



MISSOURI WORKS PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

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, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or healthcare and social services.
- Not Eligible: Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).
- Not Eligible: Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.
- Eligible: Headquarters, administrative, or research and development offices of otherwise excluded businesses that serve a multi-state area.

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)

"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 Automatic Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, limited to the net state fiscal benefit. The criteria for the discretionary benefits include:

- The least amount necessary to obtain the company's commitment;
- 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 percent of local incentives committed to the project.

PROGRAM BENEFITS

Program benefits are (a) the retention of the state withholding tax of the new jobs and/or (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.

"New jobs" are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the "base employment".

"Base Employment" is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces 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 limit on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$106 million for FY2014, \$111 million for FY2015, and \$116 million for 2016 forward.

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). 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.

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.
- Publicly announced its intention to make new capital investment at the project facility.

Upon receipt of the proposal/NOI, DED will:

- Confirm the business is eligible;
- Establish the date at which “base employment” is calculated;
- Reserve the estimated tax credits for the project; and
- Establish the 2-year “deadline” date by which the minimum thresholds for the creation of the new jobs, investment, etc must be met.

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. The Tax Credit Accountability Act Reporting Form must 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

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 Missouri Works 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 1.27%
- 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%

CONTACT

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County average wages (effective until 7/1/2014):

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	\$26,531	GREENE	\$36,398	OZARK	\$20,002
ANDREW	\$26,908	GRUNDY	\$32,222	PEMISCOT	\$27,461
ATCHISON	\$26,175	HARRISON	\$22,399	PERRY	\$32,191
AUDRAIN	\$31,782	HENRY	\$30,265	PETTIS	\$30,889
BARRY	\$32,555	HICKORY	\$20,094	PHELPS	\$29,900
BARTON	\$25,550	HOLT	\$30,120	PIKE	\$29,226
BATES	\$24,991	HOWARD	\$27,067	PLATTE	\$40,371
BENTON	\$24,571	HOWELL	\$29,483	POLK	\$28,086
BOLLINGER	\$23,501	IRON	\$43,095	PULASKI	\$25,765
BOONE	\$33,695	JACKSON	\$43,122	PUTNAM	\$23,118
BUCHANAN	\$39,275	JASPER	\$34,648	RALLS	\$34,595
BUTLER	\$28,659	JEFFERSON	\$31,780	RANDOLPH	\$33,336
CALDWELL	\$32,390	JOHNSON	\$27,228	RAY	\$31,206
CALLAWAY	\$36,877	KNOX	\$25,293	REYNOLDS	\$24,530
CAMDEN	\$27,452	LACLEDE	\$29,861	RIPLEY	\$19,731
CAPE GIRARDEAU	\$36,115	LAFAYETTE	\$26,612	ST. CHARLES	\$38,732
CARROLL	\$28,099	LAWRENCE	\$28,113	ST. CLAIR	\$21,394
CARTER	\$21,603	LEWIS	\$28,842	STE. GENEVIEVE	\$39,297
CASS	\$29,887	LINCOLN	\$32,173	ST. FRANCOIS	\$28,031
CEDAR	\$22,671	LINN	\$31,407	ST. LOUIS CO.	\$43,122
CHARITON	\$29,574	LIVINGSTON	\$29,911	SALINE	\$30,381
CHRISTIAN	\$27,961	MCDONALD	\$27,725	SCHUYLER	\$24,831
CLARK	\$24,419	MACON	\$26,544	SCOTLAND	\$19,955
CLAY	\$43,122	MADISON	\$26,232	SCOTT	\$31,321
CLINTON	\$28,436	MARIES	\$31,288	SHANNON	\$18,362
COLE	\$37,830	MARION	\$33,077	SHELBY	\$25,471
COOPER	\$29,940	MERCER	\$29,777	STODDARD	\$29,783
CRAWFORD	\$31,729	MILLER	\$30,896	STONE	\$24,838
DADE	\$27,255	MISSISSIPPI	\$26,824	SULLIVAN	\$33,105
DALLAS	\$21,320	MONITEAU	\$27,884	TANEY	\$26,162
DAVIESS	\$24,118	MONROE	\$27,323	TEXAS	\$26,136
DEKALB	\$29,458	MONTGOMERY	\$27,391	VERNON	\$32,211
DENT	\$25,087	MORGAN	\$24,219	WARREN	\$31,067
DOUGLAS	\$22,815	NEW MADRID	\$37,389	WASHINGTON	\$22,511
DUNKLIN	\$23,401	NEWTON	\$36,577	WAYNE	\$21,076
FRANKLIN	\$35,193	NODAWAY	\$30,325	WEBSTER	\$28,984
GASCONADE	\$26,214	OREGON	\$21,030	WORTH	\$20,976
GENTRY	\$25,001	OSAGE	\$27,355	WRIGHT	\$26,151
				ST. LOUIS CITY	\$43,122

- Statewide average of \$43,122 applicable to any county over the statewide average when determining program eligibility. (Clay, 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.