



DATA CENTER

SALES TAX EXEMPTION PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The purpose of the program is to incentivize the location and expansion of data centers in the State of Missouri by providing an exemption, for a period of time, of the sales and use taxes associated with a variety of activities necessary to build a new facility or expand an existing facility.

HOW THE PROGRAM WORKS

An eligible data center company (or a consortium of eligible companies) who plan to locate at a new facility or expand an existing facility apply to the State with a Notice of Intent which describes their proposed “plan”. That “plan” includes the estimates of construction or rehab materials; machinery and equipment purchases; and utility costs over a designated term at the facility (no more than 10 years for an expanding facility and no more than 15 years for a new facility). The “plan” also includes the number of new jobs to be hired over the term at the facility within a required time frame.

The Department of Economic Development, in cooperation with the Department of Revenue determine the applicant’s eligibility including company type (by NAICS code) and whether the company’s plan will meet the statutory thresholds for program participation. The Department of Economic Development also determines if the fiscal impact of the proposed plan provides a positive net fiscal return to the State. If so, the Department offers a conditional approval. Once the thresholds have been met, the company may apply to receive a sales tax exemption certificate for each year of their benefit term. The first year may include a refund of any sales taxes paid for a period prior to meeting the thresholds.

The thresholds for participation for an expanding facility include: at least 5 new full time jobs with average wages at 150% of county average wage within 24 months and \$5 million dollars in new investment within 12 months of the conditional approval of the Notice of Intent.

The thresholds for participation for a new facility include: at least 10 new full time jobs with average wages at or above 150% of county average wage and \$25 million dollars in new investment within 36 months of the conditional approval of the Notice of Intent.

The “consortium” of eligible companies may aggregate their jobs and investment at the same facility to achieve the thresholds. Exemption certificates may be issued to multiple companies inside the same facility.

AUTHORIZATION

144.810 RSMo.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Taxpayer(s) primarily engaged in data processing, hosting and related services (NAICS 518210); or
- Taxpayer(s) primarily engaged in internet publishing and broadcasting and web search portals at the business facility (NAICS 519130)

PROGRAM BENEFIT

Existing Facilities:

An exemption on state and local sales and use taxes used for expanding operations as defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 10 years.

New Facilities:

An exemption of 100% of the state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 15 years.

APPLICATION/APPROVAL PROCEDURE

- Project taxpayer (applicant) submits the following:
 - Notice of Intent (NOI)
 - List of all employees at the facility
 - E-Verify Memorandum of Understanding (MOU)
 - Tax clearance for each “project taxpayer”
 - Agreement recognizing the responsibilities of each taxpayer (if there are multiple taxpayers)
 - Project Plan.



County average wages (effective until 7/1/2017):
 Average county wages 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 Wages	County	Average Annual Wages	County	Average Annual Wages
ADAIR	\$29,289	GRUNDY	\$33,680	PERRY	\$34,359
ANDREW	\$30,400	HARRISON	\$25,408	PETTIS	\$31,667
ATCHISON	\$28,479	HENRY	\$35,565	PHELPS	\$32,798
AUDRAIN	\$33,175	HICKORY	\$22,383	PIKE	\$31,676
BARRY	\$36,256	HOLT	\$32,693	PLATTE	\$44,171
BARTON	\$26,092	HOWARD	\$28,945	POLK	\$29,466
BATES	\$27,800	HOWELL	\$32,174	PULASKI	\$25,707
BENTON	\$26,144	IRON	\$41,731	PUTNAM	\$25,883
BOLLINGER	\$25,527	JACKSON	\$46,000	RALLS	\$41,772
BOONE	\$36,225	JASPER	\$39,116	RANDOLPH	\$35,320
BUCHANAN	\$41,881	JEFFERSON	\$33,774	RAY	\$34,152
BUTLER	\$30,608	JOHNSON	\$28,862	REYNOLDS	\$23,838
CALDWELL	\$32,969	KNOX	\$25,419	RIPLEY	\$20,691
CALLAWAY	\$41,376	LACLEDE	\$31,727	ST CHARLES	\$42,728
CAMDEN	\$29,244	LAFAYETTE	\$30,870	ST. CLAIR	\$23,323
CAPE GIRARDEAU	\$37,624	LAWRENCE	\$32,506	STE. GENEVIEVE	\$40,851
CARROLL	\$31,089	LEWIS	\$30,687	ST. FRANCOIS	\$28,945
CARTER	\$23,423	LINCOLN	\$35,909	ST LOUIS CO	\$46,000
CASS	\$31,599	LINN	\$33,311	SALINE	\$32,894
CEDAR	\$23,879	LIVINGSTON	\$31,719	SCHUYLER	\$28,325
CHARITON	\$30,533	MCDONALD	\$30,571	SCOTLAND	\$21,568
CHRISTIAN	\$29,176	MACON	\$29,939	SCOTT	\$33,784
CLARK	\$25,484	MADISON	\$26,324	SHANNON	\$21,421
CLAY	\$46,000	MARIES	\$28,967	SHELBY	\$27,759
CLINTON	\$31,155	MARION	\$33,502	STODDARD	\$32,148
COLE	\$38,730	MERCER	\$32,142	STONE	\$28,102
COOPER	\$30,998	MILLER	\$30,229	SULLIVAN	\$37,296
CRAWFORD	\$35,446	MISSISSIPPI	\$29,225	TANEY	\$28,468
DADE	\$29,596	MONITEAU	\$30,370	TEXAS	\$26,978
DALLAS	\$22,905	MONROE	\$30,748	VERNON	\$34,209
DAVISS	\$25,812	MONTGOMERY	\$31,231	WARREN	\$34,332
DEKALB	\$29,135	MORGAN	\$26,309	WASHINGTON	\$23,872
DENT	\$26,786	NEW MADRID	\$39,043	WAYNE	\$21,804
DOUGLAS	\$23,524	NEWTON	\$32,958	WEBSTER	\$30,668
DUNKLIN	\$24,173	NODAWAY	\$31,477	WORTH	\$24,108
FRANKLIN	\$37,920	OREGON	\$22,239	WRIGHT	\$27,841
GASCONADE	\$28,779	OSAGE	\$32,369	ST LOUIS CITY	\$46,000
GENTRY	\$31,647	OZARK	\$21,296	STATEWIDE	\$46,000
GREENE	\$39,387	PEMISCOT	\$30,125		

- DED reviews all documentation to determine the following:
 - Eligibility for the program;
 - Whether the facility is an existing or new facility.
- That the amount of the exemption does not exceed the projected “net fiscal benefit to the state calculated over a 10 year period” using the Regional Economic Modeling, Inc. dataset; and
- That the project plan indicates that the required investment and job numbers will be met.
- DED provides either a conditional approval or denial within 30 days of receipt of NOI to project taxpayers (applicant) and to DOR.
- DED issues Data Center Program Agreement document to project taxpayers for execution (terms and conditions for repayment and penalties, compliance and reporting).
- Applicant performs work (retains all receipts).
- Applicant sends project paperwork to DED for certification including executed agreement, if not provided previously.
- DED reviews and sends to DOR review.
- DOR approves and DED certifies to applicant.
- DOR refunds sales/use tax and issues annual certificates, as applicable.
- Applicant provides annual reporting to DED.

CONTACT

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• Statewide average of \$46,000 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.