



# MISSOURI WORKS PROGRAM

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, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, healthcare and social services, or store front consumer-based retail trade establishments not located in a third or fourth class county.
  - Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
  - Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
  - Businesses that are relocating jobs from Johnson, Miami, or Wyandotte counties in Kansas to Jackson, Platte, Clay or Cass counties in Missouri. However, net new jobs created above a qualified company's base employment may be eligible for benefits.
- Note: Headquarters, administrative, or research and development offices of otherwise excluded businesses may be eligible if the predominant function of such offices is to serve a multistate territory.

## 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.
- A publicly announced intention to make new capital investment at the project facility.

A qualified company may request a proposal for estimated benefits or apply directly with an NOI to DED. DED will then confirm the business is eligible; establish the date at which "base employment" is calculated; reserve the estimated tax credits for the project (if any); and establish the 2-year deadline date by which the minimum thresholds for the creation of the new jobs, investment, etc. must be met.

## PROGRAM BENEFITS

Program benefits include (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and 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. For definitions of "full time employee," "new jobs," and "project facility base employment," please see the Missouri Works Program Guidelines.

## 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)
Qualified Military Projects	10	Real or personal property amount as outlined in the proposal	90% of County Avg. Wage	Tax credits equal to the estimated WH taxes for a term up to 15 years. Must receive a proposal for benefits.

"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 Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- The amount of the project's projected net fiscal benefit to the state and the period in which the state would realize such net fiscal benefit;
- 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 percentage of local incentives committed to the project.

County average wages (effective until 6/30/2023):

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.

## FUNDING LIMITS - PROGRAM CAPS

- \$116 million in tax credits
- (Note: Up to 21.5% of tax credit cap may be set aside for the Deal Closing Fund.)
- \$10 million in tax credits for infrastructure projects
- \$75 million in withholdings for companies with a base employment of 50 or more

## 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) liabilities. 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.

## REPORTING REQUIREMENTS

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and 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 and may require repayment. The Tax Credit Accountability Act Reporting Form must also 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

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (e.g. Missouri One Start, State Tax Increment Financing).

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%

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$37,724	GRUNDY	\$36,406	PERRY	\$42,131
ANDREW	\$36,647	HARRISON	\$34,868	PETTIS	\$41,563
ATCHISON	\$39,450	HENRY	\$39,593	PHELPS	\$41,827
AUDRAIN	\$42,212	HICKORY	\$30,754	PIKE	\$38,012
BARRY	\$42,063	HOLT	\$42,790	PLATTE	\$56,003
BARTON	\$38,851	HOWARD	\$35,969	POLK	\$37,234
BATES	\$35,968	HOWELL	\$38,335	PULASKI	\$32,525
BENTON	\$32,960	IRON	\$42,694	PUTNAM	\$33,921
BOLLINGER	\$35,438	JACKSON	\$57,329	RALLS	\$48,229
BOONE	\$49,791	JASPER	\$45,059	RANDOLPH	\$44,330
BUCHANAN	\$52,754	JEFFERSON	\$43,234	RAY	\$41,241
BUTLER	\$37,621	JOHNSON	\$36,791	REYNOLDS	\$43,561
CALDWELL	\$41,676	KNOX	\$36,839	RIPLEY	\$24,277
CALLAWAY	\$52,909	LACLEDE	\$40,707	SALINE	\$41,856
CAMDEN	\$41,079	LAFAYETTE	\$38,517	SCHUYLER	\$32,520
CAPE GIRARDEAU	\$47,153	LAWRENCE	\$40,902	SCOTLAND	\$32,568
CARROLL	\$39,057	LEWIS	\$38,976	SCOTT	\$43,338
CARTER	\$27,562	LINCOLN	\$45,479	SHANNON	\$29,465
CASS	\$41,847	LINN	\$39,501	SHELBY	\$40,868
CEDAR	\$30,690	LIVINGSTON	\$39,159	ST CHARLES	\$52,597
CHARITON	\$38,714	MACON	\$37,653	ST LOUIS CITY	\$57,329
CHRISTIAN	\$37,990	MADISON	\$33,551	ST LOUIS CO	\$57,329
CLARK	\$31,512	MARIES	\$36,704	ST. CLAIR	\$31,806
CLAY	\$54,525	MARION	\$43,745	ST. FRANCOIS	\$35,708
CLINTON	\$41,648	MCDONALD	\$40,124	STE. GENEVIEVE	\$49,448
COLE	\$47,210	MERCER	\$42,408	STODDARD	\$41,929
COOPER	\$36,805	MILLER	\$36,610	STONE	\$33,702
CRAWFORD	\$41,711	MISSISSIPPI	\$35,006	SULLIVAN	\$47,266
DADE	\$36,428	MONITEAU	\$42,760	TANEY	\$36,760
DALLAS	\$27,586	MONROE	\$33,854	TEXAS	\$33,372
DAVISS	\$31,292	MONTGOMERY	\$42,116	VERNON	\$40,460
DEKALB	\$39,440	MORGAN	\$33,437	WARREN	\$44,089
DENT	\$34,000	NEW MADRID	\$41,042	WASHINGTON	\$31,976
DOUGLAS	\$31,291	NEWTON	\$47,424	WAYNE	\$30,971
DUNKLIN	\$30,257	NODAWAY	\$38,818	WEBSTER	\$39,594
FRANKLIN	\$46,587	OREGON	\$28,845	WORTH	\$28,901
GASCONADE	\$35,341	OSAGE	\$42,818	WRIGHT	\$35,772
GENTRY	\$41,526	OZARK	\$28,250	STATEWIDE	\$57,329
GREENE	\$50,811	PEMISCOT	\$32,301		

Statewide average of \$57,329 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.