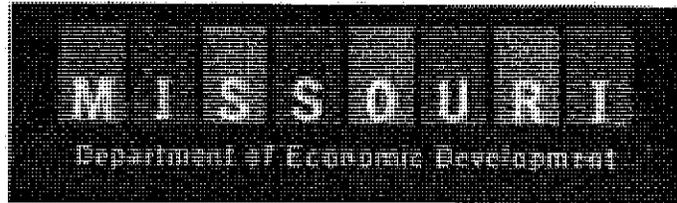
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised June 2009

Program Name: Family Development Account (FDA) **Contact Name & No.:** Brenda Horlman 751-3713 **Date:** January 2014

Department: Economic Development **Type:** Tax Credit Other (specify) _____

Program Category: Community Development **Applicable Taxes:** Income, Corporate franchise, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax

Statutory Authority: 208.750 - 208.775, RSMo

Program Description and Eligibility Requirements:
Promotes self-sufficiency through asset development for low-income persons through a matched savings program. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved FDA projects.

Explanation of How Award Is Computed:
Entitlement Discretionary

Tax credits are provided to a contributor (based on 50% of the contribution) that donates to an approved organization administering the Family Development Account project. The matched savings fund can be used by the low-income persons for education, job training, purchase or rehabilitation of primary residence, or start-up capital for small business.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 300,000 None _____

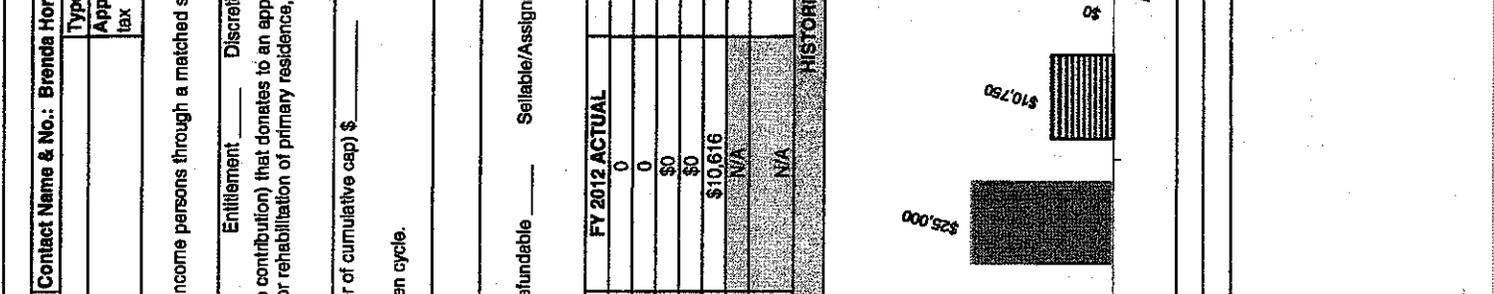
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	3	0	0	0	0	0
Projects (#)	0	0	0	0	0	1
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$25,000
Amount Issued	\$10,750	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$25,000	\$10,616	\$95	\$0	\$0	\$0
EST. Amount Outstanding	N/A	N/A	\$0	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Family Development Account (FDA)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

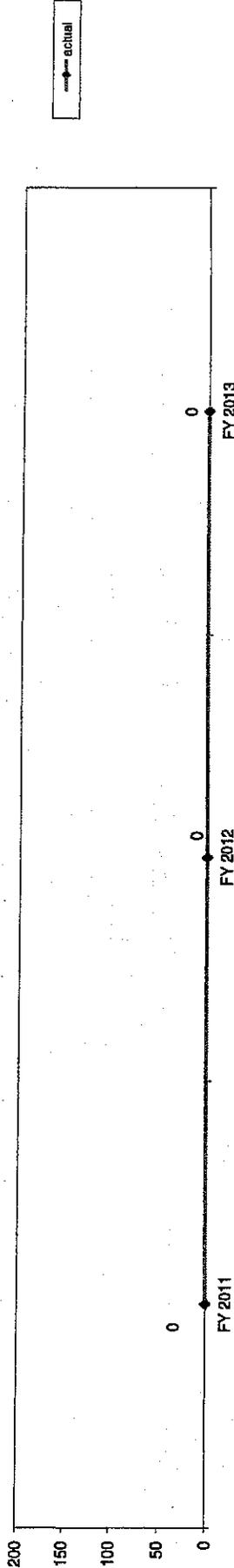
	FY 2013 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	\$0	\$0
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs	\$0	\$0
Total	\$0	\$0
BENEFIT: COST	0.00	0.00

Derivation of Benefits

No New Authorizations in FY 2013.

PERFORMANCE MEASURE(S)

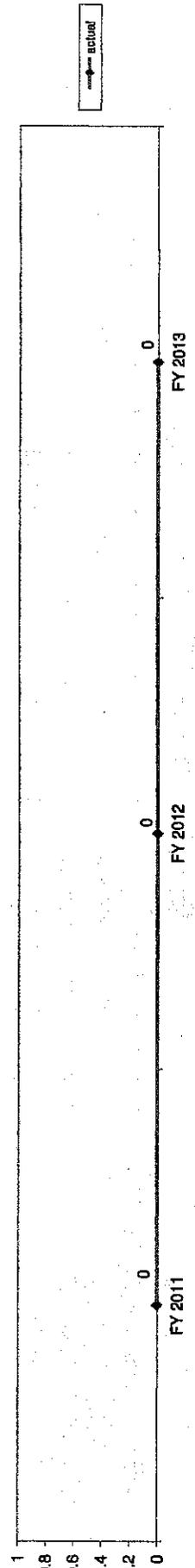
Purchase of New/Rehabbed Housing



Comments on Performance Measure:

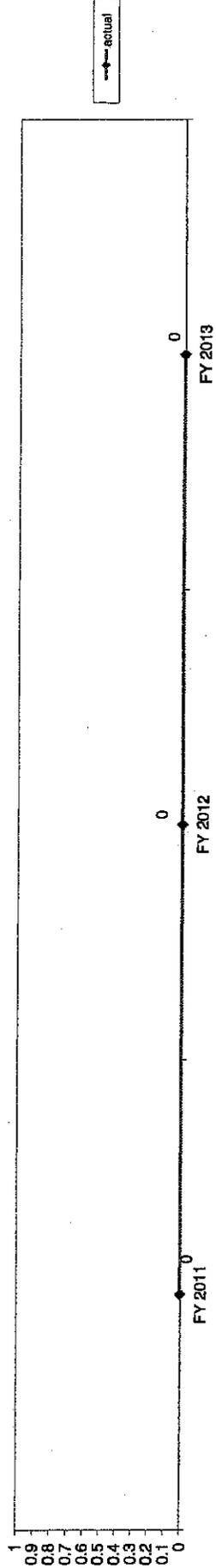
FDA is a matched savings program. Enrollees have 2-5 years to save to buy a primary residence or rehab a primary residence. These are actual numbers of participants that have met their goals.

New Businesses to be Started



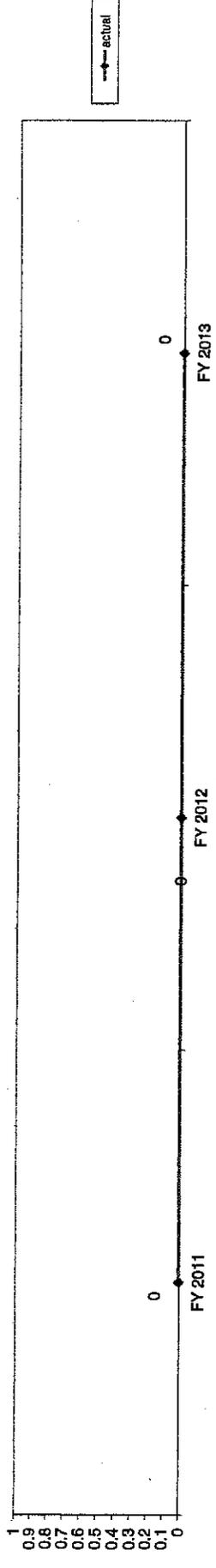
Comments on Performance Measure:

Higher Education/Job Training to be Obtained

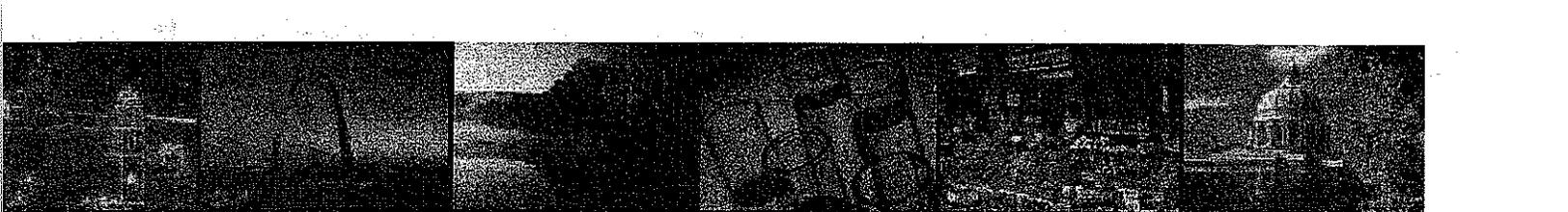


Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to save to go to college or participate in an accredited job training program. These are actual numbers of participants that have met their goals.

Individuals Learning Life Skills



Comments on Performance Measure:
FDA is a matched savings program. Enrollees attend financial literacy courses. These are actual numbers of participants that have met their goals.



FILM PRODUCTION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

State tax credits are issued to a qualified film production company for up to 35% of the amount expended in Missouri for production or production-related activities to facilitate film production in Missouri.

AUTHORIZATION

Sections 135.750, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any film production company with an expected in-state expenditure budget of at least \$100,000 for films over 30 minutes in length, and at least \$50,000 for films under 30 minutes in length.

ELIGIBILITY CRITERIA

A film production company claiming the credit must first apply to the Department of Economic Development. A particular film will be eligible to receive the tax credit based on the amount of funds still withstanding for that particular year. Prior to the approval, the department will also look at the economic impact in determining whether the particular project would be a good fit for the tax credit.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – income tax, excluding withholding tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

Only those Missouri expenditures necessary for the production of the film are eligible. Such expenditures may include, but are not limited to, the costs of labor (Missouri residents only), services, materials, equipment rental, lodging, food, location fees and property rental.

FUNDING LIMITS

The entire film production tax credit program is capped at \$4.5 million.

APPLICATION/APPROVAL PROCEDURE

Due to a finite amount of tax credits available, DED has established a procedure whereby tax credits may be set aside

for a given film project by the submission of an application that provides estimates for the company's Missouri expenditures on the project. Based upon these estimates and any other relevant information, DED may reserve a given amount of tax credits for the project (for a given period of time). If it appears at any time that a project may be significantly delayed, then DED may review the project and, if warranted, reclaim those reserved credits and apply them elsewhere.

In the application form, DED will ask for estimates on the amount of money to be spent in Missouri, as well as projected dates for establishing the production office and the first day of principal photography. These dates will be used in determining the length of time for which tax credits may be reserved for the project, as well as the likelihood that the project will actually be produced in Missouri.

REPORTING REQUIREMENTS

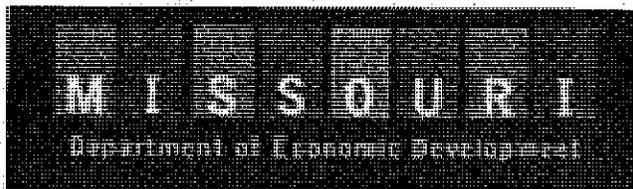
Certain tax credit recipients are required to annually report to the DED information pertaining to the project that received the tax credits. The statute requires that a full year pass after the issuance of the tax credits before SB1099 reporting requirements must be met.

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits, including the following information:

- Category of business by size
- Address of the business headquarters
- Addresses of all offices located within this state
- Number of employees at the time of the annual update
- Updated estimate of the number of employees projected to increase as a result of the completion of the project
- The estimated or actual project cost

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
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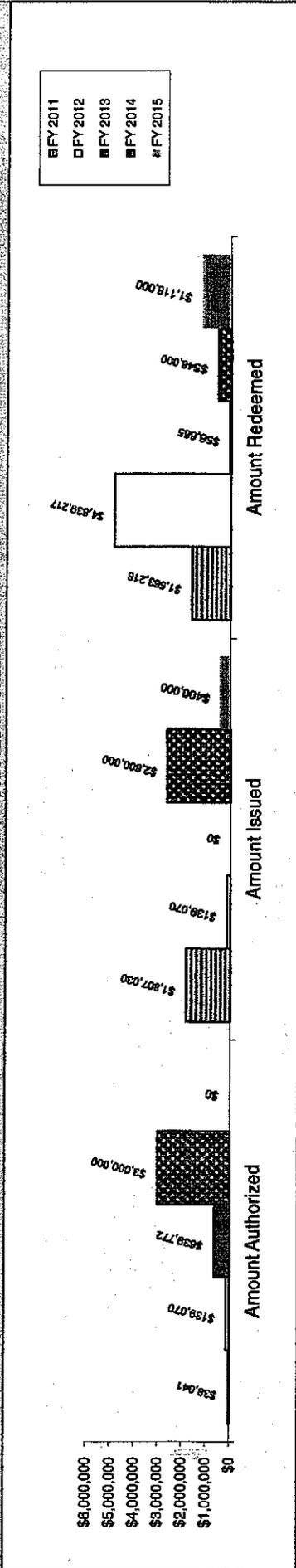
Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program
Department: Economic Development
Contact Name & No.: Brenda Horstman 751-3713
Date: January 2014
Program Category: Business Recruitment
Type: Tax Credit Other (specify) _____
Applicable Taxes: Income tax, Bank tax, Insurance Premium tax, Other financial institutions
Statutory Authority: 135.750, RSMo
Program Description and Eligibility Requirements:
 Provides a tax credit for in-state expenditures for film production projects. Prior to CY 2008, the film had to have an expected in-state expenditure budget in excess of \$300,000 to be eligible. After Jan. 1, 2008, films under 30 minutes in length must have an in-state budget in excess of \$100,000.
Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 For years prior to 2008, the tax credit is equal to 50% of the investment in production or production related activities, but may not exceed \$1,000,000 per taxpayer, or \$1,500,000 for all taxpayers. Starting in 2008, the tax credit is up to 35% of qualified expenditures, but may not exceed \$4.5 million annually for all projects.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 4,500,000 None _____
Explanation of cap:
 The annual cap is allocated each calendar year to film projects based on pre-applications submitted to DED. Effective January 1, 2008 the annual cap increased from \$1,500,000 to \$4,500,000.
Explanation of Expiration of Authority: This program sunsets in 2013 unless reauthorized by the general assembly.
Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#) Projects (#)	5 2	2 3	0 1	0 3	4 4	0 0
Amount Authorized	\$38,041	\$139,070	\$639,772	\$2,927,000	\$3,000,000	\$0
Amount Issued	\$1,807,030	\$139,070	\$0	\$0	\$2,600,000	\$400,000
Amount Redeemed	\$1,563,218	\$4,839,217	\$56,665	\$111,117	\$546,000	\$1,118,000
EST. Amount Outstanding	N/A	N/A	\$119,901	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$639,772	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

Derivation of Benefits

Investment: (a) \$7,000,000 in Motion Picture Industry spending in 2013.

Employment: (a) N/A

Other Assumptions: (a) N/A

Incentives/Credits: (a) \$839,772 in Film tax credits redeemed over years 2013-2017.

Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.

	FY 2013 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	\$250,189	\$256,139
Indirect Fiscal Benefits	\$72,633	\$74,255
Total	\$322,731	\$330,395
COSTS		
Direct Fiscal Costs	\$127,954	\$620,381
Indirect Fiscal Costs	\$0	\$0
Total	\$127,954	\$620,381
BENEFIT: COST	2.52	0.53

Other Benefits:

In FY-2013, every dollar of authorized program tax credits returns

\$14.91 in new personal income totaling \$1.91 million

\$53.19 in new value-added/GSP totaling \$6.81 million

\$85.15 in new economic output totaling \$10.89 million

Over 5 years, every dollar of authorized program tax credits returns

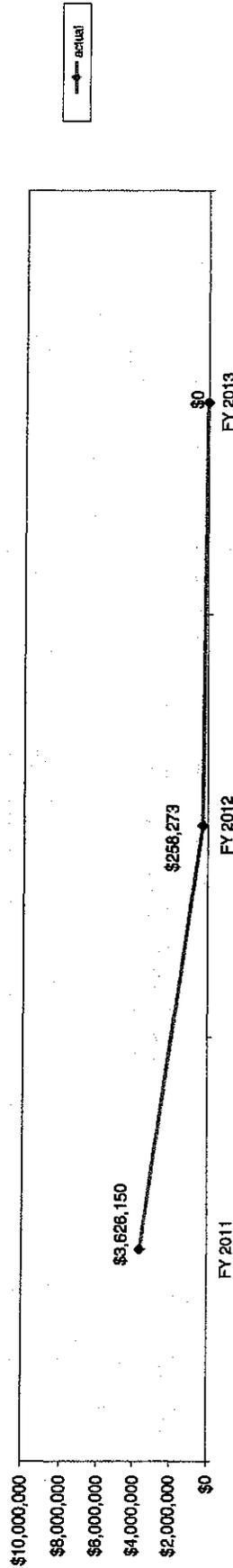
\$3.44 in new personal income totaling \$2.14 million

\$9.94 in new value-added/GSP totaling \$6.16 million

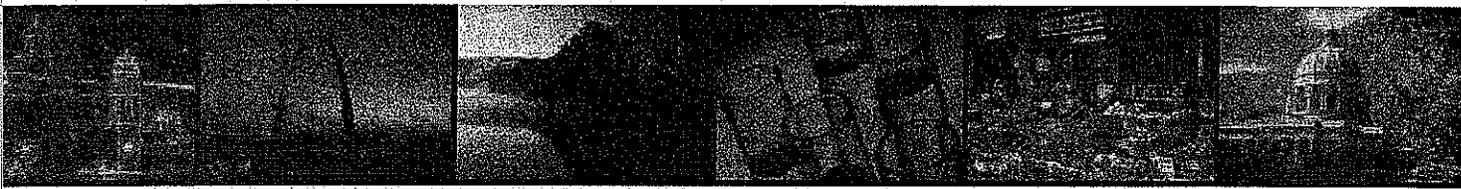
\$16.18 in new economic output totaling \$10.04 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure:
Audited dollars of Missouri spend minus the state investment of tax credits.



SMALL BUSINESS INCUBATOR TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To generate private funds to be used to establish a "protective business environment" (incubator) in which a number of small businesses can collectively operate, fostering growth and development during a business' start-up period.

AUTHORIZATION

Section 620.495, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri taxpayers who make a contribution to an approved incubator sponsor in Missouri

PROGRAM BENEFITS/ELIGIBLES

This 50% tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable (75¢ minimum)

FUNDING LIMITS

The overall maximum amount of tax credits that can be authorized under this program in any one calendar year is \$500,000.

APPLICATION/APPROVAL PROCEDURE

SPONSOR -

An incubator sponsor must apply to the Department of Economic Development for designation as an approved incubator. DED reviews and approves applications based on the following criteria:

- Ability of the sponsor to carry out the provisions of §620.495, RSMo;
- Economic impact of the incubator on the community;
- Conformance with area-wide and local economic development plans, if they exist; and
- Location of the incubator (encouraging geographic distribution of incubators throughout the state).

CONTRIBUTOR -

Any taxpayer, including non-for-profit corporations, except those that benefit directly from General Revenue such as public universities, may be a contributor. Applications can be submitted to DED year-round, but decisions will be made on a first-come basis, based on the annual amount of tax credits allocated to an approved incubator.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

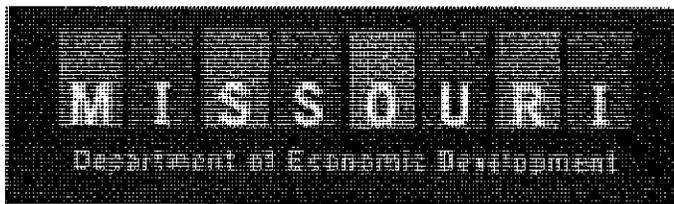
Finance Management Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program
 Department: Economic Development
 Program Category: Entrepreneurial
 Contact Name & No.: Brenda Horstman 751-3713
 Type: Tax Credit Other (specify) _____
 Date: January 2014
 Statutory Authority: 620.495, RSMo
 Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax

Program Description and Eligibility Requirements:
 A taxpayer who makes a contribution to an approved incubator sponsor or fund can claim a state tax credit for a percentage of such contribution.

Explanation of How Award Is Computed:
 Entitlement _____ Discretionary
 The tax credit is equal to 50% of the contribution.

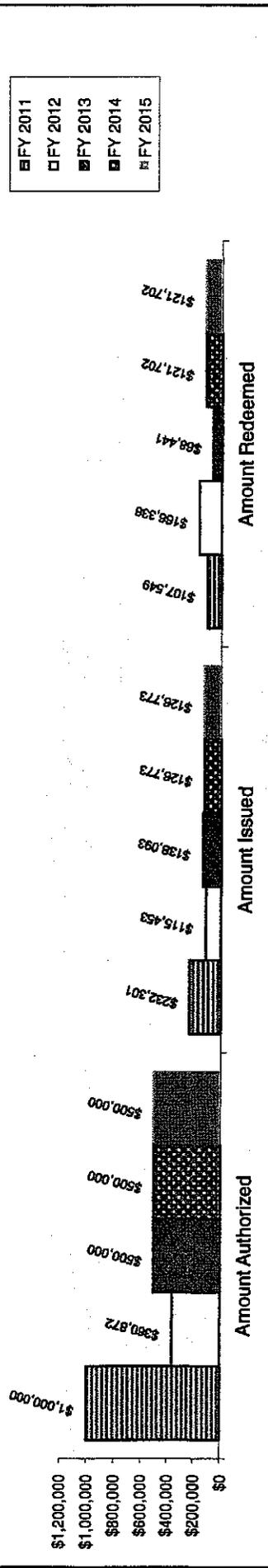
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 500,000 None
Explanation of cap: The \$500,000 annual cap is allocated each calendar year to approved incubators requesting funds based on need, competition and the appropriate use of contributions.

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions: 75 cents minimum sale price

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	36	28	24	10	29	29
Projects (#)	15	5	6	0	7	7
Amount Authorized	\$1,000,000	\$360,872	\$500,000	\$0	\$500,000	\$500,000
Amount Issued	\$232,301	\$115,453	\$138,093	\$82,775	\$126,773	\$126,773
Amount Redeemed	\$107,549	\$168,336	\$68,441	\$98,107	\$121,702	\$121,702
EST. Amount Outstanding	N/A	N/A	\$330,375	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$763,279	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$49,381	\$167,251
Indirect Fiscal Benefits	\$24,117	\$81,685
Total	\$73,498	\$248,936
COSTS		
Direct Fiscal Costs	\$100,000	\$484,845
Indirect Fiscal Costs	\$0	\$0
Total	\$100,000	\$484,845
BENEFIT: COST	0.73	0.51

Derivation of Benefits
Investment: (a) \$1,000,000 in Durable Equipment spending in 2013.
Employment: (a) 1 job in IT Services and 1 job in Administrative Services in 2013-2022.
Other Assumptions: (a) real wage growth starting in 2014.
Incentives/Credits: (a) \$500,000 in incubator tax credits over years 2013-2017.
Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
The multi-year fiscal Benefit-Cost Ratio is 0.45 when other program incentives are included.

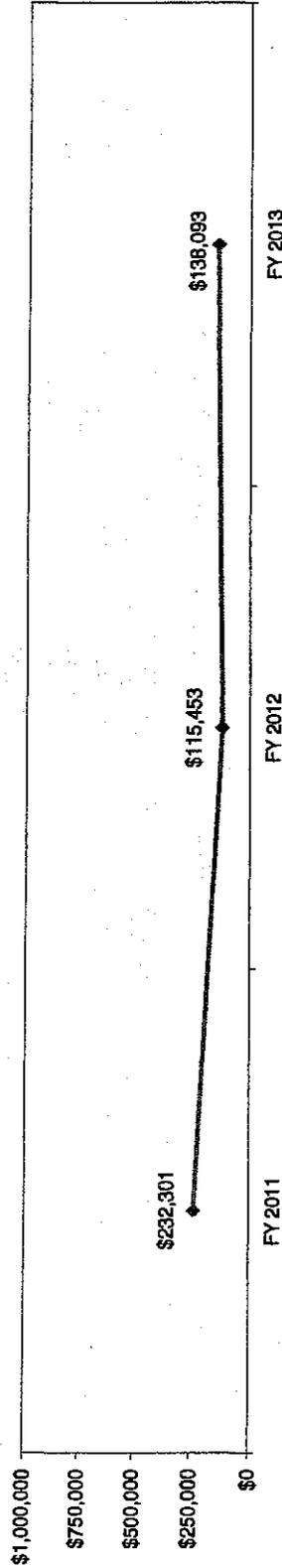
Other Benefits:

In FY-2013, every dollar of authorized program tax credits returns
\$3.36 in new personal income totaling \$0.34 million
\$8.54 in new value-added/GSP totaling \$0.85 million
\$12.82 in new economic output totaling \$1.28 million

Over 10 Years, every dollar of authorized program tax credits returns
\$7.36 in new personal income totaling \$3.57 million
\$15.36 in new value-added/GSP totaling \$7.45 million
\$21.34 in new economic output totaling \$10.35 million

PERFORMANCE MEASURE(S)

Leveraged Investment



Comments on Performance Measure:



MISSOURI MANUFACTURING JOBS ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The Missouri Manufacturing Jobs Act will allow qualified automotive manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state.

AUTHORIZATION

Section 620.1910, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Qualified manufacturing companies with a NAICS code of 33611 that:

- Manufacture goods at a facility in Missouri throughout the period in which the company receives benefits under the Act; and
- Makes a capital investment of at least \$75,000 per retained job at the facility for the manufacture of a new product within two years of beginning to retain withholding taxes; or
- Commits to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within two years of beginning to retain withholding taxes.

Qualified suppliers that:

- Attest to the Department of Economic Development (DED) that it derives more than 10% of its total annual sales revenue from sales to a qualified manufacturing company;
- Adds five or more new jobs;
- Pays wages for the new jobs that are equal to or exceeds the lower of the county average wage for Missouri as determined by the department using the NAICS industry classifications but are not less than 60% of the statewide average wage; and
- Provides health insurance for all full-time jobs and pays at least 50% of the insurance premiums.

PROGRAM BENEFITS/ELIGIBLE USES

Allows a qualified manufacturing company, beginning January 1, 2012, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes from full-time jobs at the facility for 10 years if it manufactures a new product, or to retain 50% of withholding taxes from full-time jobs for seven years if it modifies or expands the manufacture of an existing product.

Allows a qualified supplier, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes from new jobs for three years. If the qualified supplier pays wages for the new jobs that are equal to or greater than 120% of the county average wage for Missouri as determined by the department using NAICS industry classifications, it can retain the withholding taxes for five years.

FUNDING LIMITS

Limits the amount of retained withholding taxes authorized under the Act for any one qualified manufacturing company to \$10 million per year and limits the aggregate amount of retained withholding taxes authorized under the Act to \$15 million per year.

Specifies that if a qualified manufacturing company is utilizing withholding taxes from jobs at the facility for any other state program, the taxes will first be credited to the other state program before beginning to accrue under the provisions of the Act. The other state programs include, but are not limited to:

- New Jobs Training Program (Sections 178.892 - 178.896);
- Job Retention Program (Sections 178.760 - 178.764);
- Real Property Tax Increment Allocation Redevelopment Act (Sections 99.800 - 99.865); or
- Missouri Downtown and Rural Economic Stimulus Act (Sections 99.915 - 99.980).

REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the retained jobs or new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period.

SPECIAL PROGRAM REQUIREMENTS

Allows a qualified manufacturing company to remain eligible to participate in the Missouri Quality Jobs Program for any new jobs for which it does not retain withholding taxes, if it meets the qualifications for that program but prohibits a qualified manufacturing company from simultaneously receiving benefits from:

- Business use incentives for large-scale developments (Sections 100.700 - 100.850, RSMo);
- New or expanded business facilities (Sections 135.100 - 135.150);
- Enterprise zones (Sections 135.200 - 135.286);
- Relocation of a business to a distressed community (Section 135.535); or
- Rural empowerment zones (Sections 135.900 - 135.906).

A qualified supplier is prohibited from simultaneously receiving benefits from:

- Business use incentives for large-scale developments (Sections 100.700 - 100.850);
- New or expanded business facilities (Sections 135.100 - 135.150);
- Enterprise zones (Sections 135.200 - 135.286);
- Relocation of a business to a distressed community (Section 135.535);

Revised February 2013

- (e) Rural empowerment zones (Sections 135.900 - 135.906);
- (f) Enhanced enterprise zones (Sections 135.950 - 135.970); or
- (g) Missouri Quality Jobs Program (Section 620.1881).

Requires a qualified manufacturing company that fails to make the required capital investment within two years to immediately cease retaining any withholding taxes with respect to jobs at the facility, repay all withholding tax previously retained plus interest of 5% per year, and forfeit all rights to retain withholding taxes for the remainder of the withholding period. If the failure to make the capital investment is due to economic conditions beyond the company's control, the department director may suspend the right to retain withholding taxes one time for up to three years at the company's request.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.missouridevelopment.org



TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act
Program Category: Economic Development
Contact Name & No.: Brenda Horstman 751-3713
Date: January 2014
Statutory Authority: 620.1910, RSMo
Type: Tax Credit
Other (specify): Retention of withholding taxes
Applicable Taxes: Withholding tax

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 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

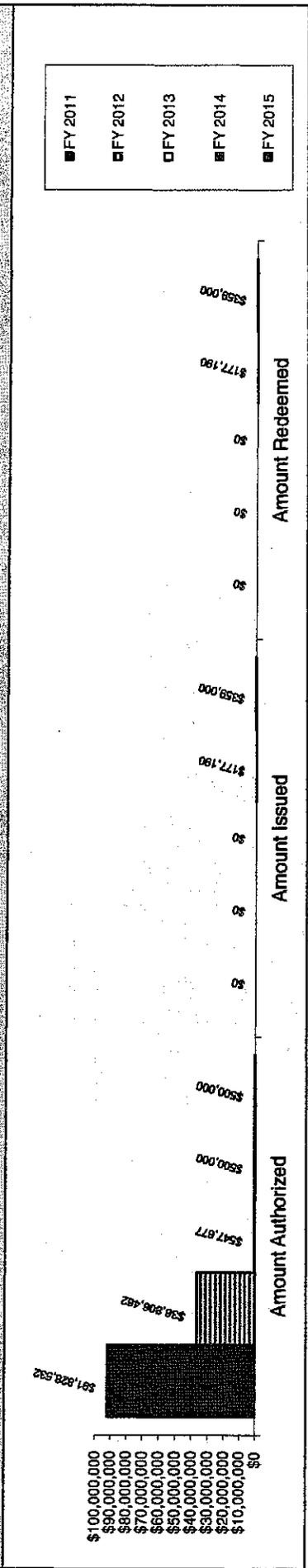
Explanation of Cap: Maximum amount of withholding tax that can be retained by any one qualified manufacturing company shall not exceed \$10 million per calendar year and the aggregate amount for all qualified manufacturing companies shall not exceed \$15 million per calendar year. There are no annual 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 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	N/A	N/A	0	N/A	N/A	N/A
Projects (#)	1	1	1	0	1	1
Amount Authorized	91,828,532	36,806,462	\$547,677	\$0	\$500,000	\$500,000
Amount Issued	0	0	\$0	\$3,671,190	\$177,190	\$359,000
Amount Redeemed	0	0	\$0	\$3,671,190	\$177,190	\$359,000
EST. Amount Outstanding	N/A	N/A	0	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	129,182,671	N/A	N/A	N/A



Comments on Historical and Projected Information

TAX CREDIT ANALYSIS

Program Name: Manufacturing Jobs Act

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$2,020,612	\$19,790,930
Indirect Fiscal Benefits	\$759,350	\$7,437,428
Total	\$2,779,962	\$27,228,258
COSTS		
Direct Fiscal Costs	\$54,768	\$506,362
Indirect Fiscal Costs	\$0	\$0
Total	\$54,768	\$506,362
BENEFIT: COST	50.76	53.77

Derivation of Benefits

Investment: (a) N/A
 Employment: (a) 200 jobs in Motor Vehicle and Parts Manufacturing at average wage rates in 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014.
 Incentives/Credits: (a) \$547,677 in Manufacturing Job Act tax credits over years 2013-2022.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.
 The multi-year fiscal Benefit-Cost Ratio is 33.46 when other program incentives are included.

Other Benefits:
 in FY-2013, every dollar of authorized program tax credits returns
 \$477.54 in new personal income totaling \$26.15 million
 \$1,104.41 in new value-added/GSP totaling \$60.49 million
 \$2,879.71 in new economic output totaling \$157.71 million

Over 10 Years, every dollar of authorized program tax credits returns
 \$701.46 in new personal income totaling \$355.19 million
 \$1,411.12 in new value-added/GSP totaling \$714.54 million
 \$53,583.43 in new economic output totaling \$1,814.51 million

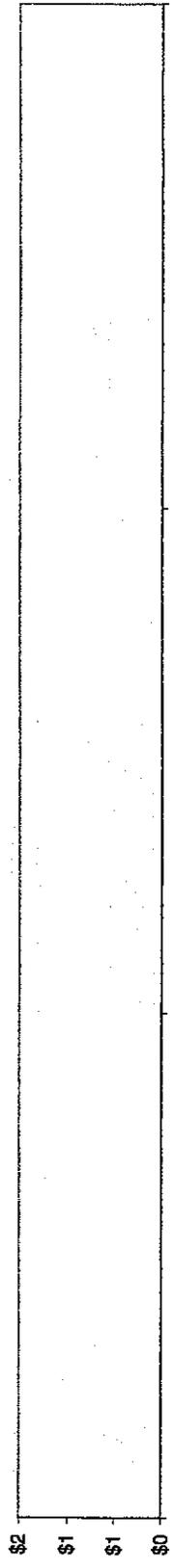
PERFORMANCE MEASURE(S)

Permanent Jobs Retained



Comments on Performance Measure: No projects have begun receiving benefits as of June 30, 2013.

Investment



Comments on Performance Measure: No projects have begun receiving benefits as of June 30, 2013.

MISSOURI WORKS PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Facilitate the creation of quality jobs by targeted business projects.

AUTHORIZATION

Sections 620.2000 to 620.2020

ELIGIBLE APPLICANTS

- For-Profit or non-profit businesses.
- Not Eligible: Gambling establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or healthcare and social services.
- Not Eligible: Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
- Not Eligible: Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
- Eligible: Headquarters, administrative, or research and development offices of otherwise excluded businesses that serve a multi-state area.

ELIGIBILITY CRITERIA

Program	Minimum New Jobs	Minimum New Private Capital Investment	Minimum Average Wage	Automatic Benefit
Zone Works (Note 1)	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Rural Works (Note 2)	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years (Note 3)
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years (Note 3)

WH means the retention of the state withholding tax of the new jobs

Note 1: Project facility must be located in an Enhanced Enterprise Zone.
 Note 2: Project facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.
 Note 3: Benefit period is 5 years, or 6 years for existing Missouri companies (those that have been operational in Missouri for at least 10 years).

In addition to the Automatic Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, limited to the net state fiscal benefit. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;
- The financial stability and creditworthiness of the company;
- The level of economic distress of the project area;
- The competitiveness of alternative locations; and
- The percent of local incentives committed to the project.

PROGRAM BENEFITS

Program benefits are (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

"New jobs" are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the "base employment".

"Base Employment" is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly.

FUNDING LIMITS

There is no annual limit on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$106 million for FY2014, \$111 million for FY2015, and \$116 million for 2016 forward.

ATTRIBUTES OF THE TAX CREDITS

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax). Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

APPLICATION/APPROVAL PROCEDURE

Prior to the receipt of a DED proposal or approval of a notice of intent ("NOI"), none of the following can have occurred:

- Significant, project-specific site work at the project facility.
- Purchased machinery or equipment related to the project.
- Publicly announced its intention to make new capital investment at the project facility.

Revised July 2013

Upon receipt of the proposal/NOI, DED will:

- Confirm the business is eligible;
- Establish the date at which "base employment" is calculated;
- Reserve the estimated tax credits for the project; and
- Establish the 2-year "deadline" date by which the minimum thresholds for the creation of the new jobs, investment, etc must be met.

REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period. The Tax Credit Accountability Act Reporting Form must be submitted to the Department of Revenue by June 30th each year the company receives tax credits and for the three years following the issuance of the tax credits.

SPECIAL PROGRAM REQUIREMENTS

A business cannot simultaneously receive benefits for the same capital investment or the same jobs for the following programs:

- Rebuilding Communities
- Development Tax Credit
- Enhanced Enterprise Zone
- Quality Jobs
- Manufacturing Jobs

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (Missouri Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income (AGI):

- AGI of \$15-20,000 1.27%
- AGI of \$20-25,000 1.82%
- AGI of \$25-30,000 2.29%
- AGI of \$30-35,000 2.63%
- AGI of \$35-40,000 2.85%
- AGI of \$40-45,000 3.00%
- AGI of \$45-50,000 3.11%
- AGI of \$50-55,000 3.21%
- AGI of \$55-60,000 3.31%
- AGI of \$60-65,000 3.40%
- AGI of \$65-70,000 3.49%
- AGI of \$70-75,000 3.57%
- AGI of \$75-100,000 3.78%
- AGI of \$100-200,000 4.29%
- AGI of \$200-500,000 4.82%

CONTACT

Missouri Department of Economic Development

Business and Community Services Division

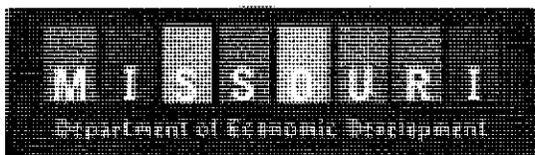
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfn@ded.mo.gov • Web: www.ded.mo.gov



County average wages (effective until 7/1/2014):

Average county wages are based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$26,531	GREENE	\$36,398	OZARK	\$20,002
ANDREW	\$26,908	GRUNDY	\$32,222	PEMISCOT	\$27,461
ATCHISON	\$26,175	HARRISON	\$22,399	PERRY	\$32,191
AUDRAIN	\$31,782	HENRY	\$30,265	PETTIS	\$30,889
BARRY	\$32,555	HICKORY	\$20,094	PHELPS	\$29,900
BARTON	\$25,550	HOLT	\$30,120	PIKE	\$29,226
BATES	\$24,991	HOWARD	\$27,067	PLATTE	\$40,371
BENTON	\$24,571	HOWELL	\$29,483	POLK	\$28,086
BOLLINGER	\$23,501	IRON	\$43,095	PULASKI	\$25,765
BOONE	\$33,695	JACKSON	\$43,122	PUTNAM	\$23,118
BUCHANAN	\$39,275	JASPER	\$34,648	RALLS	\$34,595
BUTLER	\$28,659	JEFFERSON	\$31,780	RANDOLPH	\$33,336
CALDWELL	\$32,390	JOHNSON	\$27,228	RAY	\$31,206
CALLAWAY	\$36,877	KNOX	\$25,293	REYNOLDS	\$24,530
CAMDEN	\$27,452	LACLEDE	\$29,861	RIPLEY	\$19,731
CAPE GIRARDEAU	\$36,115	LAFAYETTE	\$26,612	ST. CHARLES	\$38,732
CARROLL	\$28,099	LAWRENCE	\$28,113	ST. CLAIR	\$21,394
CARTER	\$21,603	LEWIS	\$28,842	STE. GENEVIEVE	\$39,297
CASS	\$29,887	LINCOLN	\$32,173	ST. FRANCOIS	\$28,031
CEDAR	\$22,671	LINN	\$31,407	ST. LOUIS CO.	\$43,122
CHARITON	\$29,574	LIVINGSTON	\$29,911	SALINE	\$30,381
CHRISTIAN	\$27,961	MCDONALD	\$27,725	SCHUYLER	\$24,831
CLARK	\$24,419	MACON	\$26,544	SCOTLAND	\$19,955
CLAY	\$43,122	MADISON	\$26,232	SCOTT	\$31,321
CLINTON	\$28,436	MARIES	\$31,288	SHANNON	\$18,362
COLE	\$37,830	MARION	\$33,077	SHELBY	\$25,471
COOPER	\$29,940	MERCER	\$29,777	STODDARD	\$29,783
CRAWFORD	\$31,729	MILLER	\$30,896	STONE	\$24,838
DADE	\$27,255	MISSISSIPPI	\$26,824	SULLIVAN	\$33,105
DALLAS	\$21,320	MONITEAU	\$27,884	TANEY	\$26,162
DAVISS	\$24,118	MONROE	\$27,323	TEXAS	\$26,136
DEKALB	\$29,458	MONTGOMERY	\$27,391	VERNON	\$32,211
DENT	\$25,087	MORGAN	\$24,219	WARREN	\$31,067
DOUGLAS	\$22,815	NEW MADRID	\$37,389	WASHINGTON	\$22,511
DUNKLIN	\$23,401	NEWTON	\$36,577	WAYNE	\$21,076
FRANKLIN	\$35,193	NODAWAY	\$30,325	WEBSTER	\$28,984
GASCONADE	\$26,214	OREGON	\$21,030	WORTH	\$20,976
GENTRY	\$25,001	OSAGE	\$27,355	WRIGHT	\$26,151
				ST. LOUIS CITY	\$43,122

• Statewide average of \$43,122 applicable to any county over the statewide average when determining program eligibility. (Clay, Jackson, St. Louis County and City)

• The wage represents an average for all private industries.

• If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

Program Name: Missouri Works--Business Incentives
Department: Economic Development
Contact Name & No.: Brenda Horsman 751-3713
Date: January 2014
Program Category: Business Recruitment
Type: Tax Credit: Other (specify) Also retention of withholding tax of new jobs.
Statutory Authority: 620.2000 to 620.2020
Applicable Taxes: Income tax, bank tax, insurance premium tax, other financial institutions tax

Program Description and Eligibility Requirements:
 To qualify, a company must create or retain a minimum number of new jobs at the project facility with average wages of 80%, 90%, 120% or 140% of the county average wage and must offer and pay at least 50% of the health insurance premiums. For-profit and non-profit businesses except for gambling, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, companies that are delinquent in payment of any nonprotested taxes or other payments, and businesses that have filed or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.

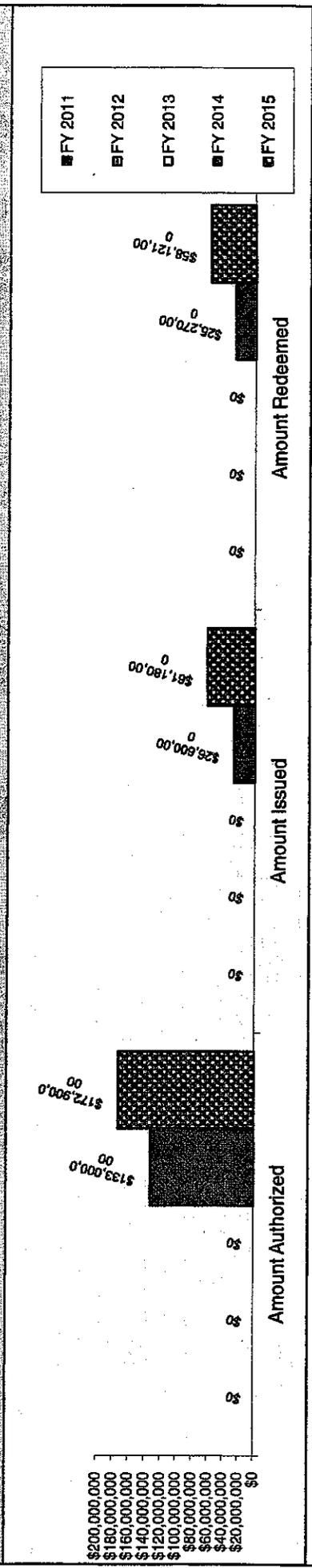
Explanation of How Award is Computed:
 Entitlement Discretionary
 Zone Works (2 new jobs, 80% of county average wage, \$100,000 investment, located in Enhanced Enterprise Zone) and Rural Works (2 new jobs, 90% of county average wage, \$100,000 investment located in a rural county) provide benefits of retention of 100% of the withholdings of the new jobs for 5-6 years. Statewide Works (10 new jobs, 90% of county average wage) provides benefits of retention of withholdings or a combination of retention of withholdings and tax credits for up to 9% of payroll on the new jobs. Mega Works (120 and 140 (100 new jobs, 120% and 140% of county average wage respectively) provide benefits of a combination of retention of withholdings and tax credits totaling from 6 to 7% respectively up to 9% of payroll of the new jobs. Retention Works provides benefits of the retention of withholding tax for up to 100% of the withholdings of the new jobs for up to 10 years.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$106 million (FY14), \$111 million (FY15), \$116 million FY16 forward on tax credits. None
Explanation of cap: _____
 These caps include the authorized amounts for the 4 programs (Quality Jobs, Enhanced Enterprise Zone, Rebuilding Communities, and Development Tax Credit) that Missouri Works is replacing. There is

Explanation of Expiration of Authority: Missouri Works sunsets August 28, 2019.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable Seilable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (projection)	FY 2015 (budget year)
Certificates issued (#)	0	0	0	0	50	65
Projects (#)	0	0	0	45	128	168
Amount Authorized	\$0	\$0	\$0	\$41,046,790	\$133,000,000	\$172,900,000
Amount Issued	\$0	\$0	\$0	\$0	\$26,600,000	\$61,180,000
Amount Redeemed	\$0	\$0	\$0	\$0	\$25,270,000	\$58,121,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Missouri Works--Business Incentives

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

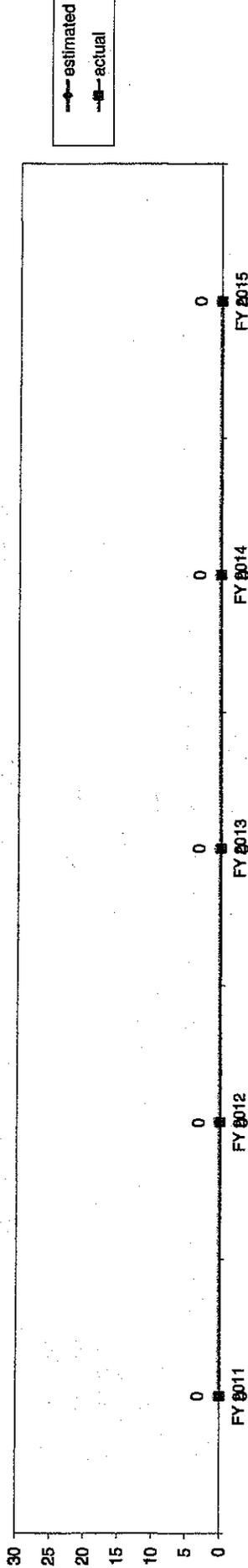
Derivation of Benefits:

	FY 2013 ACTIVITY	Other Fiscal Period (Indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST	#DIV/0!	#DIV/0!

Other Benefits:

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:



NEIGHBORHOOD ASSISTANCE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide assistance to community-based organizations that enables them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Not-for-profit corporations organized under Chapter 355, RSMo;
- Organizations holding a 501(c)(3) ruling from the IRS; and
- Missouri businesses

ELIGIBLE DONORS

Businesses only - individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income are also eligible, as well as a shareholder in an S-corporation, a partner in a Partnership or a member of a Limited Liability Corporation.

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) will issue 50% or 70% tax credits to an eligible taxpayer who makes a qualified contribution to an approved Neighborhood Assistance Program (NAP) project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 - Income tax, excluding withholding tax
- Ch. 147 - Corporate franchise tax
- Ch. 148 -
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 - Express Companies Tax

This credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The maximum amount of tax credits available is \$16 million per fiscal year. The tax credits are allocated at the discretion

of DED and are subject to change:

- \$10 million in 50% credits
- \$ 6 million in 70% credits (reserved for projects in certain lower population or unincorporated areas).

Applicant organizations may request a maximum of \$250,000 in 50% tax credits per project or \$350,000 in 70% tax credits per project if the organization is located in a qualifying rural area.

APPLICATION/APPROVAL PROCEDURE

Applications will be accepted in two rounds. The first round of applications must be submitted by May 10, 2013. The second round of applications must be submitted by October 1, 2013. The Department is targeting \$8 million in approved projects for Round 1 and \$8 million in Round 2; however, DED reserves the right to adjust allocations based on the quality of applications.

NAP staff is available to provide technical assistance to organizations making application to the program.

REPORTING REQUIREMENTS

Quarterly reports, final report, final audit for projects using \$25,000 or more in tax credits, and 1099 reporting.

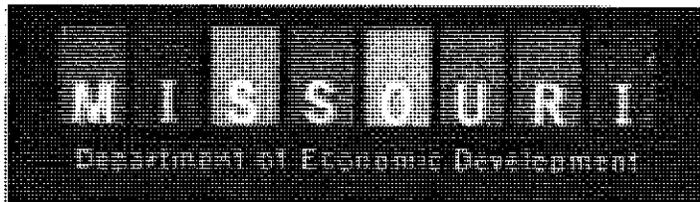
SPECIAL PROGRAM REQUIREMENTS

Preference is given to projects addressing specified program outcomes. The NAP also seeks projects located in distressed communities and in target communities as determined by the department.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised April 2013

Program Name: Neighborhood Assistance Program (NAP) **Contact Name & No.:** Brenda Horsman 751-3713 **Date:** January 2014

Department: Economic Development **Type:** Tax Credit Other (specify) _____

Program Category: Community Development **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax

Statutory Authority: 32.100 - 32.125, RSMo

Program Description and Eligibility Requirements:
Provides assistance to community-based organizations that enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

Explanation of How Award is Computed:
Entitlement _____ Discretionary Applications are reviewed on a competitive basis and awards made to nonprofits or Missouri businesses for 50% or 70% of the approved budget.

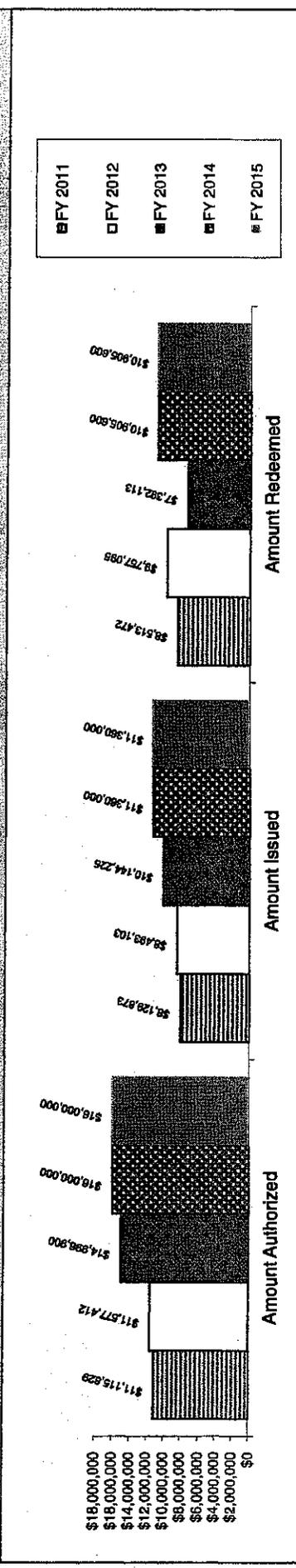
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 16 million None

Explanation of Expiration of Authority:
Explanation of cap: Effective August 28, 2008, fiscal year cap was reduced from \$18 million to \$16 million.

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	1,542	1,511	1,474	515	1,500	1,500
Projects (#)	34	57	59	28	58	58
Amount Authorized	\$11,115,829	\$11,577,412	\$14,986,900	\$8,021,337	\$16,000,000	\$16,000,000
Amount Issued	\$8,129,873	\$8,493,103	\$10,144,225	\$2,486,082	\$11,360,000	\$11,360,000
Amount Redeemed	\$8,513,472	\$9,757,095	\$7,392,113	\$5,683,440	\$10,905,600	\$10,905,600
EST. Amount Outstanding	N/A	N/A	\$13,392,772	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$19,250,998	N/A	N/A	N/A



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program (NAP)

BENEFIT-COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$82,905	\$355,690
Indirect Fiscal Benefits	\$228,970	\$982,356
Total	\$311,875	\$1,338,046
COSTS		
Direct Fiscal Costs	\$2,499,483	\$14,407,324
Indirect Fiscal Costs	\$0	\$0
Total	\$2,499,483	\$14,407,324
BENEFIT-COST	0.12	0.09

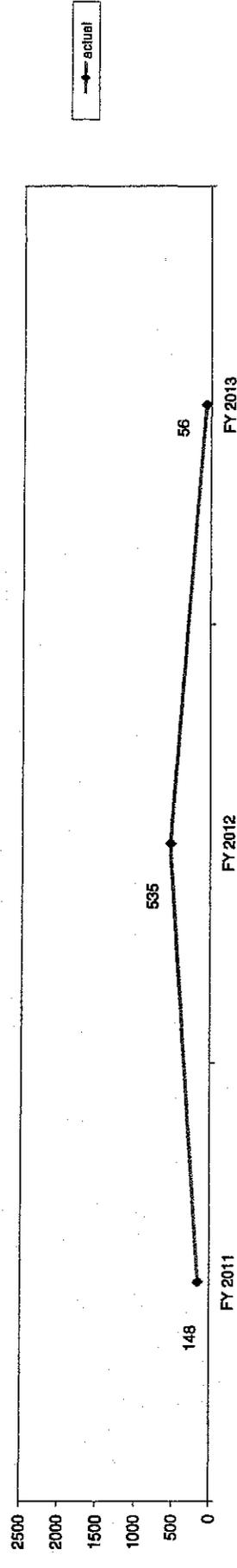
Derivation of Benefits:
 Investment: (a) \$9,012,553 in Construction spending over years 2013-2015.
 Employment: (a) 30 jobs in Social Assistance at average wage rates in 2013-2022.
 Other Assumptions: (a) real wage growth starting in 2014. (b) 846 HS/GED/Skills Training graduates earning \$5,537,070 in additional income in 2013-2022.
 Incentives/Credits: (a) \$14,996,900 in NAP credits over years 2013-2018.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PH.
 The multi-year fiscal Benefit-Cost Ratio is 0.09 when other program incentives are included.

Other Benefits:
 In FY-2013, every dollar of authorized program tax credits returns
 \$4.15 in new personal income totaling \$10.38 million
 \$2.69 in new value-added/GSP totaling \$8.71 million
 \$4.48 in new economic output totaling \$11.20 million

Over 10 Years, every dollar of authorized program tax credits returns
 \$8.73 in new personal income totaling \$96.95 million
 \$3.38 in new value-added/GSP totaling \$48.71 million
 \$5.27 in new economic output totaling \$75.90 million

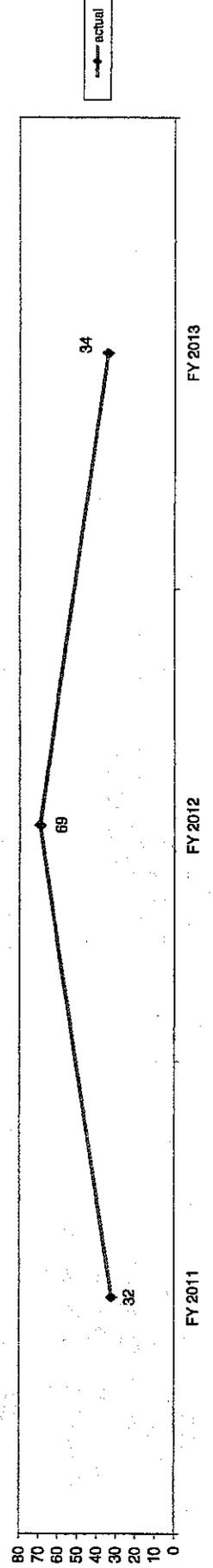
PERFORMANCE MEASURE(S)

Permanent New/Retained Jobs



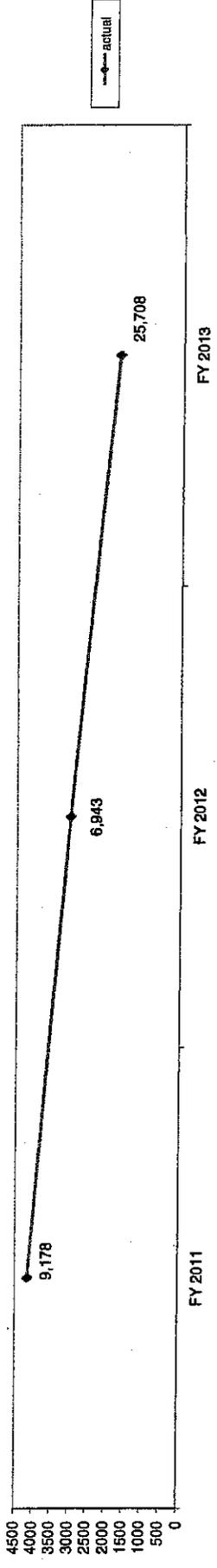
Comments on Performance Measure:
 Numbers are dependent on the type of projects that are funded each year.

New/Renovated Facilities



Program Name: Neighborhood Assistance Program (NAP)

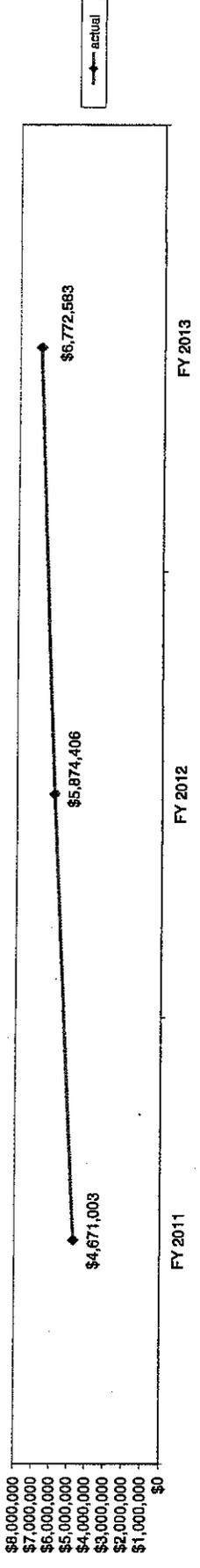
Individuals Learning Life Skills



Comments on Performance Measure:

Includes individuals earning GEDs, job training and other skills necessary to become productive citizens.

Amount Leveraged



Comments on Performance Measure:



MISSOURI QUALITY JOBS PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Facilitate the creation of quality jobs by targeted business projects.

AUTHORIZATION

Section 620.1875-620.1900, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

For-profit and non-profit businesses [except for gambling, retail trade, food and drinking places, public utilities, educational services, ethanol distillation or production facilities, biodiesel production facilities, religious organizations, and public administration companies or businesses that are delinquent in non-protested taxes or other payments (state, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy.] Headquarters or administrative offices of otherwise excluded businesses that serve a multi-state area may qualify in some cases. The average wage of the new jobs must equal or exceed the county average wage (as published by DED), and the company must offer health insurance and pay at least 50% of the premium for all full-time employees in Missouri.

- **Average Wage:** Total annual payroll of the new jobs divided by the average annual number of new jobs.

ELIGIBILITY CRITERIA

The business must create a minimum number of new jobs at the project facility prior to the "deadline" date, based on the type of project:

- **Small/Expanding businesses:**
 - Rural areas: 20 or more new jobs within two years of the date of DED's approval.
 - Non-rural areas: 40 or more new jobs within two years of the date of DED's approval.

**Non-rural areas include the counties of Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis city and county.*

- **Technology businesses** (classified by NAICS codes):
 - 10 or more new jobs within two years of the date of DED's approval.
- **High Impact businesses:**
 - 100 or more new jobs within two years of the date of the hiring of the first new job, and the first new job must be within one year of the date of DED's approval.

PROGRAM BENEFITS/ELIGIBLE USES

For "Small/Expanding" businesses, the benefit of the program is the retention of the state withholding tax of the new jobs.

For "Technology" and "High Impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

This tax credit can be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institutions tax). Tax credits must be claimed within one year of the close of the taxable year that they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any unused balance is refundable. The credits may also be transferred, sold or assigned.

The program benefits are calculated as follows:

Small/Expanding businesses:

Retain 100% of the withholding tax of the new jobs, each year for the benefit period of:

- Three years - if the average wage of new jobs is 100-119% of county average wage; or
- Five years - if the average wage of new jobs is at least 120% of county average wage.

Technology businesses:

5% of the payroll of the new jobs each year for five years; **plus:**

- "Average Wage Bonus"

High Impact businesses:

3% of the payroll of the new jobs each year for five years; **plus:**

- "Average Wage Bonus"
- "Local Incentives Bonus"

"Average Wage Bonus" (company average wage as a percentage of county average wage):

- Greater than 120% and up to 140%: ½% bonus of payroll of the new jobs.
- Greater than 140%: 1% bonus of payroll of the new jobs.

"Local Incentives Bonus" (amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years):

- 10-24%: 1% bonus of payroll of the new jobs.
- 25-49%: 2% bonus of payroll of the new jobs.
- 50% or more: 3% bonus of payroll of the new jobs.

Each time the business meets the minimum new job threshold, it may start a new benefit period for the net new jobs created. There is no limit on the number of benefit periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

"New jobs" are defined as full-time (average 35 or more hours/week each year) employees of the company that are employed at the project facility, based on the increase from the "base employment" (the number of full-time jobs at the facility, or the average number for the twelve-month period prior to the Notice of Intent, whichever is higher, on the date DED receives the Notice of Intent). In the event the company (or a related company) reduced jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly.

FUNDING LIMITS

There is no annual cap on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$80,000,000 per calendar year, and are provided on a first-come basis.

Revised June 2013

APPLICATION/APPROVAL PROCEDURE

An application ("Notice of Intent") may be submitted to DED at any time of the year by the business. Applications may be obtained at www.missouridevelopment.org. DED's approval will:

- Confirm that the type of project/business is eligible.
- Establish the date "base employment" is calculated.
- Reserve the estimated tax credits for the project.
- Establish the 2-year "deadline" date for the creation of the minimum new jobs to be eligible for the program.

REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits will cease for the remainder of the benefit period. A high-impact project may continue as a small/expanding project as long as new jobs and other program requirements are met. SB1099, or the Tax Credit Accountability Act Reporting Form must be submitted to the Department of Economic Development by June 30th each year the company receives tax credits and for the three years following the end of the benefit period.

SPECIAL PROGRAM REQUIREMENTS

A business cannot earn benefits simultaneously at the project facility under this program if earning benefits under any of the following state programs:

- Missouri Enterprise Zone program or Enhanced Enterprise Zone program
- Business Facility program
- Rebuilding Communities program
- Brownfield Jobs and Investment tax credits

Special conditions apply when Quality Jobs is used at the same time as other programs that affect state withholding taxes (New Jobs Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income ("AGI"):

• AGI OF \$15-20,000	1.27%
• AGI OF \$20-25,000	1.82%
• AGI OF \$25-30,000	2.29%
• AGI OF \$30-35,000	2.63%
• AGI OF \$35-40,000	2.85%
• AGI OF \$40-45,000	3.00%
• AGI OF \$45-50,000	3.11%
• AGI OF \$50-55,000	3.21%
• AGI OF \$55-60,000	3.31%
• AGI OF \$60-65,000	3.40%
• AGI OF \$65-70,000	3.49%
• AGI OF \$70-75,000	3.57%
• AGI OF \$75-100,000	3.78%
• AGI OF \$100-200,000	4.29%
• AGI OF \$200-500,000	4.82%

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

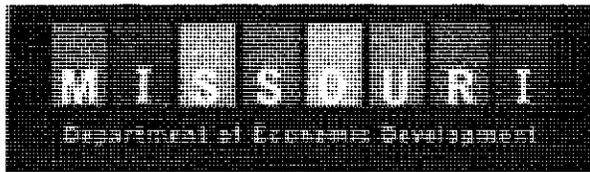
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.missouridevelopment.org



County average wages (effective until 7/1/2014):

Average county wages are based on Census of Employment and Wages, MERIC Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$26,531	GREENE	\$36,398	OZARK	\$20,002
ANDREW	\$26,908	GRUNDY	\$32,222	PEMISCOT	\$27,461
ATCHISON	\$26,175	HARRISON	\$22,399	PERRY	\$32,191
AUDRAIN	\$31,782	HENRY	\$30,265	PETTIS	\$30,889
BARRY	\$32,555	HICKORY	\$20,094	PHELPS	\$29,900
BARTON	\$25,550	HOLT	\$30,120	PIKE	\$29,226
BATES	\$24,991	HOWARD	\$27,067	PLATTE	\$40,371
BENTON	\$24,571	HOWELL	\$29,483	POLK	\$28,086
BOLLINGER	\$23,501	IRON	\$43,095	PULASKI	\$25,765
BOONE	\$33,695	JACKSON	\$49,683	PUTNAM	\$23,118
BUCHANAN	\$39,275	JASPER	\$34,648	RALLS	\$34,595
BUTLER	\$28,659	JEFFERSON	\$31,780	RANDOLPH	\$33,336
CALDWELL	\$32,390	JOHNSON	\$27,228	RAY	\$31,206
CALLAWAY	\$36,877	KNOX	\$25,293	REYNOLDS	\$24,530
CAMDEN	\$27,452	LACLEDE	\$29,861	RIPLEY	\$19,731
CAPE GIRARDEAU	\$36,115	LAFAYETTE	\$26,612	ST. CHARLES	\$38,732
CARROLL	\$28,099	LAWRENCE	\$28,113	ST. CLAIR	\$21,394
CARTER	\$21,603	LEWIS	\$28,842	STE. GENEVIEVE	\$39,297
CASS	\$29,887	LINCOLN	\$32,173	ST. FRANCOIS	\$28,031
CEDAR	\$22,671	LINN	\$31,407	ST. LOUIS CO.	\$53,092
CHARITON	\$29,574	LYNINGSTON	\$29,911	SALINE	\$30,381
CHRISTIAN	\$27,961	MCDONALD	\$27,725	SCHUYLER	\$24,831
CLARK	\$24,419	MACON	\$26,544	SCOTLAND	\$19,955
CLAY	\$43,873	MADISON	\$26,232	SCOTT	\$31,321
CLINTON	\$28,436	MARIES	\$31,288	SHANNON	\$18,362
COLE	\$37,830	MARION	\$33,077	SHELBY	\$25,471
COOPER	\$29,940	MERCER	\$29,777	STODDARD	\$29,783
CRAWFORD	\$31,729	MULLER	\$30,896	STONE	\$24,838
DADE	\$27,255	MISSISSIPPI	\$26,824	SULLIVAN	\$33,105
DALLAS	\$21,320	MONITEAU	\$27,884	TANEY	\$26,162
DAVISS	\$24,118	MONROE	\$27,323	TEXAS	\$26,136
DEKALB	\$29,458	MONTGOMERY	\$27,391	VERNON	\$32,211
DENT	\$25,087	MORGAN	\$24,219	WARREN	\$31,067
DOUGLAS	\$22,815	NEW MADRID	\$37,389	WASHINGTON	\$22,511
DUNKLIN	\$23,401	NEWTON	\$36,577	WAYNE	\$21,076
FRANKLIN	\$35,193	NODAWAY	\$30,325	WEBSTER	\$28,984
GASCONADE	\$26,214	OREGON	\$21,030	WORTH	\$20,976
GENTRY	\$25,001	OSAGE	\$27,355	WRIGHT	\$26,151
				ST. LOUIS CITY	\$55,026

• Statewide average of \$43,122 applicable to any county over the statewide average when determining program eligibility.

• The wage represents an average for all private industries.

• If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

Program Name: Quality Jobs
Department: Economic Development
Program Category: Business Recruitment
Statutory Authority: 620.1875 to 620.1890, RSMo
Contact Name & No.: Brenda Horelman 751-3713
Date: January 2014
Type: Tax Credit Other (specify) Also retention of withholding tax of new jobs
Applicable Taxes: Income tax, Bank tax, Insurance premium tax, Other financial institutions tax

Program Description and Eligibility Requirements:
 For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, public utilities, educational services, religious organizations, public administration, companies that are delinquent in non-protected taxes or other payments, or any company that has filed for or has publicly announced its intention to file for bankruptcy are eligible provided the average wage of the new jobs equals or exceeds the county average wage and the company offers health insurance and pays at least 50% of the premium. To qualify, the company must create a minimum number of new jobs at the project facility within 2 years.

Explanation of How Award is Computed:
 Entitlement Discretionary
 The benefits of the program are the retention of 100% of the state withholding tax of the new jobs for 3 or 5 years for small/expanding businesses (20+ new jobs in rural areas and 40+ new jobs in non-rural areas), or a combination of the retention of 100% of the state withholding tax of the new jobs and state tax credits for 5 years for technology businesses (10+ new jobs) and high impact businesses (100+ new jobs), based on a percentage (from 3 to 7%, depending on the average wage of the new jobs and the amount of local incentives) of the payroll of the new jobs.

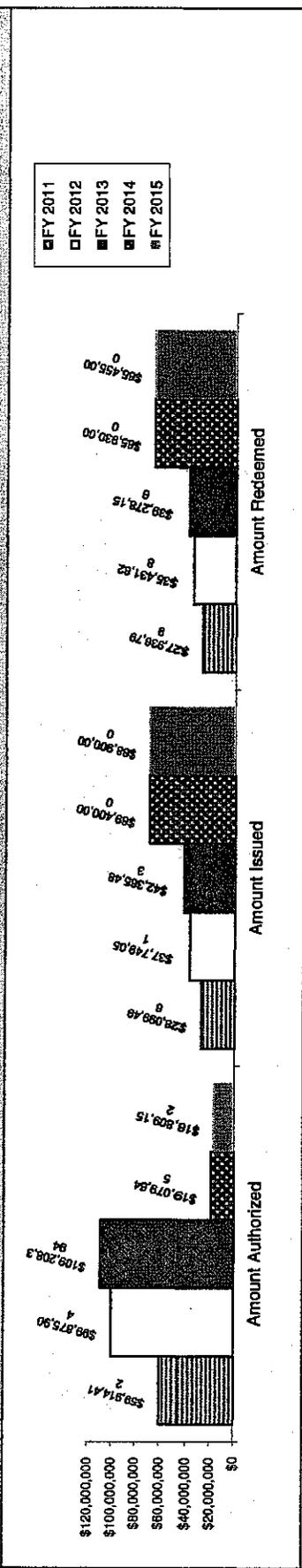
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$.80 million, None
Explanation of cap: The cap increased from \$40 million to \$60 million in tax credits beginning Aug. 2009. The cap increased to \$80 million beginning June 4, 2009. Up to \$3 million of the cap may be used for job retention projects approved by the Quality Jobs Advisory Task Force, with no tax credits issued after August 30, 2013. Up to \$500,000 of the cap may be used for small business job retention and flood relief projects, with no tax credits approved after August 30, 2010. The tax credit maximums applying to technology and high impact business projects were removed for newly approved projects as of June 4, 2009. There is no limit on the retention of withholding taxes.

Explanation of Expiration of Authority: No tax credits shall be issued for job retention projects approved after August 30, 2013. No tax credits shall be issued for small business job retention and flood relief projects approved after August 30, 2010. No new projects may be proposed after August 27, 2013.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	44	49	62	45	75	85
Projects (#)	57	65	61	27	28	6
Amount Authorized	\$59,814,412	\$99,875,804	\$109,208,394	\$55,706,865	\$19,079,845	\$16,809,152
Amount Issued	\$28,099,486	\$37,749,051	\$42,365,483	\$29,589,461	\$69,400,000	\$68,900,000
Amount Redeemed	\$27,836,799	\$35,431,828	\$39,278,156	\$27,370,234	\$65,930,000	\$65,485,000
EST. Amount Outstanding	N/A	N/A	\$5,859,527	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$312,002,227	N/A	N/A	N/A



Comments on: The total amount authorized for Quality Jobs since the beginning of the program is \$648,676,039.81. Of that amount, \$160,853,804.13, has been disqualified without any benefits being paid out. Other projects have ceased receiving benefits in the middle of their projects. The total amount issued for Quality Jobs is \$141,776,192.56 and the total amount of redemptions is \$135,016,251.21.

Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Quality Jobs

BENEFITS-COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$10,119,559	\$410,222,313
Indirect Fiscal Benefits	\$3,966,910	\$160,608,879
Total	\$14,086,470	\$571,031,192
COSTS		
Direct Fiscal Costs	\$18,201,399	\$104,915,066
Indirect Fiscal Costs	\$0	\$0
Total	\$18,201,399	\$104,915,066
BENEFIT: COST	0.77	5.44

Derivation of Benefits
 Investment: (a) \$513,255,604 in Non-Residential investment spending in 2013.
 Employment: (a) 7,215 jobs in various Manufacturing and Service sectors at average wage rates 2014-2022.
 Other Assumptions: (a) real wage growth starting in 2014. (b) 300 jobs transferred across state border with income tax impact only.
 Incentives/Credits: (a) \$109,208,394 in Missouri Quality Jobs tax credits over years 2013-2018.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PH.
 The multi-year fiscal Benefit-Cost Ratio is 4.80 when other program incentives are included.

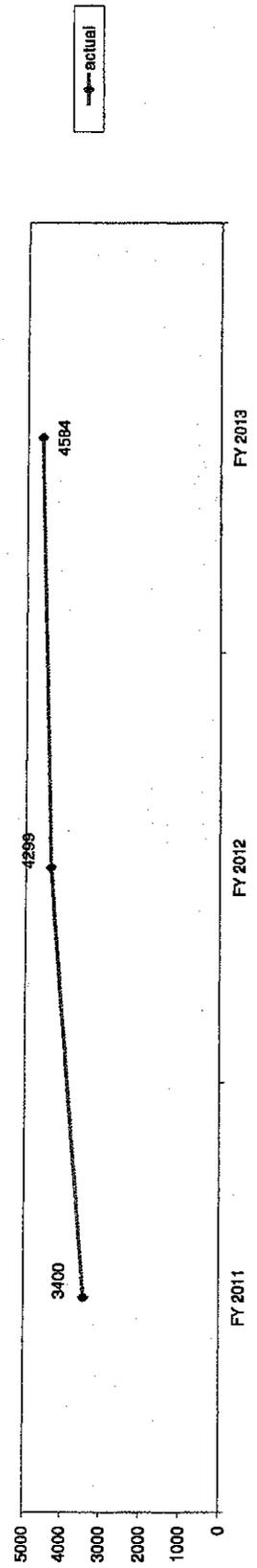
Other Benefits:
 In FY-2013 every dollar of authorized program tax credits returns \$13.18 in new personal income totaling \$239.90 million
 \$17.81 in new value-added/GSP totaling \$324.22 million
 \$32.38 in new economic output totaling \$589.42 million

Over 10 Years, every dollar of authorized program tax credits returns:
 \$84.56 in new personal income totaling \$871.86 million
 \$160.38 in new value-added/GSP totaling \$16,826.02 million
 \$283.45 in new economic output totaling \$29,738.13 million

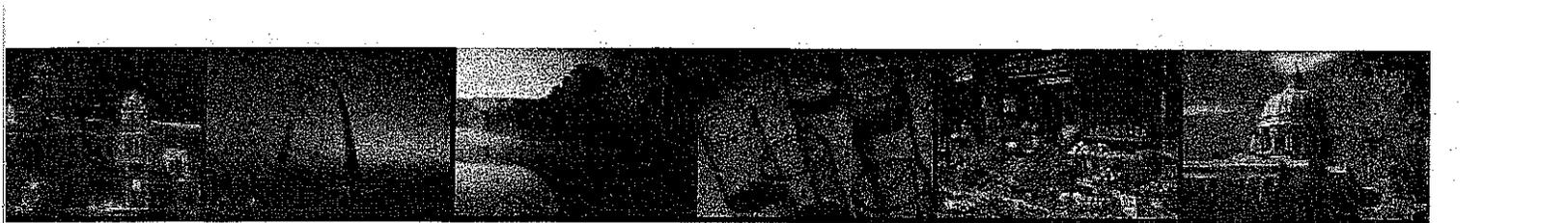
Note: For Form 14 purposes, the REMI reflects the benefit-cost analysis based on projects authorized during the most recent fiscal year. The Missouri Quality Jobs Annual Report includes a benefit-cost analysis that uses verified data from required business reports where applicable, as well as anticipated data for all program years. The 2012 Annual Report provided a benefit-cost ratio of 4.41 for all projects, with a 3.28 ratio for verified projects only. Verified projects are those that submit annual reports, and DED verifies jobs and payroll through payroll records/spreadsheets.

PERFORMANCE MEASURE(S)

Permanent New Jobs Created Over the Previous Year



Comments on Performance Measure: For projects reporting in the fiscal year, this is the number of new jobs over the previous year reported.



REBUILDING COMMUNITIES TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To stimulate business activity in Missouri's "distressed communities" by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

AUTHORIZATION

Section 135.535, RSMo.

ELIGIBLE AREAS

Distressed communities only. For a list of cities and census block groups that are "distressed communities," visit DED's web site or call 573-751-0717.

ELIGIBLE APPLICANTS

Businesses that locate, relocate or expand their business within a distressed area or distressed Missouri community.

ELIGIBILITY CRITERIA

- Must have more than 75% of its employees at the facility in the distressed community.
- Must have fewer than 100 employees total at all facilities nationwide (before commencing operations or relocating).
- Primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming (including Internet, web hosting, and other information technology), telecommunications (wireless, wired or other), or a professional firm.

CATEGORIES OF BUSINESS:

NEW OR RELOCATING BUSINESSES

Eligible new or relocating businesses may choose one of the 40% Tax Credits and the employees may receive the 1.5% Employee Tax Credit.

EXISTING BUSINESSES

Eligible businesses already located in a distressed community may be eligible for the 25% Equipment Tax Credit. Existing businesses that double the number of full time employees in the distressed community from the previous year, may choose one of the 40% Tax Credits.

TAX BENEFITS AVAILABLE:

40% INCOME TAX CREDIT:

State tax credit based on 40% of the amount of state income tax owed by the business.

40% EQUIPMENT TAX CREDIT:

State tax credit based on 40% of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring or software development expense in the calendar year.

1.5% EMPLOYEE TAX CREDIT:

Employees of an eligible business may receive a tax credit against state individual income tax equal to 1.5% of their gross annual salary paid at the project facility. The business must receive one of the 40% Tax Credits each year for the employees to be eligible for this credit.

25% EQUIPMENT TAX CREDIT:

State tax credit based on 25% of the amount of funds expended for eligible equipment in a taxable year that exceeds the average of the prior two years' expenditures for such equipment. Eligible expenditures include: computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring and software development.

PROGRAM BENEFITS/ELIGIBLE USES

The 40% Income Tax Credits and the 25% and 40% Equipment Tax Credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax

And have these special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

The 1.5% Individual Tax Credit can be applied to:

- Ch. 143 – Individual income tax

And has this special attribute:

- Sellable or transferable

Revised November 2007

FUNDING LIMITS

PROGRAM LIMIT:

- All credits: \$8 million/year
- 25% Equipment Tax Credits: \$750,000/year

PER BUSINESS LIMIT:

- 40% Income Tax Credit: \$125,000/year
- 25% and 40% Equipment Tax Credits: \$75,000/year

ELIGIBILITY PERIOD:

- 40% Equipment Tax Credit: Year of commencement of operations plus three calendar years thereafter
- 40% Income Tax Credit: Three tax years after the year of commencement of operations
- 1.5% Employee Tax Credit: Three tax years after commencement of operations

APPLICATION/APPROVAL PROCEDURE

- New or relocating businesses should submit a Pre-Application to DED prior to commencing operations in the distressed community.
- Businesses applying for the 25% Equipment Tax Credit should submit a Pre-Application for each year that they intend to request tax credits.
- Applications for tax credits must be submitted to DED prior to February 15th of the calendar year following the year in which the credits were earned.
- Tax credits will be issued on a first-come, first served basis.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

A business can only earn the 40% Tax Credits under this program for one eligibility period.

No business can earn credits under this program if earning Missouri Quality Jobs, Enterprise Zone, Enhanced Enterprise Zone, Business Facility or Brownfield Jobs and Investment Tax Credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



TAX CREDIT ANALYSIS

Program Name: Rebuilding Communities
Department: Economic Development
Program Category: Business Recruitment
Statutory Authority: 135.535, RSMo
Contact Name & No.: Brenda Horstman 751-3713
Type: Tax Credit Other (specify) _____
Date: January 2014
Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax

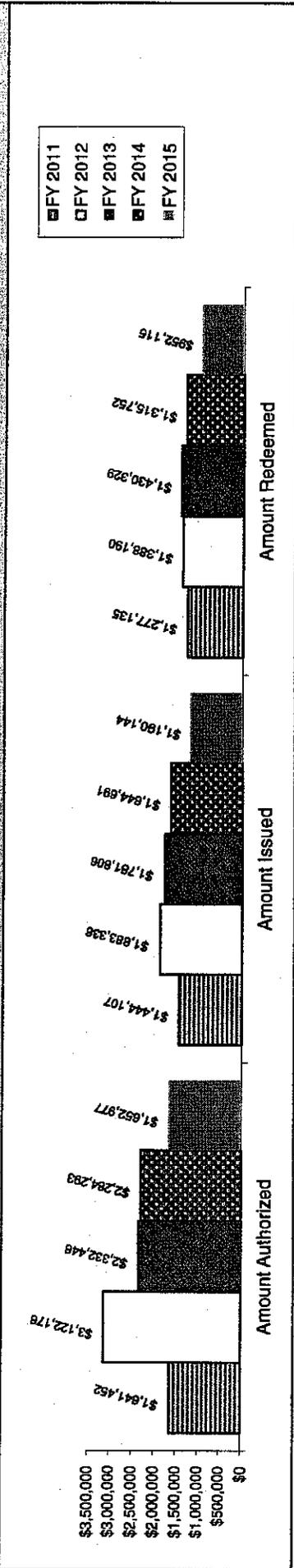
Program Description and Eligibility Requirements:
 Provides a tax credit for eligible businesses locating, relocating or expanding within a distressed community. A business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community, and be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, including internet, web hosting, and other

Explanation of How Award is Computed:
 Entitlement Discretionary
 The tax credit is equal to either 40% or 25% of eligible equipment purchases, depending on whether the business is new or existing, or 40% of state income taxes due. A 1.5% employee tax credit is also available to businesses who receive one of the 40% credits and is based on an employee's gross salary. The 40% income tax credit is limited to \$125,000 per year for three years. The 40% and 25% equipment credits are limited to \$75,000 per year for four years.

Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 8 million None
Explanation of cap: Total credits issued under this program may not exceed \$8 million per year. The 25% equipment credits are further limited to \$750,000 per year. (Note that 620.1891, RSMo - the Missouri Quality Jobs Act - reduced the cap from \$10 million to \$8 million).
Explanation of Expiration of Authority:

Specific Provisions: (If applicable)
 Carry forward 5 years Carry Back 3 years Refundable Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions: The 1.5% employee credits are sellable/assignable only.

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	320	178	290	12	250	200
Projects (#)	47	62	53	22	33	29
Amount Authorized	\$1,641,452	\$3,122,176	\$2,332,446	\$1,122,525	\$2,284,293	\$1,652,977
Amount Issued	\$1,444,107	\$1,883,336	\$1,781,806	\$349,558	\$1,644,691	\$1,190,144
Amount Redeemed	\$1,277,135	\$1,388,190	\$1,430,329	\$1,603,493	\$1,315,752	\$952,115
EST. Amount Outstanding	N/A	N/A	\$3,000,417	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$1,076,679	N/A	N/A	N/A



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Rebuilding Communities

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	\$172,254	\$241,989
Indirect Fiscal Benefits	\$54,333	\$75,329
Total	\$226,587	\$318,318
COSTS		
Direct Fiscal Costs	\$466,489	\$2,261,750
Indirect Fiscal Costs	\$0	\$0
Total	\$466,489	\$2,261,750
BENEFIT: COST	0.49	0.14

Derivation of Benefits
 Investment: (a) \$6,617,850 in Durable Equipment spending in 2013.
 Employment: (a) N/A
 Other Assumptions: (a) Estimated Professional/Tech. Services and Misc. Manufacturing industry sales of \$629,666 each between years 2013-2017.
 Incentives/Credits: (a) \$2,332,446 in Rebuilding Communities tax credits over years 2013-2017.
 Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI4.

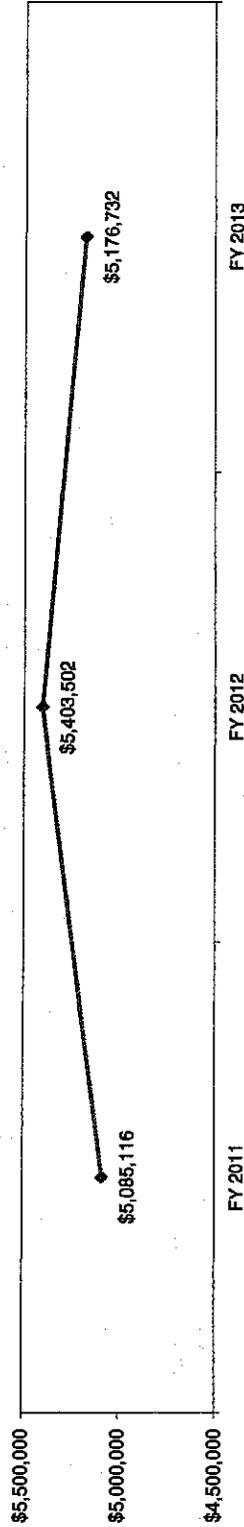
Other Benefits:

In FY 2013, every dollar of authorized program tax credits returns \$2.09 in new personal income totaling \$0.98 million \$5.89 in new value-added/GSP totaling \$2.75 million \$9.49 in new economic output totaling \$4.43 million

Over 5 years, every dollar of authorized program tax credits returns \$0.77 in new personal income totaling \$1.74 million \$3.00 in new value-added/GSP totaling \$6.77 million \$4.91 in new economic output totaling \$11.11 million

PERFORMANCE MEASURE(S)

New Investment



Comments on Performance Measure:



WINE & GRAPE PRODUCTION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Assist vineyards and wine producers with the purchase of new equipment and materials by granting a tax credit for a portion of the purchase price.

The Missouri Department of Economic Development (DED), will issue a state tax credit to an individual, partnership or corporation in an amount equal to 25% of the purchase price of new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.

AUTHORIZATION

Section 135.700, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri individuals or businesses.

ELIGIBILITY CRITERIA

An individual or business must be actively involved in the production of wine or the growing of grapes in the state of Missouri.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

APPLICATION/APPROVAL PROCEDURE

An application must be filed with DED. There are no deadlines. DED will issue a tax credit certificate authorizing the applicant to claim the tax credits.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

The Agricultural Category of tax credits, which includes the Wine and Grape Production program, requires recipients to annually report to DED for three (3) years following the date of issuance of the tax credits, the following information:

- Type of agricultural commodity
- Amount of contribution
- Type of equipment purchased
- Name and description of facility, except that if the agricultural credit is issued as a result of a producer member investing in a new generation processing entity, then the new generation processing entity, and not the recipient, shall annually, for a period of three years following the issuance of tax credits provide the information.

SPECIAL PROGRAM REQUIREMENTS

Equipment and materials must be new purchases. The purchase price is the selling price of the new equipment and materials, excluding sales tax, delivery cost, shipping and handling costs, installation costs, and other unrelated costs.

The new equipment and materials must be:

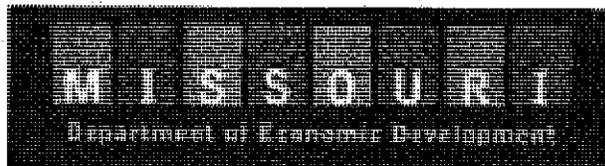
- Used on land owned or leased for the purpose of producing wine or growing grapes; and
- Used directly in the production of wine or growing of grapes in the state of Missouri.

The new equipment and materials will be considered used directly based upon:

- Where the item in question is used;
- When the item in question is used; and
- How the item in question is used to produce wine or grow grapes.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers
 Department: Economic Development
 Contact Name & No.: Brenda Horsman 751-3713
 Date: January 2014
 Program Category: Agricultural
 Type: Tax Credit Other (specify)
 Statutory Authority: 135.700, RSMo
 Applicable Taxes: Income tax

Program Description and Eligibility Requirements:
 Any grape grower or wine producer within the state can claim an income tax credit for a percentage of the purchase price of all new equipment and materials used directly in growing grapes or producing wine within the state. Taxpayers may apply annually for up to five years.

Explanation of How Award is Computed:
 Entitlement Discretionary
 The tax credit is equal to 25% of the purchase price of all new equipment and materials used directly in growing grapes or producing wine.

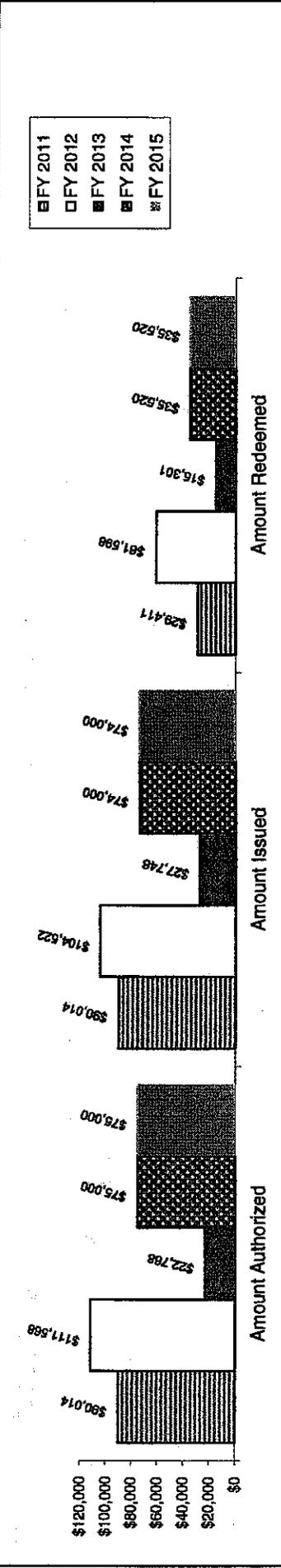
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None
 Explanation of cap:

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____
Comments on Specific Provisions: This credit has no special attributes and must be applied to tax liability for the year it was earned.

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	17	14	9	4	14	14
Projects (#)	17	15	10	3	14	14
Amount Authorized	\$90,014	\$111,568	\$22,768	\$11,446	\$75,000	\$75,000
Amount Issued	\$90,014	\$104,522	\$27,746	\$12,306	\$74,000	\$74,000
Amount Redeemed	\$29,411	\$61,598	\$15,301	\$15,304	\$35,520	\$35,520
EST. Amount Outstanding	N/A	N/A	\$94,186	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$2,068	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	\$263	\$2,669
Indirect Fiscal Benefits	\$55	\$560
Total	\$319	\$3,229
COSTS		
Direct Fiscal Costs	\$11,384	\$22,626
Indirect Fiscal Costs	\$0	\$0
Total	\$11,384	\$22,626
BENEFIT: COST	0.03	0.14

Derivation of Benefits
Investment: (a) \$91,073 in Durable Equipment spending in 2013.
Employment: (a) N/A

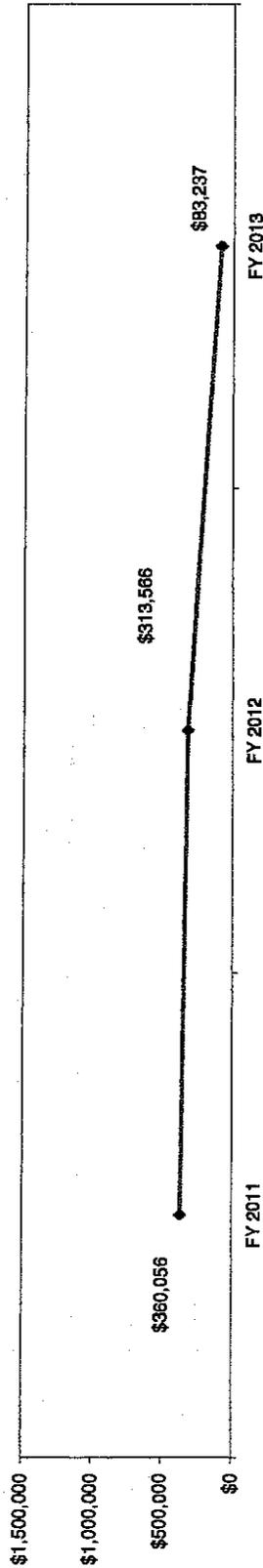
Other Assumptions: (a) Estimated annual Beverage Mfg. industry sales of \$20,072 between years 2013-2017.
Incentives/Credits: (a) \$22,768 in Wine and Grape tax credits over years 2013-2014.
Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI+.

Other Benefits:
In FY-2013, every dollar of authorized program tax credits returns \$0.00 in new personal income totaling \$0.00 million
\$5.36 in new value-added/GSP totaling \$0.06 million
\$5.36 in new economic output totaling \$0.06 million

Over 5 Years, every dollar of authorized program tax credits returns
\$1.35 in new personal income totaling \$0.03 million
\$4.05 in new value-added/GSP totaling \$0.09 million
\$5.40 in new economic output totaling \$0.12 million

PERFORMANCE MEASURE(S)

Investment



Comments on Performance Measure:



YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To broaden and strengthen opportunities for positive development and participation in community life for youth, and to discourage such persons from engaging in criminal and violent behavior.

AUTHORIZATION

Sections 135.460 and 620.1100 to 620.1103, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

- Non-Profit Organizations
- Schools*
- Faith-based Organizations*
- Local Governments
- Missouri Businesses
- Public or Private Entities

*Schools and faith-based organizations must meet certain criteria.

ELIGIBILITY CRITERIA

Tax credits are allocated to organizations administering positive youth development or crime prevention projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions. There are 50% tax credits for monetary contributions and wages paid to youth in an approved internship, apprenticeship or employment project, and 30% tax credits for property or equipment contributions used specifically for the project.

Eligible Projects include:

- Degree Completion
- Internship/Apprenticeship
- Youth Clubs/Associations
- Adopt-A-School
- Mentor/Role Model
- Substance Abuse Prevention
- Violence Prevention
- Youth Activity Centers
- Conflict Resolution
- Employment
- Counseling

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
 - Bank Tax
 - Insurance Premium Tax
 - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit's special attribute:

- Carry forward 5 years

FUNDING LIMITS

- The Youth Opportunities Program has up to \$6 million in tax credits to award annually.
- Each project is limited to \$250,000 in tax credits.
- Each contributor is limited to \$200,000 in tax credits annually.

APPLICATION/APPROVAL PROCEDURE

2012 YOP applications will be accepted any time prior to September 30, 2012, or until tax credits have been exhausted.

REPORTING REQUIREMENTS

Quarterly reports, final report and final audit for projects using \$25,000 or more in tax credits

CONTACT

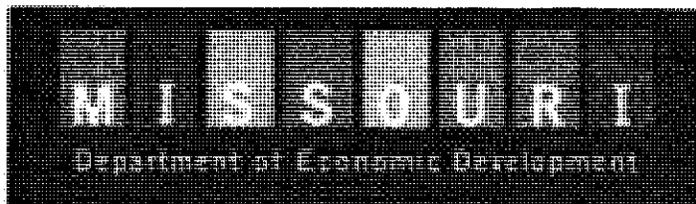
Missouri Department of Economic Development

Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

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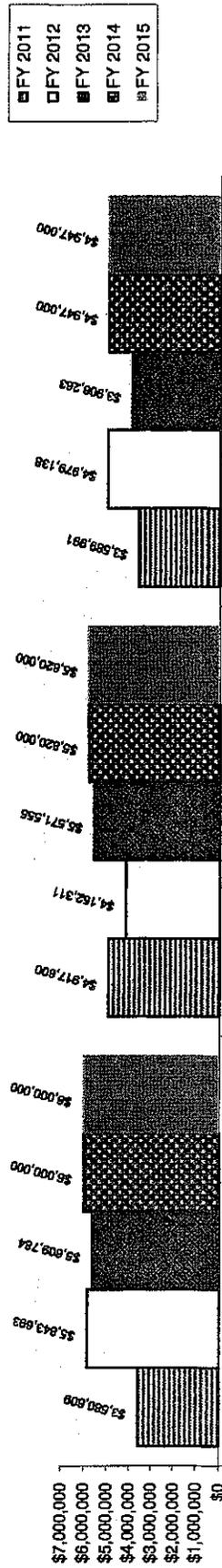
Revised October 2011

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program (YOP) **Contact Name & No.:** Brenda Horsman 751-3713 **Date:** January 2014
Department: Economic Development
Program Category: Domestic and Social **Type:** Tax Credit Other (specify) _____
Statutory Authority: 135.460 and 620.110-620.1103, RSMo **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express companies tax
Program Description and Eligibility Requirements:
 This is a contribution tax credit program which broadens and strengthens opportunities for positive development and participation in community life for youth and discourages criminal and violent behavior. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved YOP projects.
Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 Credits are awarded on an open cycle and are awarded at 50% of the approved project budget
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ 6 million None
Explanation of cap: _____
Explanation of Expiration of Authority: _____
 Specific Provisions: (if applicable) Carry forward 5 years Carry Back _____ Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____
Comments on Specific Provisions: _____

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	3,072	2,634	3,040	922	3,000	3,000
Projects (#)	23	41	33	23	35	35
Amount Authorized	\$3,580,609	\$5,843,693	\$5,609,784	\$3,605,824	\$6,000,000	\$6,000,000
Amount Issued	\$4,917,600	\$4,152,311	\$5,571,555	\$1,565,523	\$5,820,000	\$5,820,000
Amount Redeemed	\$3,589,991	\$4,979,138	\$3,906,263	\$2,638,539	\$4,947,000	\$4,947,000
EST. Amount Outstanding	N/A	N/A	\$7,542,146	N/A	N/A	N/A
Unissued	N/A	N/A	\$6,391,890	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program (YOP)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$1,108	\$6,532
Indirect Fiscal Benefits	\$271,417	\$1,599,569
Total	\$272,526	\$1,606,101
COSTS		
Direct Fiscal Costs	\$834,964	\$5,389,246
Indirect Fiscal Costs	\$0	\$0
Total	\$834,964	\$5,389,246
BENEFIT: COST	0.29	0.30

Derivation of Benefits

Investment: (a) \$459,396 in Construction spending in 2013.

Employment: (a) N/A

Other Assumptions: (a) real wage growth starting in 2014. (b) 1,481 HS/GED/Skills Training graduates earning \$9,693,145 in additional income in 2013-2022.

Incentives/Credits: (a) \$5,609,784 in YOP tax credits over years 2013-2018.

Impacts occur Statewide. Money values in 2013\$. Assumptions provided by DED. Estimated using REMI-PI.

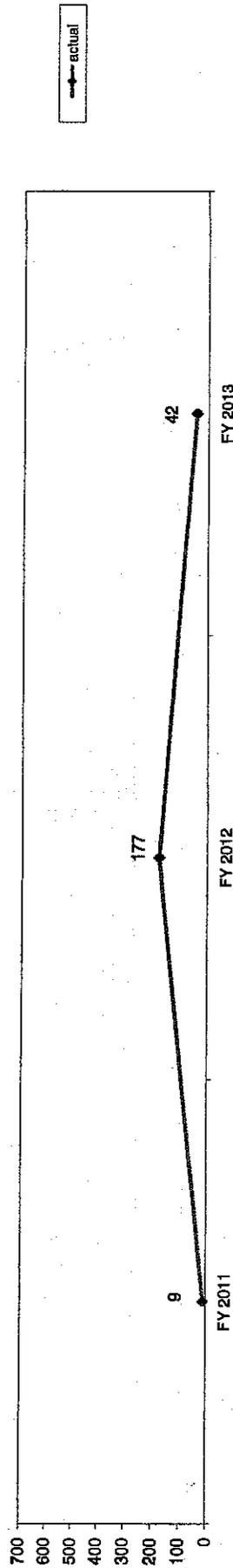
The multi-year fiscal Benefit-Cost Ratio is 0.29 when other program incentives are included.

Other Benefits:
 In FY-2013, every dollar of authorized program tax credits returns \$14.72 in new personal income totaling \$13.76 million
 \$6.01 in new value-added/GSP totaling \$5.62 million
 \$9.43 in new economic output totaling \$9.62 million

Over 10 Years, every dollar of authorized program tax credits returns
 \$24.79 in new personal income totaling \$133.61 million
 \$9.11 in new value-added/GSP totaling \$49.07 million
 \$13.83 in new economic output totaling \$74.55 million

PERFORMANCE MEASURE(S)

Permanent New/Retained Jobs

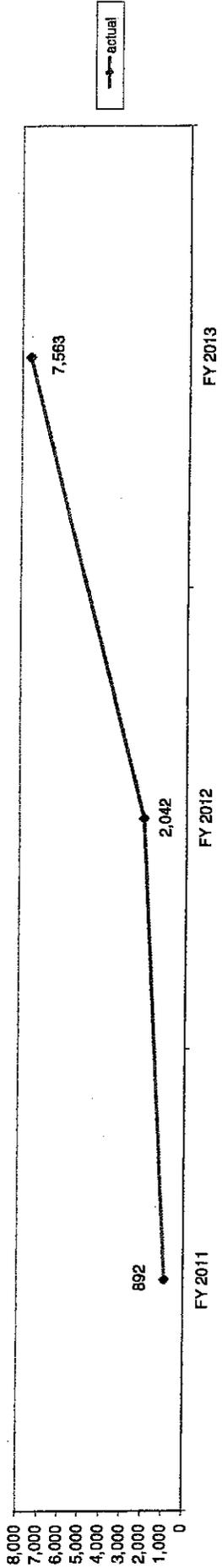


Comments on Performance Measure:
 Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

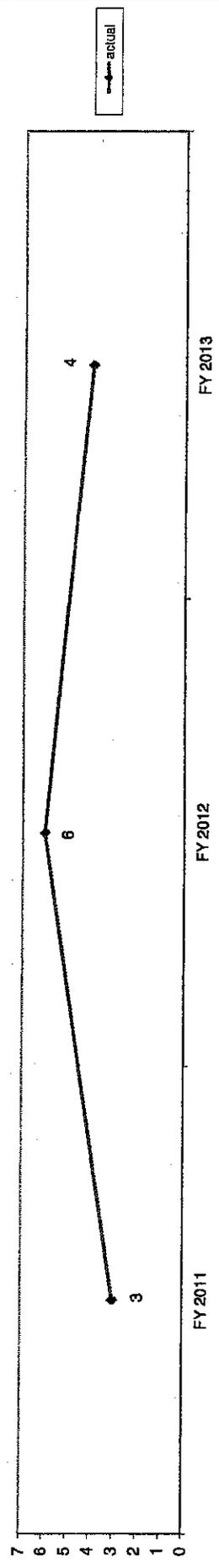
Program Name: Youth Opportunities Program (YOP)

Number of Youth Learning Life Skills



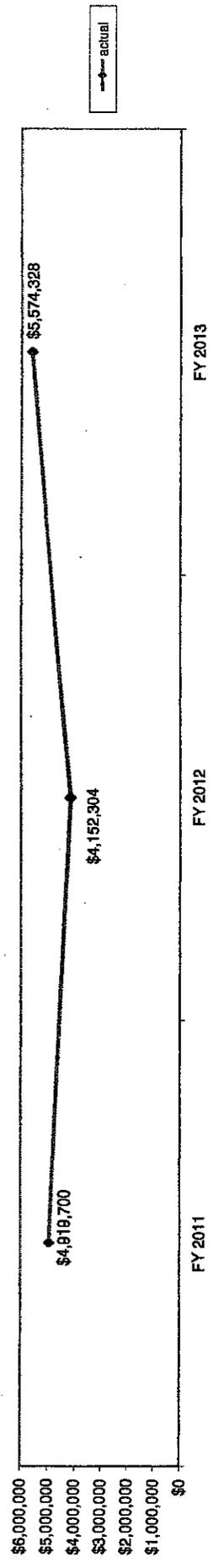
Comments on Performance Measure:
Includes individuals earning GEDs, job training and other skills necessary to be come productive citizens. Numbers are dependent on the type of projects that are funded each year.

Number of New/Renovated Facilities



Comments on Performance Measure:
Numbers are dependent on the type of projects that are funded each year.

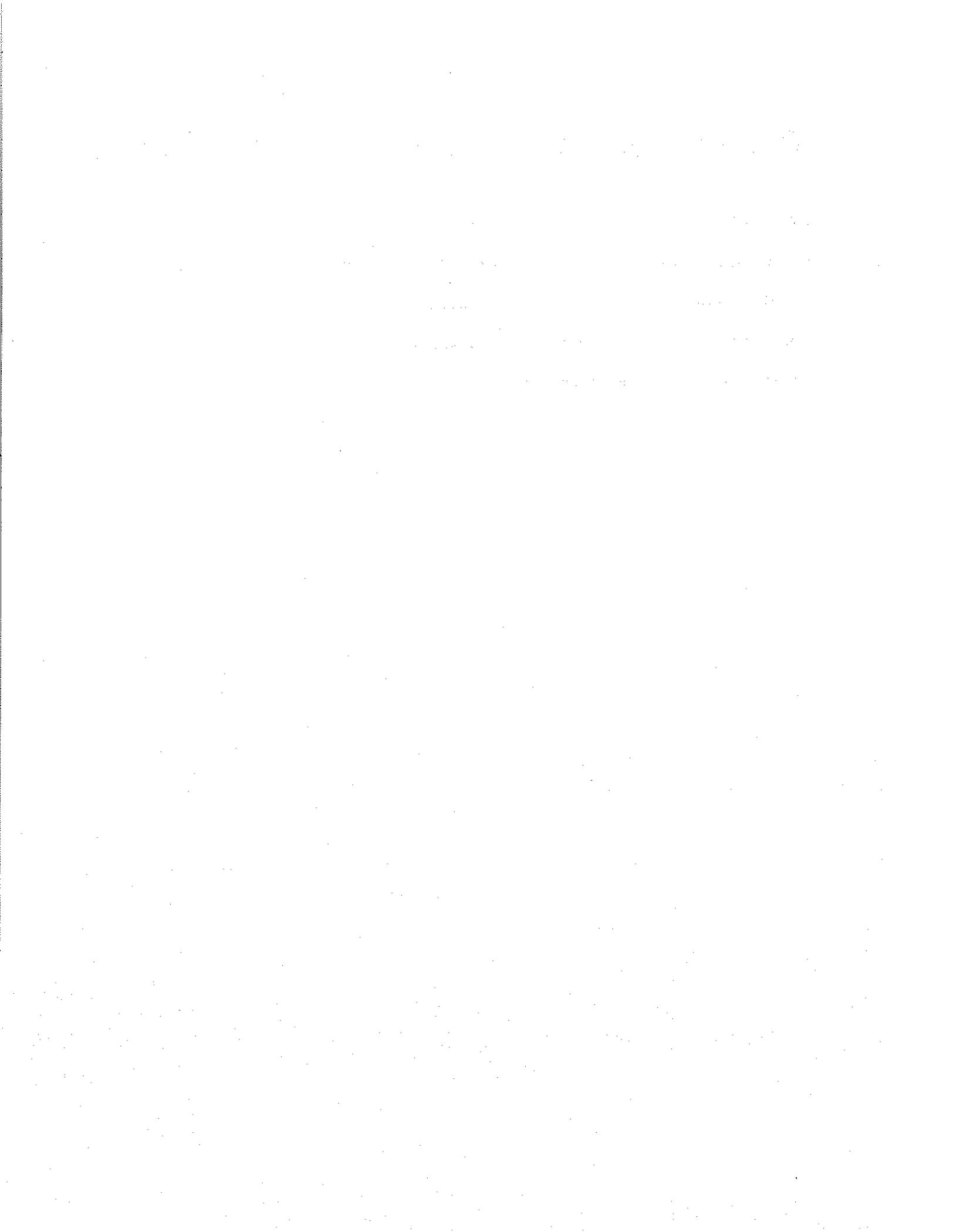
Amount Leveraged



Comments on Performance Measure:
YOP tax credits leveraged (Total Contributions - Total Credits Issued)

Cap Exhausted/Sunset/Eliminated by Statute

CAPCO (Certified Capital Company) – <i>Cumulative Cap Exhausted</i>	151
Community Development Corporation (Community Bank) – <i>Cumulative Cap Exhausted</i>	155
Dry Fire Hydrant - <i>Sunset</i>	161
New Enterprise Creation Act – <i>Cumulative Cap Exhausted</i>	165
Transportation Development – <i>Eliminated by Statute</i>	169



CAPCO PROGRAM

(Certified Capital Company)

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Induce private investment into certified venture capital funds that invest in new or growing Missouri small businesses.

AUTHORIZATION

Sections 135.500 to 135.529, RSMo
Regulations: 4 CSR 80-7.010 to 7.040

HOW THE PROGRAM WORKS

Private venture capital firms apply to the department for certification as a CAPCO. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized. The credits can only be applied toward premium tax liability

CAPCOs are required to make equity investments in eligible Missouri businesses according to a timetable set by law.

ELIGIBLE AREAS

Eligible Missouri businesses can be located statewide for all funds except funds created through the "distressed community" allocation. These funds must be invested in businesses located in distressed communities. For a list of cities and census block groups that are "distressed communities," visit DED's web site at www.missouri.development.org.

ELIGIBLE CAPCO INVESTMENTS

A CAPCO may invest in a "qualified Missouri business" which must:

- ✓ be independently owned and operated;
- ✓ be headquartered in Missouri;
- ✓ employ less than 200 persons before the investment is made with at least 80% of them employed in Missouri;

- ✓ be a small business concern that meets the requirements of the United States Small Business Administration qualification size standards for its venture capital program as defined in Section 13 CFR 121.301(c) of the Small Business Investment Act of 1958, as amended;
- ✓ be in need of venture capital and unable to obtain conventional financing; and
- ✓ derive its revenue primarily from:
 - ✓ manufacturing, processing or assembling of products;
 - ✓ conducting research and development; or
 - ✓ providing services in interstate commerce, excluding retail, real estate, real estate development, insurance and professional services provided by accountants, lawyers or physicians (service businesses must demonstrate that more than 33% of its revenue would be from outside the state of Missouri).

CAPCO fund investments can be in the form of equity investments, unsecured loans or hybrid investments.

CAPCO funds invested in the business must be used for new capital improvements, research and development and certain working capital expenses. All such funds must be used in Missouri.

The maximum amount a CAPCO may invest in one Missouri business is 15% of the CAPCO's certified capital.

Funding decisions are made by each CAPCO based on its evaluation.

CONTACT

MISSOURI

DEPARTMENT OF ECONOMIC DEVELOPMENT
Business and Community Services

Finance Management

301 West High Street, Room 770

P.O. Box 118

Jefferson City, MO 65102

Phone: 573-751-4539 Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov

ADDITIONAL RESOURCES

Go to the department's home page at www.missouridevelopment.org for a wealth of information regarding Missouri's many other economic development programs and policies.

AWARDED CAPCOS

DED does not have the authority to require a CAPCO to fund a project. Small businesses interested in receiving funding through this program may contact each CAPCO directly:

Advantage Capital Missouri Partners*

Pierre Laclede Center

7733 Forsyth Blvd.

St. Louis, MO 63105

(314) 725-0800

BOME Investors/Gateway Associates*

8000 Maryland Avenue, Suite 1190

St. Louis, MO 63105

(314) 721-5707

CAPCO Holdings, L.C.**

300 West 11th Street

Kansas City, MO 64105

(816) 391-2040

CFB Emerging Business Fund

11 South Meramec, Suite 1150

St. Louis, MO 63105

(314) 746-7427

Stifel CAPCO, Inc.*

500 North Broadway

Suite 1100

St. Louis, MO 63102

(314) 342-2118

* Has a distressed community fund

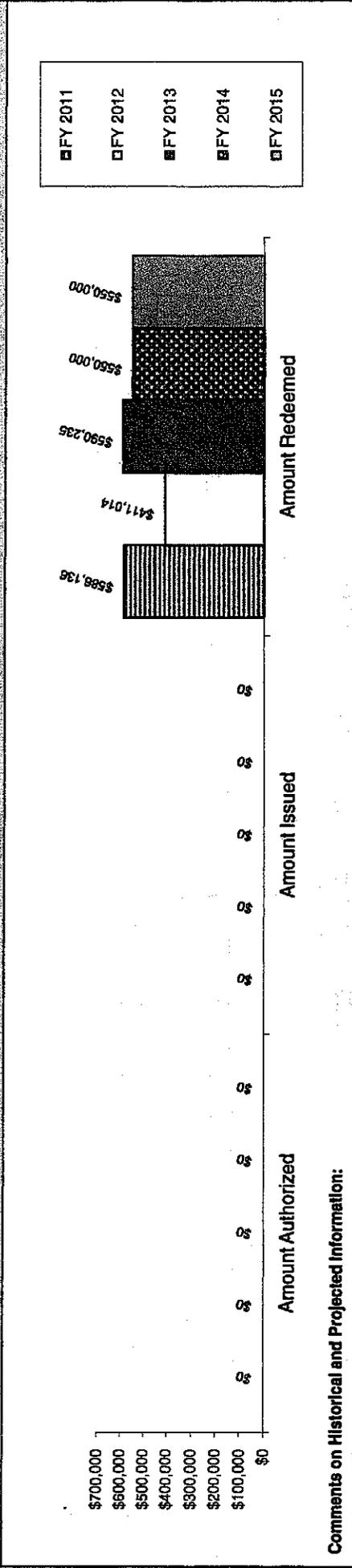
** Only a distressed community fund

Cumulative Cap Exhausted

TAX CREDIT ANALYSIS

Program Name: Certified Capital Companies (CAPCO) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Entrepreneurial **Applicable Taxes:** Insurance Premium tax
Statutory Authority: 135.500 to 135.529, RSMo
Program Description and Eligibility Requirements:
 Insurance companies that invest in a certified CAPCO receive a tax credit.
Explanation of How Award Is Computed:
 Entitlement Discretionary _____
 The tax credit is equal to 100% of the investment.
Program Cap: Cumulative \$140 million over ten years (remainder of cumulative cap) \$ 0 Annual \$ _____ None _____
Explanation of cap: The credits can be claimed at up to 10% of the authorized amount per year over a 10-year period.
Explanation of Expiration of Authority: Cumulative cap exhausted.
Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted					
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$596,136	\$411,014	\$590,235	\$70,735	\$550,000	\$550,000
EST. Amount Outstanding	N/A	N/A	\$ 1,570,561.86	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A



Comments on Historical and Projected Information:
 Note: Dept of Insurance made a correction in a redemption from 2005 in the amount of \$50,923.08. That amount has not been redeemed and therefore has been added back into the outstanding credit amount.

TAX CREDIT ANALYSIS

Program Name: Certified Capital Companies (CAPCO)

BENEFIT, COST ANALYSIS (includes only state revenue impacts)

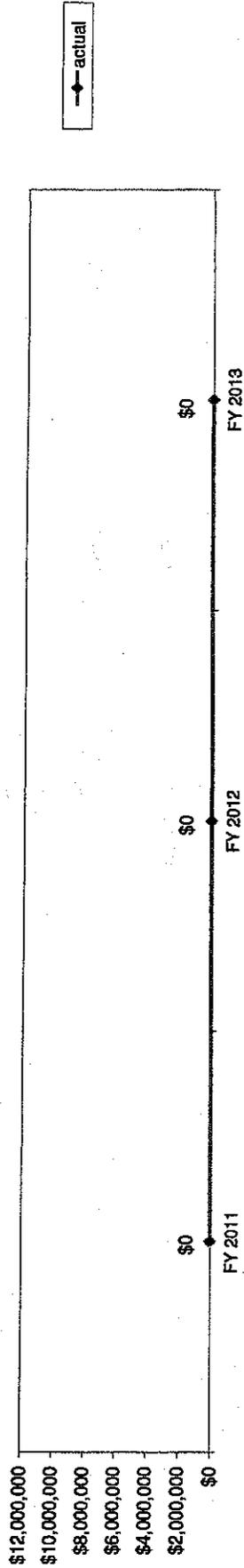
	FY 2013 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	\$0	\$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	\$0	\$0
BENEFIT: COST		

Derivation of Benefits:

No New Authorizations in FY 2013. Cumulative Cap Exhausted.

PERFORMANCE MEASURE(S)

Investment



Comments on Performance Measure:

COMMUNITY DEVELOPMENT CORPORATION TAX CREDIT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Induce the creation of Community Development Corporations (CDC) which would then invest in new or growing small businesses, owner occupied housing, certain types of real estate development, or redevelopment projects in a targeted area.

AUTHORIZATION

Sections 135.400 to 135.430, RSMo.

HOW THE PROGRAM WORKS

A "Fundor" (contributor or investor) may obtain state tax credits based on 50% of their investments or contributions in a pre-approved CDC. The CDC would then make equity investments or loans to a specific project within the designated redevelopment area.

ELIGIBLE AREAS

Statewide.

ELIGIBLE PROJECTS

Nearly any type of commercial business operation or real estate development project located in the designated redevelopment area is eligible to receive funding by the CDC projects. The targeted area is specified by the CDC, and must comply with certain demographic requirements specified by the Department of Economic Development (DED).

ELIGIBLE USE OF FUNDS

A CDC may use the funds for loans or equity investments to a business to be used for acquisition of real estate or buildings, new capital improvements and working capital. Funds may also be used for real estate development or redevelopment projects, including certain types of housing in-fill and new construction for owner occupied units.

APPLICATION PROCEDURE

A CDC may submit an application to DED at any time. DED will approve the application based on compliance with all the eligibility criteria and the ability of the CDC to successfully manage the fund. The CDC must prepare a revitalization plan to be approved by the Missouri Department of Economic Development, unless it is completely within a federal empowerment zone/enterprise community.

The tax credits will be provided to the "Fundor" upon documentation of the investment or contribution to the CDC as outlined in the program guidelines. Any contribution or investment made by the "Fundor" prior to DED's approval of a request for the tax credits by the CDC will not be eligible for tax credits.

FUNDING LIMITS

The maximum tax credits provided to "Fundors" of a CDC is \$100,000 (based on investments or contributions of \$200,000). The maximum investment by the CDC in one project/business is \$100,000. The CDC's investment must create/retain at least one full-time job (except in housing). Application approval will be based upon the availability of tax credits within the program along with the order in which they are received.

CONTACT

DED Community Development Programs:
301 W. High Street, PO Box 118
Jefferson City, MO 65102
Phone: 573-751-4572 Fax: 573-751-8999
E-mail: cdc@ded.state.mo.us

Program Name: Community Development Bank Tax Credit (CDC) **Contact Name & No.:** Nathan Potter 522-8006 **Date:** October 2013
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Redevelopment **Applicable Taxes:** Income Tax, excluding withholding tax; Corporate franchise tax; Bank tax; Insurance premium tax; Other financial institution tax; Express companies tax; Insurance co. retaliatory tax
Statutory Authority: 135.400 to 135.430 RSMo.

Program Description and Eligibility Requirements:
 Cumulative Cap Exhausted. No new applications being accepted. Credit of 50% for a contribution/investment into a pre-approved community bank or CDC. Funds targeted to induce investment into distressed areas. The types of investments identified in the application could fall into one of the three following categories: micro loans to new or growing small businesses, real estate development/redevelopment or housing in-fill/rehabilitation projects.

Explanation of How Award is Computed:
 Entitlement _____ Discretionary
 Based upon 50% of a contribution/investment into a pre-approved community bank or CDC. The level of funding is determined during the application phase. Approval is subject to the amount of credits available, the application meeting the program requirements, and the projected outcomes attainable.

Program Cap: Cumulative \$6 Million (remainder of cumulative cap) \$0 Annual \$0 None
Explanation of cap: When the program was initiated it received a one time allocation of \$6 million. In 2000 SB 894 was passed that would have allowed for an annual allocation of tax credits. However, SB 894 was found to be unconstitutional by the Missouri Supreme Court. Currently all of the initial allocation has been authorized to approved community banks/CDC's. While those approved community banks/CDC's continue to produce results no new applications are being accepted.

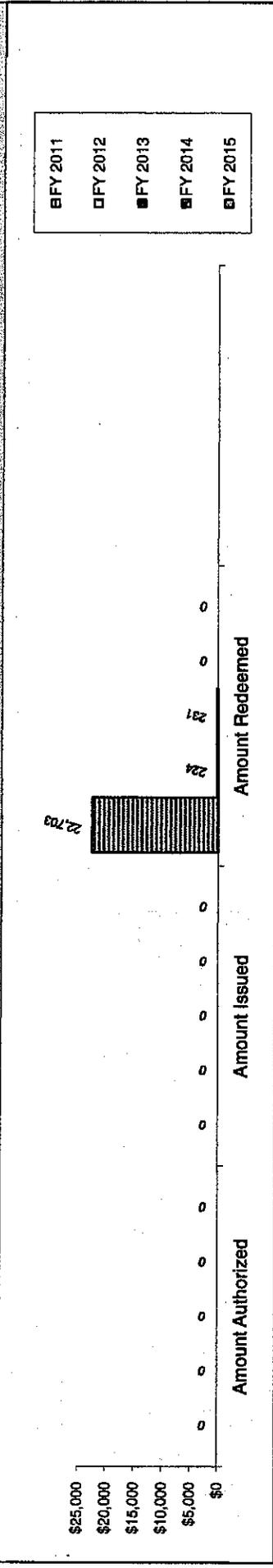
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
 Carry forward 10 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	0	0	0	0	0	0
Projects (#)	0	0	0	0	0	0
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$22,703	\$224	\$231	\$0	\$0	\$0
EST. Amount Outstanding	N/A	N/A	\$2,249	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$117,500	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



FY 2011
 FY 2012
 FY 2013
 FY 2014
 FY 2015

TAX CREDIT ANALYSIS

Program Name: Community Development Bank Tax Credit (CDC)

BENEFIT: COST ANALYSIS (includes only state revenue impacts)	
	Other Fiscal Period
	FY 2013 ACTUAL
BENEFITS	
Direct Fiscal Benefits	
Indirect Fiscal Benefits	
Total	\$0
COSTS	
Direct Fiscal Costs	
Indirect Fiscal Costs	
Total	\$0
BENEFIT: COST	0.00

Derivation of Benefits:
No Authorizations in FY 2013. Cumulative Cap Exhausted.

PERFORMANCE MEASURE(S)

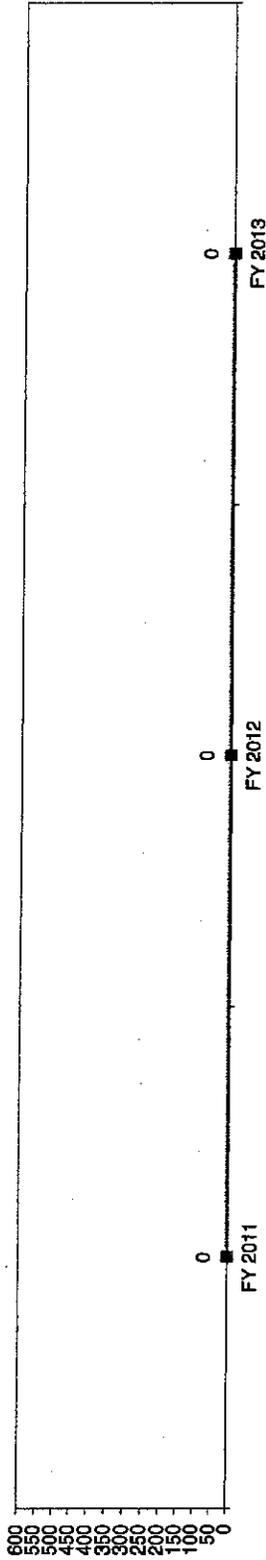
New and Retained Jobs



Comments on Performance Measure: FY 2003 85 New Jobs and 114 Retained Jobs = 199 Total Jobs; FY 2004 148 New Jobs and 59 Retained Jobs = 207 Total Jobs; FY 2005 79 New Jobs and 0 Retained Jobs = 79 Total Jobs.

Program Name: Community Development Bank Tax Credit (CDC)

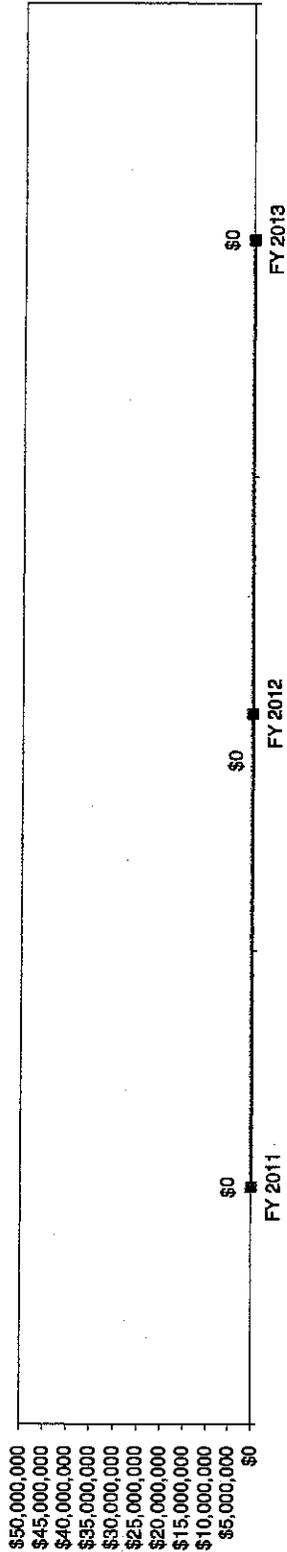
New and Rehabilitated Housing Units



-- actual

Comments on Performance Measure: FY 2003 15 New Housing Units and 567 Rehabilitated Housing Units = 582 Total Units; FY 2004 63 New Housing Units and 123 Rehabilitated Housing Units = 206 Total Units; FY 2005 12 New Housing Units and 25 Rehabilitated Housing Units = 37 Total Units.

Leveraged Investment Dollars



-- actual

Comments on Performance Measure: Leveraged dollars reflect the amount of investment that occurred in targeted distressed areas as a result of program approved projects.



DRY FIRE HYDRANT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides tax credits for the installation of a dry fire hydrant system to provide fire protection and potential economic improvement for rural development of the state.

AUTHORIZATION

Section 320.093, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri individuals, firms, and corporations.

ELIGIBILITY CRITERIA

The standards to be met by the dry fire hydrant are listed in the Natural Resource Conservation Service Dry Fire Hydrant Standards. In addition, to be eligible for credits:

- Payments made by cash will not be eligible for the tax credit
- Each body of water or water storage structure shall allow for the provision of two hundred fifty gallons per minute (250 gpm) of water for a continuous two-hour period during a fifty-year drought or freeze at a vertical lift of eighteen feet.
- Each dry hydrant shall be located within twenty-five feet of an all weather roadway (no dirt) and accessible to fire protection equipment.
- Dry hydrants must be located a reasonable distance from other dry or pressurized hydrants.
- The site shall provide a reasonable economic improvement potential for the rural area.

PROGRAM BENEFITS/ELIGIBLE USES

Tax credits shall be equal to fifty percent (50%) of the costs in actual expenditures for any new water storage construction, equipment, development and installation of the dry hydrant, including pipes, valves, hydrants and labor for each such installation of a dry hydrant or new water storage facility.

In-kind contributions are allowed; however, in-kind labor is not an allowable expense. In-kind contributions shall not exceed twenty-five percent (25%) of the total amount of contribution for which the credit is claimed.

Donation of land is a non-eligible expense.

FUNDING LIMITS

- The amount of tax credits that can be claimed cannot exceed \$5,000 per project.
- The total amount of credits available per fiscal year is \$500,000.

APPLICATION/APPROVAL PROCEDURE

A pre-application form is to be submitted to the State Fire Marshal's office notifying the State of the issuance of a permit for construction of the dry fire hydrant system. The State Fire Marshal's office will then notify the Department of Economic Development (DED), who will then mail to the applicant a tax credit claim form to be completed by the applicant.

The final authorization form is to be completed by the applicant after the installation and inspection of the dry fire hydrant system and submitted to DED along with expenditure verification. DED will issue tax credits based upon availability of the credits at the time of receipt.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

- A permit shall be issued and the State Fire Marshal (or designee) shall conduct final inspection for construction and installation of any dry fire hydrant site prior to approval of credits.
- Any dry fire hydrants installed prior to August 28, 2007 shall not be eligible to receive credits for the installation.
- Tax credits cannot be refunded.
- Tax credits can be carried forward up to seven years.
- Tax credits are transferable upon approval by the Missouri Department of Economic Development and Missouri Department of Revenue and the issuance of appropriate forms.
- No new credits will be issued under this program after August 28, 2010.

Credits are subject to 2.5% issuance fee.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services • Finance Management Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised March 2008

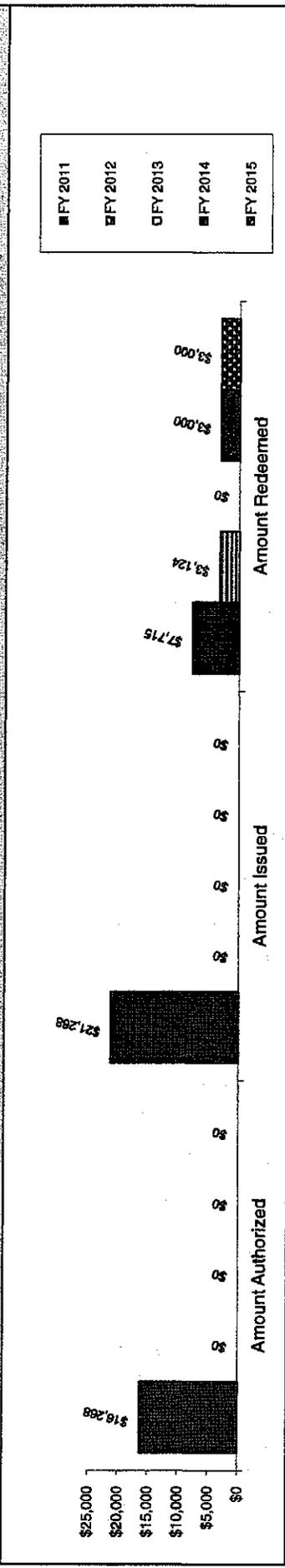
TAX CREDIT ANALYSIS

Program Name: Dry Fire Hydrant (DFH) **Contact Name & No.:** Brenda Horstman 751-3713 **Date:** January 2014
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Community Development **Applicable Taxes:** Income Tax
Statutory Authority: 320.093, RSMo
Program Description and Eligibility Requirements:
 Dry Fire Hydrant Program is a tax credit program designed for any person, firm or corporation who purchases a dry fire hydrant, as defined in RSMo 320.273, or provides an acceptable means of water storage for such dry fire hydrant including a pond, tank or other storage facility with a primary purpose of fire protection within the State of Missouri.
Explanation of How Award is Computed:
 Entitlement Discretionary
 The tax credit, not to exceed \$5,000, would be equal to 50% of the cost in actual expenditure for any new water storage construction, equipment, development and installation of the dry fire hydrant. The amount of the tax credit claimed for in-kind contributions shall not exceed 25% of the total amount of the contribution for which the tax credit is claimed.
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$500,000 None _____
Explanation of cap: _____

Explanation of Expiration of Authority: 320.093 -- Sunset August 28, 2003, reauthorized beginning August 28, 2007. Sunset August 28, 2010.

Specific Provisions: (if applicable)
 Carry forward 7 years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates issued (#)	5	N/A	N/A	N/A	N/A	N/A
Projects (#)	4	N/A	N/A	N/A	N/A	N/A
Amount Authorized	\$16,268	N/A	N/A	N/A	N/A	N/A
Amount Issued	\$21,268	N/A	N/A	N/A	N/A	N/A
Amount Redeemed	\$7,715	\$3,124	\$0	\$264	\$3,000	N/A
EST. Amount Outstanding	N/A	N/A	\$14,457	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A



TAX CREDIT ANALYSIS

Program Name: Dry Fire Hydrant (DFH)

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

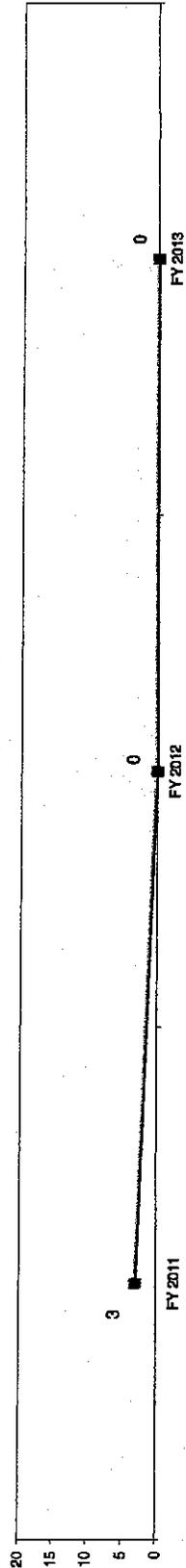
Derivation of Benefits

No Authorizations in FY 2013.

	FY 2013 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	\$0	\$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs	0	0
Total	\$0	\$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Other Benefits

Number of Dry Fire Hydrants Completed





NEW ENTERPRISE CREATION ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To generate investment for new, startup Missouri businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from later-stage funds.

AUTHORIZATION

Sections 620.635 – 620.653 RSMo.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS FOR INVESTMENT

Any independently owned and operated business that is headquartered and located in Missouri and maintains a Missouri headquarters for at least three years.

ELIGIBILITY CRITERIA

The business must be involved in commerce for the purpose of production, conducting research and development or providing services in interstate commerce. The focus is on businesses in the startup or development phase.

Prolog Ventures, LLC (Prolog) is seeking businesses based upon proprietary technology with the potential to develop a strong intellectual property position. Areas of interest include medical devices and diagnostics, human and agricultural biotechnology and biomedical IT. Of potential interest are instruments, photonics, new materials and software.

Businesses that are excluded from investments include retail and consumer, real estate, oil and gas/minerals, telecom networks, Internet portals and publishing and consumer-oriented IT.

The business should have no positive cash flow in the prior fiscal year. Revenue oriented companies should target at least \$30 million in revenues in five years. Businesses whose valuation is not dependent upon revenues will be evaluated according to its potential for valuation increases upon attaining milestones. The business should be willing to provide a non-confidential summary and hold initial discussions on a non-confidential basis.

The business must maintain its headquarters in Missouri for a period of at least three years from the date of the qualified investment or be subject to penalty.

PROGRAM BENEFITS/ELIGIBLE USES

The Department of Economic Development (DED) will issue tax credits equal to 100% of the investment in a qualified fund to any accredited individual, corporation, partnership or financial institution that makes a qualified investment. At this point all credits under the law have been authorized and all investments have been identified.

The Missouri Seed Capital Investment Board was created to establish a qualified fund. The Board is comprised of thirteen members, eight of which are appointed by the Governor.

Prolog was selected by the Board as the Fund Manager to raise the contributions and manage the investments of the fund. Prolog entered into a contract with the four Innovation Centers, as required by statute. Investors in the qualified fund will also be required to invest in a non-qualified parallel fund that will make investments in Missouri and surrounding states. Prolog will make investments in qualified Missouri businesses in need of early-stage or "seed" funding.

Investments made through this program may be used for research; development and precommercialization activities to prove a concept for a new product, process or service; preproduction product development; service development; or initial marketing of a product.

DED provides the investor a tax credit equal to 100% of their investment in the qualified fund. The tax credit may then be used to offset state income tax (chapter 143, RSMo), corporate franchise tax (chapter 147, RSMo) or financial institution tax (chapter 148, RSMo) liability, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo.

DED may authorize up to \$20 million in tax credits for use by the qualified fund, with no more than \$5 million of tax credits being issued in any one year. Tax credits may be claimed for the tax year in which the qualified contribution is made or in any of the following ten years. Tax credits may be sold and transferred to another taxpayer having tax liability.

FUNDING LIMITS

The Prolog Funds will typically invest between \$500,000 and \$1,500,000 in a single business. They have the potential to invest \$2,000,000-\$3,000,000 at the maximum.

No more than 10% of all of the qualified contributions to a qualified fund may be invested in a single qualified business.

Revised January 2011

Investments shall not be provided to any business that has experienced positive cash flow in a past fiscal year, with the exception of follow-up capital limited to qualified businesses that previously received qualified investments. No more than 40% of qualified contributions may be used for follow-up capital purposes.

**APPLICATION/APPROVAL PROCEDURE
(BUSINESS)**

The business seeking an investment should send Prolog a non-confidential executive summary of their business plan. Applicants will be contacted directly by Prolog regarding their level of interest and any subsequent steps that are required. DED does not have the authority to require the Fund Manager to fund a project.

**APPLICATION/APPROVAL PROCEDURE
(INVESTOR)**

Accredited investors should contact Prolog directly. If accepted, the investor will be asked to fill out Missouri Form 620-635 and return the completed form to DED for approval and certification. DED will issue a tax credit certificate authorizing the applicant to claim the tax credit.

FUND MANAGER

Prolog Ventures, LLC
7733 Forsyth, Suite 1440
St. Louis, MO 63105
Phone: 314-743-2400 Fax: (314) 743-2400
Email: info@prologventures.com

SPECIAL PROGRAM REQUIREMENTS

The seed capital and commercialization strategy was adopted by the Missouri Seed Capital Investment Board on June 23, 2000.

No qualified contributions which generate tax credits before the second round of tax credit allocations can be used for follow-up capital investments.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-5821 • Fax: 573-526-1567

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org



Cumulative

Cap Exhausted

TAX CREDIT ANALYSIS

Program Name: New Enterprise Creation Act (NECA) **Contact Name & No.:** Brenda Honsiman 751-3713 **Date:** January 2014
Department: Economic Development **Type:** Tax Credit Other (specify) _____
Program Category: Entrepreneurial **Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax
Statutory Authority: 820.635 to 620.653, RSMo

Program Description and Eligibility Requirements:
 Cumulative cap exhausted. No new applicants accepted. An accredited investor who makes an investment in the seed capital fund may receive a tax credit. The fund must be under contract with Innovation Centers in Missouri. The Seed Capital Investment Board was established to approve the fund manager and oversee the program.
Explanation of How Award is Computed:
 Entitlement _____ Discretionary

The tax credit is equal to 100% of contributions made to a qualified fund chosen by the Missouri Seed Capital Investment Board. The Board contracts with a professional venture capital firm to manage the fund and evaluate and make investments. Tax credits are issued equally over four years.
Program Cap: Cumulative \$ 20 million (remainder of cumulative cap) \$ 0 Annual \$ _____ None _____
Explanation of cap: Cumulative cap exhausted.

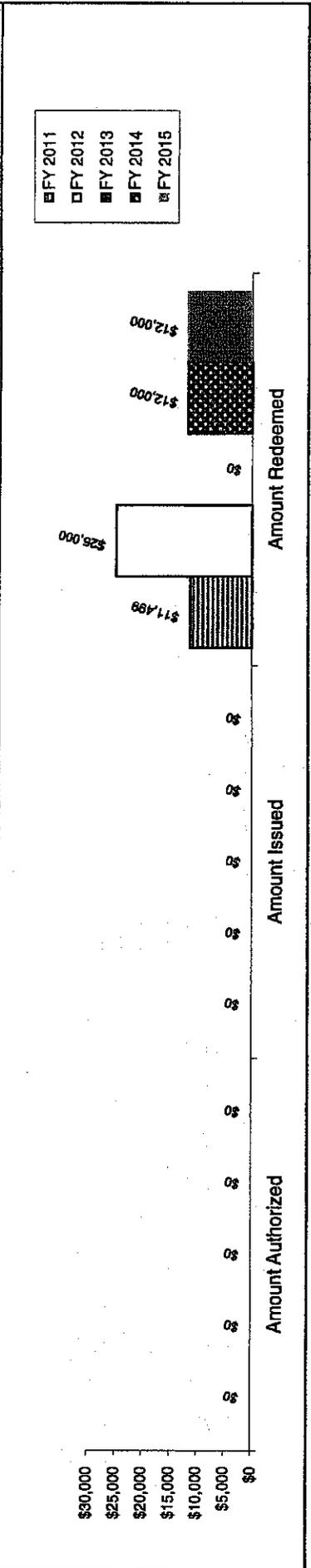
Explanation of Expiration of Authority: Cumulative cap exhausted.

Specific Provisions: (if applicable)
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted					
Amount Issued	N/A	N/A	N/A	N/A	N/A	N/A
Amount Redeemed	\$11,499	\$25,000	\$0	\$0	\$12,000	\$12,000
EST. Amount Outstanding	N/A	N/A	\$1,012,594	N/A	N/A	N/A
Est. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



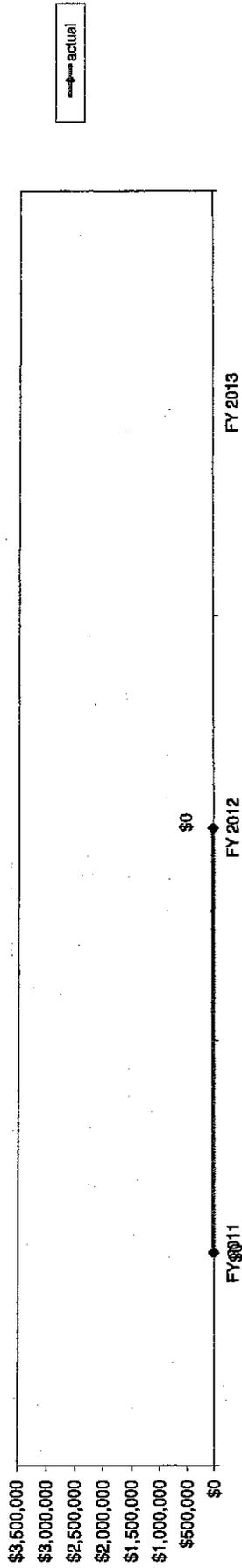
Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: New Enterprise Creation Act (NECA)		BENEFIT COST ANALYSIS (Includes only state revenue impacts)	
	FY 2013 ACTUAL	Other Fiscal Period	Derivation of Benefit
BENEFITS			
Direct Fiscal Benefits			No New Authorizations in FY 2013. Cumulative Cap Exhausted.
Indirect Fiscal Benefits	\$0	\$0	
Total	\$0	\$0	
COSTS			
Direct Fiscal Costs			
Indirect Fiscal Costs	\$0	\$0	
Total	\$0	\$0	
BENEFIT COST	0.00	0.00	

PERFORMANCE MEASURE(S)

Investment



Comments on Performance Measure:

TRANSPORTATION DEVELOPMENT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide an incentive for investments in or contributions to transportation development in "distressed communities" in the state.

AUTHORIZATION

Section 135.545, RSMo

ELIGIBLE AREAS

Distressed Communities only. For a list of cities and census block groups that are "distressed communities," visit the department's web site.

HOW THE PROGRAM WORKS

A company or individual may receive a state tax credit for 50% of:

- a contribution to a public entity for eligible activities; or
- an investment in an eligible activity.

ELIGIBLE ACTIVITIES

- Aviation (airport development by public entities);
- Mass transportation (including parking facilities for users of mass transportation);
- Railroads (not including rolling stock that will travel out of the eligible area);
- Ports (public improvements within ports, including parking facilities and limited access roads within ports);
- Waterborne transportation (must be entirely in the eligible area);
- Bicycle and pedestrian paths; or
- Rolling stock (for public transportation).

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 147 – Corporate franchise tax
- ✓ Ch. 148 –
 - ✓ Bank Tax
 - ✓ Insurance Premium Tax

- ✓ Other Financial Institution Tax

This credit's special attributes:

- ✓ Carryback 3 years
- ✓ Carryforward 10 years
- ✓ Sellable or transferable

APPLICATION PROCEDURE/APPROVAL METHOD

The investment must be part of a development plan approved by the appropriate local agency and DED.

No costs may be incurred or contributions made prior to the approval of the request by DED. There is no deadline for the submission of applications but funding is on a first-come basis, based on the date of the submission of the application.

FUNDING LIMITS

Individual projects are limited to \$3 million in tax credits per year. All projects are limited to \$10 million per calendar year.

10/02

TAX CREDIT ANALYSIS

Program Name: Transportation Development
Contact Name & No.: Brenda Horstman 751-3713
Date: January 2014
Department: Economic Development
Type: Tax Credit Other (specify) _____
Program Category: Community Development
Applicable Taxes: Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax
Statutory Authority: 135.545, RSMo

Program Description and Eligibility Requirements:
 Program has sunset -- No new applications accepted. Transportation Development awards 50% credits to non-profits doing transportation development in aviation, mass transportation, railroads, ports, waterborne transportation, or rolling stock, where the proposed activities are part of a local development plan and located in a distressed area. Individual businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved Transportation projects.

Explanation of How Award is Computed:
 Entitlement Discretionary _____
 Credits are awarded based on an open cycle and are awarded at 50% of the approved contribution to or investment in an eligible project.

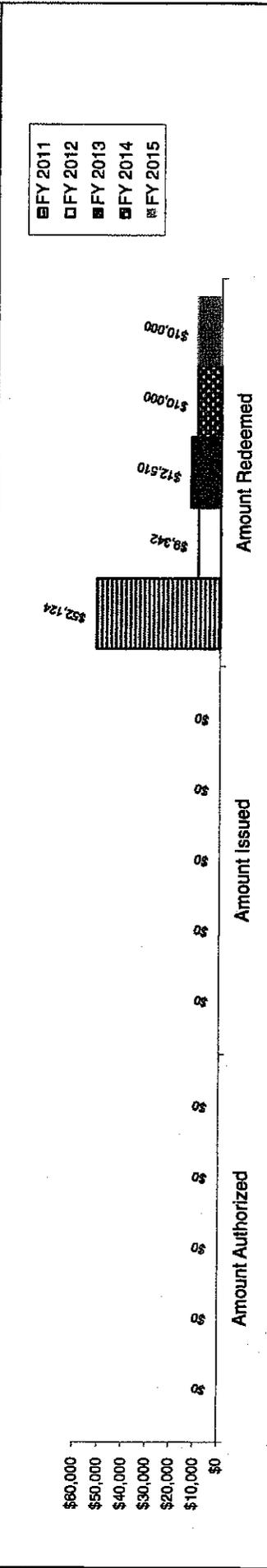
Program Cap: Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ million _____ None _____
Explanation of cap: SB 155 (2004) -- 135.546 -- No new projects can be approved after December 31, 2004; no credits can be issued after December 31, 2006

Explanation of Expiration of Authority:
 Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable Additional Federal Deductions Available _____

Specific Provisions: (if applicable)
 Comments on Specific Provisions: _____

	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 ACTUAL	FY 2014 (year to date)	FY 2014 (Projection)	FY 2015 (budget year)
Certificates Issued (#)	0	0	0	0	0	0
Projects (#)	0	0	0	0	0	0
Amount Authorized	\$0	\$0	\$0	\$0	\$0	\$0
Amount Issued	\$0	\$0	\$0	\$0	\$0	\$0
Amount Redeemed	\$52,124	\$9,342	\$12,510	\$4,809	\$10,000	\$10,000
EST. Amount Outstanding	N/A	N/A	\$1,869,201	N/A	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Transportation Development		BENEFIT COST ANALYSIS (includes only state revenue impacts)	
	FY 2013 ACTUAL	Other Fiscal Period	
BENEFITS			
Direct Fiscal Benefits			
Indirect Fiscal Benefits			
Total	\$0		\$0
COSTS			
Direct Fiscal Costs			
Indirect Fiscal Costs			
Total	\$0		\$0
BENEFIT COST	0.00		0.00

Derivation of Benefits
No new authorizations in 2013.