

DATA CENTER SALES TAX EXEMPTION PROGRAM

Purpose

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 utility 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 Benefits

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 6/30/2020):

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	\$32,905	GRUNDY	\$32,628	PERRY	\$38,263
ANDREW	\$34,334	HARRISON	\$29,326	PETTIS	\$36,225
ATCHISON	\$34,550	HENRY	\$35,067	PHELPS	\$36,998
AUDRAIN	\$37,289	HICKORY	\$25,493	PIKE	\$33,716
BARRY	\$40,357	HOLT	\$38,781	PLATTE	\$49,016
BARTON	\$34,323	HOWARD	\$31,840	POLK	\$32,083
BATES	\$31,981	HOWELL	\$33,981	PULASKI	\$29,341
BENTON	\$28,112	IRON	\$40,532	PUTNAM	\$27,463
BOLLINGER	\$29,995	JACKSON	\$51,134	RALLS	\$46,091
BOONE	\$42,346	JASPER	\$40,664	RANDOLPH	\$38,711
BUCHANAN	\$46,831	JEFFERSON	\$38,541	RAY	\$37,074
BUTLER	\$32,961	JOHNSON	\$32,945	REYNOLDS	\$36,843
CALDWELL	\$35,309	KNOX	\$31,785	RIPLEY	\$22,995
CALLAWAY	\$48,100	LACLEDE	\$34,858	SALINE	\$36,154
CAMDEN	\$34,652	LAFAYETTE	\$33,742	SCHUYLER	\$28,396
CAPE GIRARDEAU	\$41,876	LAWRENCE	\$37,401	SCOTLAND	\$27,796
CARROLL	\$37,832	LEWIS	\$34,482	SCOTT	\$38,281
CARTER	\$24,500	LINCOLN	\$41,708	SHANNON	\$25,716
CASS	\$36,417	LINN	\$35,614	SHELBY	\$32,374
CEDAR	\$27,132	LIVINGSTON	\$34,456	ST CHARLES	\$48,029
CHARITON	\$33,399	MACON	\$32,356	ST LOUIS CITY	\$51,134
CHRISTIAN	\$32,939	MADISON	\$29,994	ST LOUIS CO	\$51,134
CLARK	\$26,678	MARIES	\$32,984	ST. CLAIR	\$26,929
CLAY	\$50,393	MARION	\$38,530	ST. FRANCOIS	\$31,982
CLINTON	\$36,939	MCDONALD	\$36,719	STE. GENEVIEVE	\$45,297
COLE	\$42,380	MERCER	\$38,593	STODDARD	\$37,570
COOPER	\$33,394	MILLER	\$31,666	STONE	\$30,253
CRAWFORD	\$37,595	MISSISSIPPI	\$30,868	SULLIVAN	\$44,450
DADE	\$32,411	MONITEAU	\$37,155	TANEY	\$31,499
DALLAS	\$25,068	MONROE	\$30,142	TEXAS	\$30,031
DAVISS	\$27,841	MONTGOMERY	\$35,984	VERNON	\$37,399
DEKALB	\$35,349	MORGAN	\$29,005	WARREN	\$39,663
DENT	\$29,587	NEW MADRID	\$37,742	WASHINGTON	\$27,524
DOUGLAS	\$27,115	NEWTON	\$42,061	WAYNE	\$24,539
DUNKLIN	\$26,839	NODAWAY	\$35,017	WEBSTER	\$33,773
FRANKLIN	\$42,993	OREGON	\$25,139	WORTH	\$24,444
GASCONADE	\$30,888	OSAGE	\$37,251	WRIGHT	\$30,662
GENTRY	\$36,840	OZARK	\$24,764	STATEWIDE	\$51,134
GREENE	\$44,535	PEMISCOT	\$29,872		

Statewide average of \$51,134 applicable to any county over the statewide average when determining program eligibility. (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.

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.

Approval Procedure:

- 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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