



# *MISSOURI QUALITY JOBS PROGRAM*

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## Program Guidelines

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# Missouri Quality Jobs Program

**Authorization:** 620.1875-620.1890, RSMo

## Eligibility

**Eligible Areas:** Anywhere in the state of Missouri.

**Eligible Businesses:** For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, public utilities (including water and sewer), educational services, religious organizations, ethanol distillation or production, biodiesel production, public administration, companies 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. The headquarters or administrative offices of excluded businesses may qualify if the facility serves a multistate territory. The average wage of the new jobs at the project facility must equal or exceed the county average wage (published annually by DED), and the company must offer health insurance and pay at least 50% of the premium for all full-time employees of all facilities located in the state.

**Multiple Companies:** If more than one company is located at the project facility, all may qualify as one project as long as certain conditions are met. These conditions include that the companies located at the project facility must be wholly owned subsidiaries of the same parent company. The parent company must be listed as the applicant on the Notice of Intent, with the subsidiaries also listed in the appropriate section of the application. A copy of the organization chart illustrating the company ownership structure must be attached to the Notice of Intent.

**Multiple Facilities:** More than one facility may be considered the same project facility for program purposes. Facilities must be located within the same county or within 15 miles of each other and engaged in the same type of business activity to be considered the same project facility. If the facilities are located in different counties, the higher county average wage of the 2 counties will be used for qualifying the project and for all calculations.

To qualify, the company must create a minimum number of new jobs at the project facility prior to the “deadline” date, based on the type of project:

1) Small/Expanding business project:

- Rural areas: 20 or more new jobs within two years of the date of DED approval of the Notice of Intent.
- Non-rural areas: 40 or more new jobs within two years of the date of DED approval of the Notice of Intent.

\*Non-rural areas include the counties of Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.

2) Technology business projects (classified by NAICS codes and statute):

- 10 or more new jobs within two years of the date of DED approval of the Notice of Intent.

3) High Impact business projects:

- 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 approval of the Notice of Intent.

## Program Benefits

For “Small/Expanding” business projects, the benefits of the program are the retention of the state withholding tax of the new jobs. For “Technology” and “High Impact” business projects, 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 sellable. 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. The program benefits are calculated as follows:

1) Small/Expanding business project:

Retain 100% of the state withholding tax of the new jobs each year for:

- 3 years - if the average wage of new jobs is 100-119% of county average wage; or
- 5 years - if the average wage of new jobs is 120%+ of county average wage.

2) Technology business project:

- 5% of the payroll of the new jobs each year for 5 years plus **“Average Wage Bonus”**.

3) High Impact business project:

- 3% of payroll of new jobs each year for 5 years plus **“Average Wage Bonus”** plus **“Local Incentives Bonus”**

**“Average Wage Bonus”** (average wage of new jobs as a percentage of the county average wage):

- Greater than 120% and up to 140%: 1/2 % 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 revenue generated by 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.

There is no limit on the number of periods a qualified company may participate in the program as long as the minimum thresholds are achieved, the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may also elect to file a Notice of Intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved. The qualified company must provide the department with the required reporting and be in proper compliance for this program and other state programs. The company may not, however, receive any further benefit under the original Notice of Intent for jobs created after the date of the new Notice of Intent, and any jobs created before the new Notice of Intent may not be included as “new jobs” on the new Notice of Intent.

When a qualified company has filed and received approval of a Notice of Intent and subsequently files another Notice of Intent, the department shall apply the definition of a project facility under subdivision (19) of section 620.1878 to the new Notice of Intent as well as all previously approved notices of intent and shall determine the application of the definitions of a new job, new payroll, project facility base employment, and project facility base payroll accordingly.

## Special Program Requirements

A business may not simultaneously earn benefits of this program and any of the other state programs listed below at the same project facility:

- Enterprise Zone program
- Enhanced Enterprise Zone program
- Business Facility program
- Rebuilding Communities program
- Brownfield Jobs and Investment program

Special conditions apply when Quality Jobs is used at the same time as other programs that affect state withholding taxes (New Jobs Training, State TIF, MODESA).

## Process – Applying for Benefits

All applications for this program may be found on the Quality Jobs page of the department's web site at <http://www.ded.mo.gov/BCS%20Programs/BCSProgramDetails.aspx?BCSProgramID=76>.

**If the application packages contain any materials that the Company considers to be closed records pursuant to Section 620.014, RSMo, each page must be clearly marked as “confidential” and the Company must provide written support that releasing the information would endanger the competitiveness of the business.**

### *Notice of Intent*

**The qualified company must submit a Notice of Intent, which must be approved by the department.** The Notice of Intent must be submitted prior to the hiring of the new jobs that will be subject to program benefits.

Notices of Intent will be accepted at any time of the year and will be approved or rejected within 30 days of receipt based on compliance with all program criteria. Approvals will confirm eligibility and the type of business project; establish the project facility base employment and project facility base payroll; establish the deadline date for meeting the minimum new job threshold; and reserve the estimated tax credits for the project (if applicable). Tax credits are limited to new job and average wage projections as presented by the company in the Notice of Intent and are subject to funding availability. Withholding tax benefits are unlimited and can be retained on all new jobs. Any required information not submitted with the Notice of Intent will be noted in the Approval with a deadline for the Company to comply.

**Certification & E-Verify.** By signing the Notice of Intent, the company is certifying that the organization does not employ illegal aliens (undocumented workers) and that the information contained in the application is true, correct and complete.

- In addition to certifying that your organization does not employ illegal aliens, **all applicants must:** 1) enroll in E-Verify, 2) check the box on the Certification confirming enrollment and participation in E-Verify, and 3) provide supporting documentation.
- The **E-Verify Program**, conducted jointly by the U.S. Citizenship and Immigration Services (USCIS) Verification Division and the Social Security Administration (SSA), is designed to provide employment status information to determine the eligibility of applicants for employment.
- E-Verify requires that participating commercial employers use the automated Verification Information System (VIS) to check the SSA and the USCIS databases to verify the employment authorization of ALL newly hired employees.

An employer's participation in E-Verify is free. Access the E-Verify website at: <https://e-verify.uscis.gov/enroll/>

### ***Project facility base employment & base payroll – Related facility base employment & payroll***

After the Notice of Intent is submitted, DED will return a package to the Company requiring employment and payroll information for the project facility and any related facilities and/or companies in Missouri. The dates for the requested information will be determined by the date DED receives the Notice of Intent and will be listed on the forms.

The project facility base employment number will be established based on the number of full-time employees at the project facility on the day that the department receives the Notice of Intent or average full-time employment at the project facility for the twelve months prior to application (if the project facility has been operating for less than twelve months, the average number of employees for the number of months the project facility has been in operation), whichever is higher.

The project facility base payroll is the amount of taxable wages paid by the qualified company during the twelve months immediately prior to the Notice of Intent. This includes the base salary, overtime, bonuses, commissions, etc. for all employees that worked during the twelve months prior to the Notice of Intent. Wages for employees that terminated employment or new hires will be prorated (if an annualized number is provided to DED) to represent the number of months worked. The payroll of owners will be excluded unless the qualified company participates in an employee stock ownership plan. The project facility base payroll may be subject to an annual increase, and will not decrease with the annual adjustment.

Related facilities will be determined on a case by case basis, and will be dependent on whether other facilities that are located in Missouri are owned or operated by the qualified company or related companies and are reliant upon each other for products and/or services.

### ***Application to Retain Withholding Taxes***

After meeting the minimum new job threshold and other program requirements, the qualified company must submit the Application to Retain Withholding Taxes and supporting documentation. Through this application, the company will demonstrate that the minimum program thresholds have been achieved. After reviewing the information and confirming that the minimum program requirements have been met, the DED will notify the Department of Revenue (DOR) that retention of state withholding taxes on new jobs may begin. DOR will send confirmation to the qualified company authorizing the beginning of the project period. When confirmation has been received, the company may begin retaining the state withholding tax of the new jobs for the three- or five-year project period, provided all program criteria continue to be met.

The company is required to remit payment of state withholding tax on jobs considered as project facility base employment, part-time employees; for jobs that are not located at the project facility (the facility address(es) noted on the approval letter) or jobs that do not meet all program criteria.

If the company retains withholding tax on jobs that are not eligible for program benefits, the company will be required to amend the Employer's Return of Income Taxes Withheld (Form MO-941) and MO-QJP forms and will be responsible for payment of the withholdings and any accrued interest and penalty.

In the event the qualified company does not meet the minimum program requirements, the qualified company may 1) resubmit the Application to Retain Withholding Tax at a later date, but still within the appropriate timeframe for job creation after Approval, or 2) submit a new Notice of Intent if the company anticipates job growth that will meet the program requirements. If a high impact project does not meet the minimum new job requirement, the project may become a small/expanding business project, as long as all of the program requirements for this project type are met.

### ***Annual Report/Application for Tax Benefits***

After the qualified company has begun receiving program benefits, the qualified company shall provide an annual report of the number of new jobs and the new payroll at the project facility, plus other information that may be required by the department each year within 30 days of the end of the company's tax year.

For all project types, the company must submit sufficient information for the Department to evaluate and confirm the program benefits. Any tax credit will be calculated based on payroll information submitted by the company. The department shall issue a refundable, transferable and/or sellable tax credit for any difference between the amount of benefit allowed and the amount of state withholding tax retained. High impact projects must provide adequate documentation of local incentives with the application in order to receive the local incentives bonus.

### ***Tax Credit Accountability Act Reporting Form***

The company is required to report project information on the Tax Credit Accountability Act Reporting form each year after the tax credits are issued, and for the three years immediately following the final benefit issuance. The

form is due by June 30 each year, with penalties accruing if the forms are not received by DED by December 31 of the same year.

## NOTICE

**The Tax Credit Accountability Act of 2004 (Senate Bill 1099, Sections 135.800 through 135.830, RSMo) makes several changes to the tax credit programs, specifically:**

- **Processing tax credit applications;**
- **Annual reporting requirements 135.805, RSMo; and,**
- **Penalty provisions 135.810, RSMo.**

Changes in Processing of Tax Credits (Section 135.815, RSMo)

**Prior to the Missouri Department of Economic Development (DED) authorization of a tax credit, the DED will contact the Departments of Revenue and Insurance and verify that the applicant does not owe any delinquent income, sales, use, or insurance taxes, or interest or penalties on such taxes. If a delinquency exists, the amount of tax credits issued will be reduced by the amount of the delinquency. After satisfying all delinquencies, the remaining tax credits shall be issued.**

Annual Reporting Requirements and Penalty Provisions

All tax credit recipients must be familiar with the annual reporting requirements and penalties for non-compliance established under the Tax Credit Accountability Act of 2004. The responsibility for compliance falls with the tax credit recipient.

Recipients of tax credits are required to submit the Tax Credit Accountability Act Reporting Form to the **Department of Revenue**. You may contact (573) 526-8733 (Personal Tax) or (573) 751-4541 (Corporate Tax) with any questions.

### Tax Credits

**If more than one company/facility is considered as one project for purposed of this program, one tax credit will be issued to the parent company.**

**Claiming:** To claim earned tax credits, enter the amount of the tax credit being claimed on the Missouri Form MO-TC and on the appropriate line of the state tax return.

**Refund:** The Department of Revenue will issue a refund to the taxpayer for the amount of tax credits that exceeds the amount of the taxpayer's income tax liability.

**Transferring:** To transfer any part of this tax credit, you must complete Missouri Form MO-TF. Upon receipt of the MO-TF, the transferor will be notified of the remaining portion of tax credits not transferred, if any, and the transferee will be notified of the amount of tax credits transferred.

**Eligible Use of Tax Credits:** This tax credit can be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institutions tax). Tax credits can only be applied to tax liability for the year in which they were earned. Any unused balance is refundable. **Tax credits must be claimed within one year of the close of the taxable year that they were issued.** The credits may also be transferred, sold or assigned. The Missouri Transfer Form must be completed by both parties to transfer the tax credit.

**Issuance Fee:** Effective August 28, 2005, and pursuant to Section 620.1900, RSMo, this tax credit program is subject to a fee of 2.5% of the amount of tax credits issued. Applicants will be invoiced for the fee after the tax credit application has been approved. Tax credits will be issued upon receipt of the fee. This fee applies to tax credits only, not retention of withholding taxes.

## Funding Limits

There is no annual cap on the retained state withholding taxes. Tax credits issued for the entire program shall not exceed \$80 million per calendar year, which is provided on a first-come basis.

## Statutory Definitions (Section 620.1878, RSMo)

“Approval”, a document submitted by the department to the qualified company that states the benefits that may be provided by this program.

“Average wage”, the new payroll divided by the number of new jobs.

“Commencement of operations”, the starting date for the qualified company’s first new employee, which must be no later than twelve months from the date of the department’s approval of the Notice of Intent.

**County average wage (effective until 7/1/2015):** Average county wage is based on Census of Employment & Wages, MERIC and is updated annually. Use 2,080 hours per year when converting from hourly to annual wage.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$27,072	GREENE	\$36,840	OZARK	\$19,848
ANDREW	\$27,385	GRUNDY	\$32,533	PEMISCOT	\$28,141
ATCHISON	\$26,558	HARRISON	\$23,368	PERRY	\$32,228
AUDRAIN	\$32,587	HENRY	\$30,316	PETTIS	\$30,320
BARRY	\$35,152	HICKORY	\$20,653	PHELPS	\$30,572
BARTON	\$25,199	HOLT	\$30,414	PIKE	\$28,796
BATES	\$25,487	HOWARD	\$26,431	PLATTE	\$40,572
BENTON	\$25,171	HOWELL	\$29,571	POLK	\$27,568
BOLLINGER	\$23,066	IRON	\$40,721	PULASKI	\$25,297
BOONE	\$33,875	JACKSON	\$49,913	PUTNAM	\$23,355
BUCHANAN	\$38,816	JASPER	\$36,489	RALLS	\$39,785
BUTLER	\$29,580	JEFFERSON	\$31,740	RANDOLPH	\$33,567
CALDWELL	\$34,745	JOHNSON	\$29,555	RAY	\$32,279
CALLAWAY	\$39,552	KNOX	\$25,165	REYNOLDS	\$22,572
CAMDEN	\$27,736	LACLEDE	\$30,176	RIPLEY	\$19,724
CAPE GIRARDEAU	\$36,000	LAFAYETTE	\$28,915	ST CHARLES	\$39,584
CARROLL	\$28,975	LAWRENCE	\$30,588	ST. CLAIR	\$21,737
CARTER	\$22,515	LEWIS	\$28,334	STE. GENEVIEVE	\$38,925
CASS	\$30,020	LINCOLN	\$33,243	ST. FRANCOIS	\$27,611
CEDAR	\$22,603	LINN	\$32,173	ST LOUIS CO	\$53,357
CHARITON	\$28,044	LIVINGSTON	\$30,321	SALINE	\$31,034
CHRISTIAN	\$27,297	MCDONALD	\$28,652	SCHUYLER	\$33,439
CLARK	\$24,346	MACON	\$26,754	SCOTLAND	\$21,500
CLAY	\$45,064	MADISON	\$26,039	SCOTT	\$31,562

CLINTON	\$29,181	MARIES	\$31,788	SHANNON	\$19,122
COLE	\$37,795	MARION	\$32,033	SHELBY	\$26,262
COOPER	\$29,449	MERCER	\$31,479	STODDARD	\$30,427
CRAWFORD	\$33,008	MILLER	\$30,397	STONE	\$25,273
DADE	\$26,933	MISSISSIPPI	\$27,309	SULLIVAN	\$34,225
DALLAS	\$21,366	MONITEAU	\$27,733	TANEY	\$26,509
DAVISS	\$24,816	MONROE	\$28,213	TEXAS	\$26,229
DEKALB	\$28,251	MONTGOMERY	\$27,884	VERNON	\$32,812
DENT	\$29,970	MORGAN	\$24,296	WARREN	\$31,700
DOUGLAS	\$22,881	NEW MADRID	\$37,008	WASHINGTON	\$22,985
DUNKLIN	\$24,016	NEWTON	\$31,429	WAYNE	\$20,930
FRANKLIN	\$35,766	NODAWAY	\$31,025	WEBSTER	\$28,718
GASCONADE	\$27,591	OREGON	\$21,117	WORTH	\$22,427
GENTRY	\$27,324	OSAGE	\$27,752	WRIGHT	\$26,425
				ST LOUIS CITY	\$54,317

The statewide average of \$43,438 is used to determine program eligibility for any county with average wages over the statewide average.

“County average wage”, the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility. The department shall publish the county average wage for each county at least annually. Notwithstanding the provisions of this subdivision to the contrary, for any qualified company that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, the company shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their project shall be the county average wage for the county from which the employees are being relocated.

“Department” the Missouri department of economic development.

“Director”, the director of the department of economic development.

“Employee”, a person employed by a qualified company.

“Full-time employee”, an employee of the qualified company that is scheduled to work an average of at least thirty-five hours per week for a twelve month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums.

“High impact project”, a qualified company that, within two years from commencement of operations, creates one hundred or more new jobs.

“Local incentives”, the present value of the dollar amount of direct benefit received by a qualified company for a project facility from one or more local political subdivisions, but shall not include loans or other funds provided to the qualified company that must be repaid by the qualified company to the political subdivision.

“NAICS (North American Industry Classification System)”: The Federal Office of Management and Budget (OMB) adopted the NAICS as the industry classification system used by the statistical agencies of the United States. NAICS replaces the 1987 Standard Industrial Classification (SIC). The NAICS is used for classifying business establishments to assist with gathering data related to measuring productivity, unit labor costs, and the capital intensity of production, employment and other information. Missouri businesses are assigned a NAICS when the company files a “Report to Determine Liability Status” with the Missouri Department of Labor and Industrial Relations, Division of Employment Security to determine Unemployment Tax Liability. Normally, a

general business employer becomes liable for the tax and responsible for providing unemployment insurance for its workers when it:

- Pays \$1,500 in wages (cash and in-kind) in a calendar quarter, or
- Has an employee in some portion of a day in each of 20 different weeks, or
- Becomes liable under the Federal Unemployment Tax Act (FUTA) and employs a worker in Missouri, or
- Acquires and continues without interruption substantially all the business of a liable employer.

“New direct local revenue”, the present value of the dollar amount of direct net new tax revenues of the local political subdivisions likely to be produced by the project over a ten-year period as calculated by the department, excluding local earnings tax, and net new utility revenues, provided the local incentives include a discount or other direct incentives from utilities owned or operated by the political subdivision.

“New investment”, the purchase or leasing of new tangible assets to be placed in operation at the project facility, which will be directly related to the new jobs.

“New job”, the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job. An employee that spends less than fifty percent of the employee’s work time at the facility is still considered to be located at the facility if the employee receives his or her directions and control from that facility, is on the facility’s payroll, one hundred percent of the employee’s income from such employment is Missouri income, and the employee is paid at or above the state average wage.

“New payroll”, the amount of taxable wages of full-time employees, excluding owners, located at the project facility that exceeds the project facility base payroll. If full-time employment at related facilities is below the related facility base employment, any decrease in payroll for full-time employees at the related facilities below that related facility base payroll shall also be subtracted to determine new payroll.

“Notice of Intent”, a form developed by the department, completed by the qualified company and submitted to the department which states the qualified company’s intent to hire new jobs and request benefits under this program.

“Percent of local incentives”, the amount of local incentives divided by the amount of new direct local revenue;

“Program”, the Missouri quality jobs program provided in sections 620.1875 to 620.1890, RSMo.

“Project facility”, the building used by a qualified company at which the new jobs and new investment will be located. A project facility may include separate buildings that are located within fifteen miles of each other such that their purpose and operations are interrelated.

“Project facility base employment”, the greater of the number of full-time employees located at the project facility on the date of the Notice of Intent or for the twelve-month period prior to the date of the department’s receipt of the Notice of Intent, the average number of full-time employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, the average number of full-time employees for the number of months the project facility has been in operation prior to the date of the department’s approval of the Notice of Intent.

“Project facility base payroll”, the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at the project facility in the twelve months prior to the Notice of Intent, not including the payroll of the owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For purposes of calculating the benefits under this program,

the amount of base payroll shall increase each year based on an appropriate measure, as determined by the department.

“Project period”, the time period that the benefits are provided to a qualified company.

“Qualified company”, a firm, partnership, joint venture, association, private or public corporation whether organized for profit or not, or headquarters of such entity registered to do business in Missouri that is the owner or operator of a project facility, offers health insurance to all full-time employees of all facilities located in the state, and pays at least fifty percent of such insurance premiums. For the purposes the sections 620.1875 to 620.1890, the term “qualified company” shall not include:

- (a) Gambling establishments (NAICS industry group 7132);
- (b) Retail trade establishments (NAICS sectors 44 and 45);
- (c) Food and drinking places (NAICS sub sector 722);
- (d) Public utilities (NAICS 221 including water and sewer services);
- (e) Any company that is delinquent in the payment of any nonprotested taxes or any other amounts due the state or federal government or any other political subdivision of this state or;
- (f) Any company that has filed for or has publicly announced its intention to file for bankruptcy protection. However, a company that has filed for or has publicly announced its intention for bankruptcy between January 1, 2009, and December 31, 2009, may be a qualified company provided that such company: a) certifies to the department that it plans to reorganize and not to liquidate; and b) after its bankruptcy petition has been filed, it produces proof, in a form and at times satisfactory to the department, that it is not delinquent in filing any tax returns or making any payment due to the State of Missouri, including but not limited to all tax payments due after the filing of the bankruptcy petition and under the terms of the plan of reorganization. Any taxpayer who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained.
- (g) Educational services (NAICS sector 61);
- (h) Religious organizations (NAICS industry group 8131); or
- (i) Public administration (NAICS sector 92).
- (j) Ethanol distillation or production; or
- (k) Biodiesel production.

Notwithstanding any provision of this section to the contrary, the headquarters or administrative offices of an otherwise excluded business may qualify for benefits if the offices serve a multistate territory. In the event a national, state, or regional headquarters operation is not the predominant activity of a project facility, the new jobs and investment of such headquarters operation is considered eligible for benefits under this section if the other requirements are satisfied.

“Qualified renewable energy sources” shall not be construed to include ethanol distillation or production or biodiesel production; however, it shall include:

- a) Open-looped biomass;
- b) Close-looped biomass;
- c) Solar;
- d) Wind;
- e) Geothermal; and
- f) Hydropower.

“Related company” means;

- (a) A corporation, partnership, trust, or association controlled by the qualified company;
- (b) An individual, corporation, partnership, trust, or association in control of the qualified company; or

(c) Corporations, partnerships, trusts or associations controlled by an individual, corporation, partnership, trust or association in control of the qualified company. As used in this subdivision, control of a corporation shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, control of a partnership or association shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, control of a trust shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust, and ownership shall be determined as provided in section 318 of the Internal Revenue Code of 1986, as amended.

“Related facility”, a facility operated by the qualified company or a related company located in this state that is directly related to the operations of the project facility.

“Related facility base employment”, the greater of the number of full-time employees located at all related facilities on the date the Department receives the Notice of Intent or for the twelve-month period prior to the date of the department’s receipt of the Notice of Intent, the average number of full-time employees located at all related facilities of the qualified company or a related company located in this state.

“Related facility base payroll”, the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the Notice of Intent, not including the payroll of the owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on an appropriate measure, as determined by the department.

“Rural area”, a county in Missouri with a population less than seventy-five thousand or that does not contain an individual city with a population greater than fifty thousand according to the most recent federal decennial census.

“Small and expanding business project”, a qualified company that, within two years of the date of the department’s approval of the Notice of Intent creates a minimum of twenty new jobs if the project facility is located in a rural area or a minimum of forty new jobs if the project facility is not located in a rural area and creates fewer than one hundred new jobs regardless of the location of the project facility.

“Tax credits”, tax credits issued by the department to offset the state income taxes imposed by chapters 143 and 148, RSMo, or which may be sold or refunded as provided for in this program.

“Technology business project”, a qualified company that, within two years of the date of the department’s approval of the Notice of Intent creates a minimum of ten new jobs involved in the operations of a company:

- a) Which is a technology company, as classified by NAICS codes;
- b) Which owns or leases a facility which produces electricity derived from qualified renewable energy sources, or produces fuel for the generation of electricity from qualified renewable energy sources, but does not include any company that has received the alcohol mixture credit, alcohol credit or small ethanol producer credit pursuant to 26 U.S.C. Section 40 of the tax code in the previous tax year; or
- c) Which researches, develops, or manufactures power system technology for: aerospace; space; defense; hybrid vehicles; or implantable or wearable medical devices.
- d) Which is a clinical molecular diagnostic laboratory focused on detecting and monitoring infections in immunocompromised patient populations.

NAICS	NAICS Industry
2111	Oil and Gas Extraction
3251	Basic Chemical Manufacturing
3254	Pharmaceutical and Medicine Manufacturing
3332	Industrial Machinery Manufacturing
3333	Commercial and Service Industry Machinery Manufacturing
3341	Computer and Peripheral Equipment Manufacturing
3342	Communications Equipment Manufacturing
3343	Audio and Video Equipment Manufacturing
3344	Semiconductor and Other Electronic Component Manufacturing
3345	Navigational, Measuring, Electromedical, and Control Instruments Manufacturing
3359	Other Electrical Equipment and Component Manufacturing if researching, developing or manufacturing power system technology for the following: Aerospace; Space; Defense; Hybrid vehicles; or Implantable or wearable medical devices
3364	Aerospace Product and Parts Manufacturing
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
5112	Software Publishers
5161	Internet Publishing and Broadcasting
5171	Wired Technology Carriers (NAICS replaced by 5191)
5179	Other Telecommunications
5181	Internet Service Providers and Web Search Portals (NAICS replaced by 5191)
5182	Data Processing, Hosting, and Related Services
5191	Other Information Services (NAICS replaces 5171 and 5181)
5413	Architectural, Engineering, and Related Services
5415	Computer Systems Design and Related Services
5416	Management, Scientific, and Technical Consulting Services
5417	Scientific Research and Development Services
6215	Medical and Diagnostic Laboratories if the facility is a clinical molecular diagnostic laboratory focused on detecting & monitoring infections in immunocompromised patient populations.

“Withholding tax”, the state tax imposed by sections 143.191 to 143.265, RSMo. For purposes of this program, the withholding tax shall be computed using a schedule as determined by the department based on average wages.

**Estimated state withholding taxes, based on adjusted gross income (“AGI”):**

AGI of \$15-20,000:	1.27%
AGI of \$20-25,000:	1.82%
AGI of \$25-30,000:	2.29%
AGI of \$30-35,000:	2.63%
AGI of \$35-40,000:	2.85%
AGI of \$40-45,000:	3.00%
AGI of \$45-50,000:	3.11%
AGI of \$50-55,000:	3.21%
AGI of \$55-60,000:	3.31%
AGI of \$60-65,000:	3.40%
AGI of \$65-70,000:	3.49%
AGI of \$70-75,000:	3.57%
AGI of \$75-100,000:	3.78%
AGI of \$100-200,000:	4.29%
AGI of \$200-500,000:	4.82%

**CLOSED RECORDS (Sections 610.255 and 620.014, RSMo)**

Prior to August 28, 2004 and pursuant to Section 620.014, RSMo, DED had the authority to close certain records except for the name of the tax credit recipient and the amount of the tax credit. SB 1099 removes this broad exception but DED retains the authority to close records or documents that “relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business” or as also allowed by law.