

BUSINESS FACILITY HEADQUARTERS TAX CREDIT PROGRAM

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

Authorization

Sections 135.100 to 135.150, 135.258, RSMo

“Headquarters” that commence operations and “headquarters” of certain “employee-owned” businesses that commence or expand operations on or before December 31, 2024 may be eligible for the program.

Eligible Areas

Statewide

Eligible Applicants

Facility eligibility is determined by primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code. Eligible facility enterprises include: engineering firms classified as SIC 8711, architectural firms classified as SIC 8712, or accounting firms classified as SIC 8721.

Additional eligibility requirements:

- The facility must maintain an average of at least 500 new business facility employees
- The facility must create at least 25 new jobs and make \$1,000,000 in new investment as compared to the base year, and maintain an average of at least \$20,000,000 in business facility investment.

Program Benefits/Eligible Uses

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

This tax credit can be applied to: Ch. 143 – Income tax, excluding withholding tax; Ch. 148 – Insurance Premium Tax; and Sec. 375.916 – Insurance Co. Retaliatory Tax

The credit is sellable and transferrable.

Funding Limits

The Missouri company qualifying as a new “headquarters’ facility may receive the greater of:

- \$400 for each new business facility employee and four percent of new business facility investment; or,
- \$500 for each new business facility employee and \$500 of each \$100,000 of new business facility investment.

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

Application Procedure/Approval

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. 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.

Additional Resources

Guidelines, forms, and additional information for this and other economic development programs can be found at www.ded.mo.gov

