



# 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](http://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**

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County average wages (effective until 6/30/2022):

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	\$35,659	GRUNDY	\$33,808	PERRY	\$39,716
ANDREW	\$37,419	HARRISON	\$31,738	PETTIS	\$38,034
ATCHISON	\$37,404	HENRY	\$37,825	PHELPS	\$39,873
AUDRAIN	\$39,430	HICKORY	\$28,232	PIKE	\$35,939
BARRY	\$40,423	HOLT	\$42,688	PLATTE	\$53,359
BARTON	\$36,845	HOWARD	\$34,425	POLK	\$35,164
BATES	\$34,213	HOWELL	\$36,070	PULASKI	\$31,920
BENTON	\$30,188	IRON	\$41,584	PUTNAM	\$31,766
BOLLINGER	\$32,271	JACKSON	\$62,310	RALLS	\$47,892
BOONE	\$48,247	JASPER	\$42,969	RANDOLPH	\$41,466
BUCHANAN	\$49,786	JEFFERSON	\$41,474	RAY	\$39,254
BUTLER	\$34,908	JOHNSON	\$36,218	REYNOLDS	\$39,682
CALDWELL	\$40,038	KNOX	\$35,732	RIPLEY	\$23,402
CALLAWAY	\$51,646	LACLEDE	\$37,650	SALINE	\$40,868
CAMDEN	\$37,771	LAFAYETTE	\$36,118	SCHUYLER	\$30,831
CAPE GIRARDEAU	\$45,171	LAWRENCE	\$38,354	SCOTLAND	\$30,058
CARROLL	\$40,175	LEWIS	\$36,982	SCOTT	\$41,118
CARTER	\$26,964	LINCOLN	\$43,461	SHANNON	\$27,455
CASS	\$39,763	LINN	\$37,869	SHELBY	\$36,725
CEDAR	\$29,634	LIVINGSTON	\$36,713	ST CHARLES	\$50,936
CHARITON	\$37,118	MACON	\$35,565	ST LOUIS CITY	\$67,561
CHRISTIAN	\$35,639	MADISON	\$32,121	ST LOUIS CO	\$66,807
CLARK	\$28,917	MARIES	\$35,243	ST. CLAIR	\$29,903
CLAY	\$52,999	MARION	\$41,515	ST. FRANCOIS	\$34,097
CLINTON	\$39,540	MCDONALD	\$37,575	STE. GENEVIEVE	\$47,471
COLE	\$45,498	MERCER	\$43,945	STODDARD	\$39,610
COOPER	\$36,639	MILLER	\$35,045	STONE	\$31,993
CRAWFORD	\$38,816	MISSISSIPPI	\$33,235	SULLIVAN	\$50,516
DADE	\$34,233	MONITEAU	\$41,443	TANEY	\$34,125
DALLAS	\$26,282	MONROE	\$33,185	TEXAS	\$31,776
DAVISS	\$29,193	MONTGOMERY	\$39,137	VERNON	\$39,912
DEKALB	\$37,986	MORGAN	\$31,486	WARREN	\$42,127
DENT	\$31,446	NEW MADRID	\$38,947	WASHINGTON	\$29,678
DOUGLAS	\$28,665	NEWTON	\$45,439	WAYNE	\$27,509
DUNKLIN	\$28,226	NODAWAY	\$38,000	WEBSTER	\$36,222
FRANKLIN	\$44,812	OREGON	\$27,548	WORTH	\$26,236
GASCONADE	\$33,727	OSAGE	\$40,889	WRIGHT	\$33,285
GENTRY	\$38,945	OZARK	\$27,077	STATEWIDE	\$54,746
GREENE	\$47,337	PEMISCOT	\$31,814		

• Statewide average of \$54,746 applicable to any county over the statewide average when determining program eligibility.

• 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.