HB 1675 -- Manufacturing Jobs Act

Sponsor: Nolte

This bill establishes the Manufacturing Jobs Act which establishes incentives for qualified suppliers or manufacturing facilities that create or retain Missouri jobs. In its main provisions, the bill:

(1) Defines a “qualified manufacturing facility” as a business which:

(a) Manufactures goods in Missouri;

(b) Derives more than 10% of its total sales revenues from goods produced at the facility which are ultimately exported outside the United States or that derives more than 20% of its total sales revenues from goods produced at the facility which are exported outside of Missouri;

(c) Makes an additional capital investment of at least $50,000 per full-time employee equivalent retained at the facility;

(d) Manufactures a new product that has not been manufactured in Missouri by the company that owns the facility at any time prior to the date of the notice of intent; and

(e) Continues to manufacture these goods for a period of at least five years from the date of the notice of intent;

(2) Defines “qualified supplier” as a company which:

(a) Derives more than 10% of its total annual revenues from sales to a qualified manufacturing facility;

(b) Adds five or more new jobs;

(c) Pays wages for new jobs that are equal to or exceed the county average wage; and

(d) Provides health insurance to employees and pays at least 50% of the insurance premiums; and

(3) Allows a qualified manufacturing facility, upon approval of a notice of intent by the Department of Economic Development, to retain 50% of the withholding tax from retained jobs for 10 years and also remain eligible to participate in the Missouri Quality Jobs Program if it meets its requirements. Qualified manufacturing facilities cannot simultaneously receive benefits from:

(a) New or expanded business facilities (Sections 135.100 - 135.150, RSMo);

(b) Enterprise zones (Sections 135.200 - 135.286);

(c) Relocation of a business to a distressed community (Section 135.535); or

(d) Rural empowerment zones (Sections 135.900 - 135.906);

(4) Specifies that if the facility is utilizing withholding taxes from the new jobs for any other state program, the taxes will first be credited to the other state program before they will begin to accrue to this program. If the facility is participating in the New Jobs Training Program, it cannot retain any withholding taxes that are already allocated for use in that program;

(5) Allows a qualified supplier, upon approval of a notice of intent by the department, to retain 100% of the withholding tax from new jobs for three years. If the qualified supplier pays wages for the new jobs that are equal to or greater than 120% of the county average wage, it can retain the withholding tax for five years;

(6) Requires the department to respond with an approval or rejection within 30 days to a qualified manufacturing facility or qualified supplier who provides a notice of intent to receive benefits under this program. Failure of the department to respond will result in the notice of intent being deemed an approval;

(7) Specifies that any taxpayer who is awarded benefits under this program and knowingly hires individuals who are not allowed to work legally in the United States will immediately forfeit these benefits and repay the state an amount equal to any withholding taxes already retained;

(8) Requires a qualified manufacturing facility or qualified supplier that fails to comply with the provisions of the program to repay all benefits previously obtained from the state with interest of 5% per year from the date the benefit was originally received; and

(9) Requires the department to submit an annual report by March 1 to the General Assembly with information on the participating facilities and suppliers, the amount of benefits provided, the net state fiscal impact, and the number of new and retained jobs.