

HOUSE BILL NO. 1675

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), NANCE, GRISAMORE, POLLOCK, NASHEED, FUNDERBURK, WILSON (119), WRIGHT, SCHAD, ALLEN, STORCH, FLOOK, SMITH (150), KRAUS, MCGHEE, KOMO, KINGERY, SILVEY, HOBBS, BRUNS, ERVIN, TALBOY, GRILL, DIEHL, SUTHERLAND, FRANZ, NIEVES, ZERR, MOLENDORP, CARTER, RUCKER, KELLY, JONES (63), BROWN (50), SPRENG, CORCORAN, KOENIG, JONES (89), ROORDA AND PRATT (Co-sponsors).

4083L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to job growth.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be known as section 620.1910, to read as follows:

620.1910. 1. This section shall be known and may be cited as the "Manufacturing Jobs Act".

2. As used in this section, the following terms mean:

(1) "Approval", a document submitted by the department to the qualified manufacturing facility or qualified supplier that states the benefits that may be provided under this section;

(2) "Department", the department of economic development;

(3) "Employee" or "employees", a person or persons employed by a qualified manufacturing facility or qualified supplier;

(4) "Notice of intent", a form developed by the department, completed by the qualified manufacturing facility or qualified supplier and submitted to the department which states the qualified manufacturing facility's or qualified supplier's intent to hire new jobs or retain current jobs and request benefits under this section;

(5) "Qualified manufacturing facility", a business that:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

- 15 (a) Manufactures goods in Missouri;
- 16 (b) Derives more than ten percent of total sales revenues of the facility from goods
17 produced at the facility which are exported outside the United States or sold to the federal
18 government for export outside the United States or that derives more than twenty percent
19 of all total sales revenues of the facility from goods produced at the facility which are
20 exported outside the state of Missouri;
- 21 (c) Makes an additional capital investment of at least fifty thousand dollars per full-
22 time employee equivalent retained at the facility;
- 23 (d) Manufactures a new product that has not been manufactured in Missouri by
24 the company that owns the facility at any time prior to the date of the notice of intent; and
- 25 (e) Continues to manufacture such goods meeting paragraphs (a) to (d) of this
26 subdivision for a period of at least five years from the date of the notice of intent;
- 27 (6) "Qualified supplier", a company that:
- 28 (a) Derives more than ten percent of the total annual revenues of the company from
29 sales to a qualified manufacturing facility;
- 30 (b) Adds five or more new jobs as defined in section 620.1878;
- 31 (c) Pays wages for such new jobs that are equal to or exceed county average wage
32 as defined in section 620.1878; and
- 33 (d) Provides health insurance to employees and pays at least fifty percent of the
34 premiums of such insurance;
- 35 (7) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
36 excluding withholding tax imposed by sections 143.191 to 143.265, or the tax imposed in
37 chapter 147, 148, or 153;
- 38 (8) "Withholding tax", the state tax imposed by sections 143.191 to 143.265.
- 39 3. The department shall respond within thirty days to a qualified manufacturing
40 facility or a qualified supplier who provides a notice of intent to receive benefits under this
41 section with either an approval or a rejection of the notice of intent. Failure to respond on
42 behalf of the department shall result in the notice of intent being deemed an approval for
43 the purposes of this section. A qualified manufacturing facility or qualified supplier who
44 is provided an approval shall be allowed a benefit as provided in this section.
- 45 4. A qualified manufacturing facility may, upon approval of a notice of intent by
46 the department, retain fifty percent of the withholding tax from retained jobs for a period
47 of ten years. The method of determining the amount to be withheld shall be prescribed by
48 regulations of the department. Such qualified manufacturing facility shall be eligible for
49 participation in the Missouri quality jobs program in sections 620.1875 to 620.1890,

50 provided the facility meets all qualifications for that program, for all new jobs created at
51 the qualified manufacturing facility.

52 5. A qualified supplier may, upon approval of a notice of intent by the department,
53 retain all withholding tax from new jobs as defined in section 620.1878 for a period of three
54 years from the date of approval of the notice of intent or a qualified supplier may retain
55 all withholding tax from new jobs as defined in section 620.1878 for a period of five years
56 if the supplier pays wages for the new jobs equal to or greater than one hundred twenty
57 percent of county average wage as defined in section 620.1878.

58 6. Notwithstanding any provision of law to the contrary, any qualified
59 manufacturing facility that is awarded benefits under this section shall not simultaneously
60 receive tax credits or exemptions under sections 135.100 to 135.150, sections 135.200 to
61 135.286, section 135.535, or sections 135.900 to 135.906. The benefits available to the
62 qualified manufacturing facility under any other state programs for which the qualified
63 manufacturing facility is eligible and which utilize withholding tax from the new jobs of
64 the qualified manufacturing facility shall first be credited to the other state program before
65 the withholding retention level applicable under this section will begin to accrue. These
66 other state programs include, but are not limited to, the new jobs training program under
67 sections 178.892 to 178.896, the job retention program under sections 178.760 to 178.764,
68 the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, or
69 the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980.
70 If any qualified manufacturing facility also participates in the new jobs training program
71 in sections 178.892 to 178.896, such qualified manufacturing facility shall not retain any
72 withholding tax that has already been allocated for use in the new jobs training program.
73 Any taxpayer who is awarded benefits under this program who knowingly hires
74 individuals who are not allowed to work legally in the United States shall immediately
75 forfeit such benefits and shall repay the state an amount equal to any withholding taxes
76 already retained.

77 7. The department may promulgate rules to implement the provisions of this
78 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
79 created under the authority delegated in this section shall become effective only if it
80 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
81 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
82 vested with the general assembly under chapter 536 to review, to delay the effective date,
83 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant
84 of rulemaking authority and any rule proposed or adopted after August 28, 2010, shall be
85 invalid and void.

86 **8. If a qualified manufacturing facility or qualified supplier fails to comply with all**
87 **provisions of this section, the department shall issue a final decision to that effect and such**
88 **facility or supplier shall repay all benefits previously obtained from the state with interest**
89 **of five percent per annum from the date the benefit was originally received by such facility**
90 **or supplier. A final decision of the department under this subsection shall be subject to**
91 **review by the administrative hearing commission under the provisions of chapter 621 and**
92 **may be further appealed as provided by law.**

93 **9. Prior to March first each year, the department shall provide a report to the**
94 **general assembly including the names of participating qualified manufacturing facilities**
95 **or qualified suppliers, location of such facilities or suppliers, the annual amount of benefits**
96 **provided, the estimated net state fiscal impact (direct and indirect new state taxes derived),**
97 **and the number of new jobs created or jobs retained.**

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