

MISSOURI QUALITY JOBS PROGRAM

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.

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 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 Quality Jobs 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 1.21%
- AGI of \$20-25,000 1.92%
- AGI of \$25-30,000 2.45%
- AGI of \$30-35,000 2.82%
- AGI of \$35-40,000 3.06%
- AGI of \$40-45,000 3.20%
- AGI of \$45-50,000 3.29%
- AGI of \$50-55,000 3.40%
- AGI of \$55-60,000 3.46%
- AGI of \$60-65,000 3.53%
- AGI of \$65-70,000 3.58%
- AGI of \$70-75,000 3.67%
- AGI of \$75-100,000 3.43%
- AGI of \$100-200,000 3.02%

Contact

Missouri Department of Economic Development
 Division of Business and Community Services
 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.ded.mo.gov

County average wages (effective until 6/30/2021):

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	HELPS	\$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	\$58,114	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	\$63,482
CHRISTIAN	\$32,939	MADISON	\$29,994	ST LOUIS CO	\$62,329
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	\$29,055	WARREN	\$39,663
DENT	\$29,587	NEW MADRID	\$37,742	WASHINGTON	\$27,524
DOUGLAS	\$27,115	NEWTON	\$42,061	WAYNE	\$24,539
DUNKLIN	\$26,893	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		

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.