

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

1 AMEND House Committee Substitute for House Bill No. 366, Page 7, Section 144.810, Line 158,  
2 by inserting after all of said section and line the following:

3  
4 “620.1878. For the purposes of sections 620.1875 to 620.1890, the following terms shall  
5 mean:

6 (1) "Approval", a document submitted by the department to the qualified company that  
7 states the benefits that may be provided by this program;

8 (2) "Average wage", the new payroll divided by the number of new jobs;

9 (3) "Commencement of operations", the starting date for the qualified company's first new  
10 employee, which must be no later than twelve months from the date of the approval;

11 (4) "County average wage", the average wages in each county as determined by the  
12 department for the most recently completed full calendar year. However, if the computed county  
13 average wage is above the statewide average wage, the statewide average wage shall be deemed  
14 the county average wage for such county for the purpose of determining eligibility. The  
15 department shall publish the county average wage for each county at least annually.

16 Notwithstanding the provisions of this subdivision to the contrary, for any qualified company that  
17 in conjunction with their project is relocating employees from a Missouri county with a higher  
18 county average wage, the company shall obtain the endorsement of the governing body of the  
19 community from which jobs are being relocated or the county average wage for their project shall  
20 be the county average wage for the county from which the employees are being relocated;

21 (5) "Department", the Missouri department of economic development;

22 (6) "Director", the director of the department of economic development;

1 (7) "Employee", a person employed by a qualified company;

2 (8) "Full-time employee", an employee of the qualified company that is scheduled to work  
3 an average of at least thirty-five hours per week for a twelve-month period, and one for which the  
4 qualified company offers health insurance and pays at least fifty percent of such insurance  
5 premiums;

6 (9) "High-impact project", a qualified company that, within two years from  
7 commencement of operations, creates one hundred or more new jobs;

8 (10) "High-risk metropolitan statistical area", a metropolitan statistical area as identified  
9 by the United States Bureau of Census:

10 (a) Which is comprised of two or more states including the state of Missouri which  
11 include at least one county with an average household income equal to two hundred percent of the  
12 national average household income as determined by the most recent data available from the  
13 Bureau of Labor Statistics within the United States Department of Labor as of the date the  
14 qualified business submits its notice of intent; and

15 (b) From which at least five businesses have relocated outside of this state in the ten  
16 calendar years immediately preceding the date of the notice of intent and resulting in the loss of at  
17 least three thousand of such companies' employees from this state;

18 (11) "Local incentives", the present value of the dollar amount of direct benefit received  
19 by a qualified company for a project facility from one or more local political subdivisions, but  
20 shall not include loans or other funds provided to the qualified company that must be repaid by the  
21 qualified company to the political subdivision;

22 [(11)] (12) "NAICS", the 1997 edition of the North American Industry Classification  
23 System as prepared by the Executive Office of the President, Office of Management and Budget.  
24 Any NAICS sector, subsector, industry group or industry identified in this section shall include its  
25 corresponding classification in subsequent federal industry classification systems;

26 [(12)] (13) "New direct local revenue", the present value of the dollar amount of direct net

1 new tax revenues of the local political subdivisions likely to be produced by the project over a  
2 ten-year period as calculated by the department, excluding local earnings tax, and net new utility  
3 revenues, provided the local incentives include a discount or other direct incentives from utilities  
4 owned or operated by the political subdivision;

5 [(13)] (14) "New investment"[,];

6 (a) For a qualified company not located within a high-risk metropolitan statistical area, the  
7 purchase or leasing of new tangible assets to be placed in operation at the project facility, which  
8 will be directly related to the new jobs;

9 (b) For a qualified company located within a high-risk metropolitan statistical area, funds  
10 spent at the project facility after the approval of the notice of intent for real or personal property  
11 and which may include the present value of finance or capital leases for real or personal property  
12 for the term of such lease at the project facility executed after approval of the notice of intent;

13 [(14)] (15) "New job", the number of full-time employees located at the project facility  
14 that exceeds the project facility base employment less any decrease in the number of full-time  
15 employees at related facilities below the related facility base employment. No job that was  
16 created prior to the date of the notice of intent shall be deemed a new job. An employee that  
17 spends less than fifty percent of the employee's work time at the facility is still considered to be  
18 located at a facility if the employee receives his or her directions and control from that facility, is  
19 on the facility's payroll, one hundred percent of the employee's income from such employment is  
20 Missouri income, and the employee is paid at or above the state average wage;

21 [(15)] (16) "New payroll", the amount of taxable wages of full-time employees, excluding  
22 owners, located at the project facility that exceeds the project facility base payroll. If full-time  
23 employment at related facilities is below the related facility base employment, any decrease in  
24 payroll for full-time employees at the related facilities below that related facility base payroll shall  
25 also be subtracted to determine new payroll;

26 [(16)] (17) "Notice of intent", a form developed by the department, completed by the

1 qualified company and submitted to the department which states the qualified company's intent to  
2 hire new jobs and request benefits under this program;

3 [(17)] (18) "Percent of local incentives", the amount of local incentives divided by the  
4 amount of new direct local revenue;

5 [(18)] (19) "Program", the Missouri quality jobs program provided in sections 620.1875 to  
6 620.1890;

7 [(19)] (20) "Project facility", the building used by a qualified company at which the new  
8 jobs and new investment will be located. A project facility may include separate buildings that  
9 are located within fifteen miles of each other or within the same county such that their purpose  
10 and operations are interrelated;

11 [(20)] (21) "Project facility base employment", the greater of the number of full-time  
12 employees located at the project facility on the date of the notice of intent or for the twelve-month  
13 period prior to the date of the notice of intent, the average number of full-time employees located  
14 at the project facility. In the event the project facility has not been in operation for a full  
15 twelve-month period, the average number of full-time employees for the number of months the  
16 project facility has been in operation prior to the date of the notice of intent;

17 [(21)] (22) "Project facility base payroll", the total amount of taxable wages paid by the  
18 qualified company to full-time employees of the qualified company located at the project facility  
19 in the twelve months prior to the notice of intent, not including the payroll of the owners of the  
20 qualified company unless the qualified company is participating in an employee stock ownership  
21 plan. For purposes of calculating the benefits under this program, the amount of base payroll shall  
22 increase each year based on an appropriate measure, as determined by the department;

23 [(22)] (23) "Project period", the time period that the benefits are provided to a qualified  
24 company;

25 [(23)] (24) "Qualified company", a firm, partnership, joint venture, association, private or  
26 public corporation whether organized for profit or not, or headquarters of such entity registered to

1 do business in Missouri that is the owner or operator of a project facility, offers health insurance  
2 to all full-time employees of all facilities located in this state, and pays at least fifty percent of  
3 such insurance premiums. For the purposes of sections 620.1875 to 620.1890, the term "qualified  
4 company" shall not include:

5 (a) Gambling establishments (NAICS industry group 7132);

6 (b) Retail trade establishments (NAICS sectors 44 and 45);

7 (c) Food and drinking places (NAICS subsector 722);

8 (d) Public utilities (NAICS 221 including water and sewer services);

9 (e) Any company that is delinquent in the payment of any nonprotested taxes or any other  
10 amounts due the state or federal government or any other political subdivision of this state;

11 (f) Any company that has filed for or has publicly announced its intention to file for  
12 bankruptcy protection. However, a company that has filed for or has publicly announced its  
13 intention to file for bankruptcy between January 1, 2009, and December 31, 2009, may be a  
14 qualified company provided that such company:

15 a. Certifies to the department that it plans to reorganize and not to liquidate; and

16 b. After its bankruptcy petition has been filed, it produces proof, in a form and at times  
17 satisfactory to the department, that it is not delinquent in filing any tax returns or making any  
18 payment due to the state of Missouri, including but not limited to all tax payments due after the  
19 filing of the bankruptcy petition and under the terms of the plan of reorganization. Any taxpayer  
20 who is awarded benefits under this subsection and who files for bankruptcy under Chapter 7 of the  
21 United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the department and  
22 shall forfeit such benefits and shall repay the state an amount equal to any state tax credits already  
23 redeemed and any withholding taxes already retained;

24 (g) Educational services (NAICS sector 61);

25 (h) Religious organizations (NAICS industry group 8131);

26 (i) Public administration (NAICS sector 92);

1 (j) Ethanol distillation or production; or

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

8 [(24)] (25) "Qualified renewable energy sources" shall not be construed to include ethanol  
9 distillation or production or biodiesel production; however, it shall include:

10 (a) Open-looped biomass;

11 (b) Close-looped biomass;

12 (c) Solar;

13 (d) Wind;

14 (e) Geothermal; and

15 (f) Hydropower;

16 [(25)] (26) "Related company" means:

17 (a) A corporation, partnership, trust, or association controlled by the qualified company;

18 (b) An individual, corporation, partnership, trust, or association in control of the qualified  
19 company; or

20 (c) Corporations, partnerships, trusts or associations controlled by an individual,  
21 corporation, partnership, trust or association in control of the qualified company. As used in this  
22 subdivision, "control of a corporation" shall mean ownership, directly or indirectly, of stock  
23 possessing at least fifty percent of the total combined voting power of all classes of stock entitled  
24 to vote, "control of a partnership or association" shall mean ownership of at least fifty percent of  
25 the capital or profits interest in such partnership or association, "control of a trust" shall mean  
26 ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal

1 or income of such trust, and ownership shall be determined as provided in Section 318 of the  
2 Internal Revenue Code of 1986, as amended;

3 [(26)] (27) "Related facility", a facility operated by the qualified company or a related  
4 company located in this state that is directly related to the operations of the project facility;

5 [(27)] (28) "Related facility base employment", the greater of the number of full-time  
6 employees located at all related facilities on the date of the notice of intent or for the  
7 twelve-month period prior to the date of the notice of intent, the average number of full-time  
8 employees located at all related facilities of the qualified company or a related company located in  
9 this state;

10 [(28)] (29) "Related facility base payroll", the total amount of taxable wages paid by the  
11 qualified company to full-time employees of the qualified company located at a related facility in  
12 the twelve months prior to the filing of the notice of intent, not including the payroll of the owners  
13 of the qualified company unless the qualified company is participating in an employee stock  
14 ownership plan. For purposes of calculating the benefits under this program, the amount of  
15 related facility base payroll shall increase each year based on an appropriate measure, as  
16 determined by the department;

17 [(29)] (30) "Rural area", a county in Missouri with a population less than seventy-five  
18 thousand or that does not contain an individual city with a population greater than fifty thousand  
19 according to the most recent federal decennial census;

20 [(30)] (31) "Small and expanding business project", a qualified company that within two  
21 years of the date of the approval creates a minimum of twenty new jobs if the project facility is  
22 located in a rural area or a minimum of forty new jobs if the project facility is not located in a  
23 rural area and creates fewer than one hundred new jobs regardless of the location of the project  
24 facility;

25 [(31)] (32) "Tax credits", tax credits issued by the department to offset the state income  
26 taxes imposed by chapters 143 and 148, or which may be sold or refunded as provided for in this

1 program;

2 [(32)] (33) "Technology business project", a qualified company that within two years of  
3 the date of the approval creates a minimum of ten new jobs involved in the operations of a  
4 company:

5 (a) Which is a technology company, as determined by a regulation promulgated by the  
6 department under the provisions of section 620.1884 or classified by NAICS codes;

7 (b) Which owns or leases a facility which produces electricity derived from qualified  
8 renewable energy sources, or produces fuel for the generation of electricity from qualified  
9 renewable energy sources, but does not include any company that has received the alcohol mixture  
10 credit, alcohol credit, or small ethanol producer credit pursuant to 26 U.S.C. Section 40 of the tax  
11 code in the previous tax year;

12 (c) Which researches, develops, or manufactures power system technology for:  
13 aerospace; space; defense; hybrid vehicles; or implantable or wearable medical devices; or

14 (d) Which is a clinical molecular diagnostic laboratory focused on detecting and  
15 monitoring infections in immunocompromised patient populations;

16 [(33)] (34) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For  
17 purposes of this program, the withholding tax shall be computed using a schedule as determined  
18 by the department based on average wages.

19 620.1881. 1. The department of economic development shall respond within thirty days  
20 to a company who provides a notice of intent with either an approval or a rejection of the notice of  
21 intent. The department shall give preference to qualified companies and projects targeted at an  
22 area of the state which has recently been classified as a disaster area by the federal government or  
23 in a high-risk metropolitan statistical area. Failure to respond on behalf of the department of  
24 economic development shall result in the notice of intent being deemed an approval for the  
25 purposes of this section. A qualified company who is provided an approval for a project shall be  
26 allowed a benefit as provided in this program in the amount and duration provided in this section.



1 A qualified company may receive additional periods for subsequent new jobs at the same facility  
2 after the full initial period if the minimum thresholds are met as set forth in sections 620.1875 to  
3 620.1890. There is no limit on the number of periods a qualified company may participate in the  
4 program, as long as the minimum thresholds are achieved and the qualified company provides the  
5 department with the required reporting and is in proper compliance for this program or other state  
6 programs. A qualified company may elect to file a notice of intent to start a new project period  
7 concurrent with an existing project period if the minimum thresholds are achieved and the  
8 qualified company provides the department with the required reporting and is in proper  
9 compliance for this program and other state programs; however, the qualified company may not  
10 receive any further benefit under the original approval for jobs created after the date of the new  
11 notice of intent, and any jobs created before the new notice of intent may not be included as new  
12 jobs for the purpose of benefit calculation in relation to the new approval. When a qualified  
13 company has filed and received approval of a notice of intent and subsequently files another  
14 notice of intent, the department shall apply the definition of project facility under subdivision  
15 [(19)] (20) of section 620.1878 to the new notice of intent as well as all previously approved  
16 notices of intent and shall determine the application of the definitions of new job, new payroll,  
17 project facility base employment, and project facility base payroll accordingly.

18 2. Notwithstanding any provision of law to the contrary, any qualified company that is  
19 awarded benefits under this program may not simultaneously receive tax credits or exemptions  
20 under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections  
21 135.900 to 135.906 at the same project facility. The benefits available to the company under any  
22 other state programs for which the company is eligible and which utilize withholding tax from the  
23 new jobs of the company must first be credited to the other state program before the withholding  
24 retention level applicable under the Missouri quality jobs act will begin to accrue. These other  
25 state programs include, but are not limited to, the new jobs training program under sections  
26 178.892 to 178.896, the job retention program under sections 178.760 to 178.764, the real

1 property tax increment allocation redevelopment act, sections 99.800 to 99.865, or the Missouri  
2 downtown and rural economic stimulus act under sections 99.915 to 99.980. If any qualified  
3 company also participates in the new jobs training program in sections 178.892 to 178.896, the  
4 company shall retain no withholding tax, but the department shall issue a refundable tax credit for  
5 the full amount of benefit allowed under this [subdivision] subsection. The calendar year annual  
6 maximum amount of tax credits which may be issued to a qualifying company that also  
7 participates in the new job training program shall be increased by an amount equivalent to the  
8 withholding tax retained by that company under the new jobs training program. However, if the  
9 combined benefits of the quality jobs program and the new jobs training program exceed the  
10 projected state benefit of the project, as determined by the department of economic development  
11 through a cost-benefit analysis, the increase in the maximum tax credits shall be limited to the  
12 amount that would not cause the combined benefits to exceed the projected state benefit. Any  
13 taxpayer who is awarded benefits under this program who knowingly hires individuals who are  
14 not allowed to work legally in the United States shall immediately forfeit such benefits and shall  
15 repay the state an amount equal to any state tax credits already redeemed and any withholding  
16 taxes already retained.

17 3. The types of projects and the amount of benefits to be provided are:

18 (1) Small and expanding business projects: in exchange for the consideration provided by  
19 the new tax revenues and other economic stimuli that will be generated by the new jobs created by  
20 the program, a qualified company may retain an amount equal to the withholding tax as calculated  
21 under subdivision [(33)] (34) of section 620.1878 from the new jobs that would otherwise be  
22 withheld and remitted by the qualified company under the provisions of sections 143.191 to  
23 143.265 for a period of three years from the date the required number of new jobs were created if  
24 the average wage of the new payroll equals or exceeds the county average wage or for a period of  
25 five years from the date the required number of new jobs were created if the average wage of the  
26 new payroll equals or exceeds one hundred twenty percent of the county average wage;

1 (2) Technology business projects: in exchange for the consideration provided by the new  
2 tax revenues and other economic stimuli that will be generated by the new jobs created by the  
3 program, a qualified company may retain an amount equal to a maximum of five percent of new  
4 payroll for a period of five years from the date the required number of jobs were created from the  
5 withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified  
6 company under the provisions of sections 143.191 to 143.265 if the average wage of the new  
7 payroll equals or exceeds the county average wage. An additional one-half percent of new payroll  
8 may be added to the five percent maximum if the average wage of the new payroll in any year  
9 exceeds one hundred twenty percent of the county average wage in the county in which the project  
10 facility is located, plus an additional one-half percent of new payroll may be added if the average  
11 wage of the new payroll in any year exceeds one hundred forty percent of the average wage in the  
12 county in which the project facility is located. The department shall issue a refundable tax credit  
13 for any difference between the amount of benefit allowed under this subdivision and the amount  
14 of withholding tax retained by the company, in the event the withholding tax is not sufficient to  
15 provide the entire amount of benefit due to the qualified company under this subdivision;

16 (3) High impact projects: in exchange for the consideration provided by the new tax  
17 revenues and other economic stimuli that will be generated by the new jobs created by the  
18 program, a qualified company may retain an amount from the withholding tax of the new jobs that  
19 would otherwise be withheld and remitted by the qualified company under the provisions of  
20 sections 143.191 to 143.265, equal to three percent of new payroll for a period of five years from  
21 the date the required number of jobs were created if the average wage of the new payroll equals or  
22 exceeds the county average wage of the county in which the project facility is located. For  
23 high-impact projects in a facility located within two adjacent counties, the new payroll shall equal  
24 or exceed the higher county average wage of the adjacent counties. The percentage of payroll  
25 allowed under this subdivision shall be three and one-half percent of new payroll if the average  
26 wage of the new payroll in any year exceeds one hundred twenty percent of the county average

1 wage in the county in which the project facility is located. The percentage of payroll allowed  
2 under this subdivision shall be four percent of new payroll if the average wage of the new payroll  
3 in any year exceeds one hundred forty percent of the county average wage in the county in which  
4 the project facility is located. An additional one percent of new payroll may be added to these  
5 percentages if local incentives equal between ten percent and twenty-four percent of the new  
6 direct local revenue; an additional two percent of new payroll is added to these percentages if the  
7 local incentives equal between twenty-five percent and forty-nine percent of the new direct local  
8 revenue; or an additional three percent of payroll is added to these percentages if the local  
9 incentives equal fifty percent or more of the new direct local revenue. The department shall issue  
10 a refundable tax credit for any difference between the amount of benefit allowed under this  
11 subdivision and the amount of withholding tax retained by the company, in the event the  
12 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified  
13 company under this subdivision;

14 (4) Job retention projects: a qualified company may receive a tax credit for the retention  
15 of jobs in this state, provided the qualified company and the project meets all of the following  
16 conditions:

17 (a) For each of the twenty-four months preceding the year in which application for the  
18 program is made the qualified company must have maintained at least one thousand full-time  
19 employees at the employer's site in the state at which the jobs are based, and the average wage of  
20 such employees must meet or exceed the county average wage;

21 (b) The qualified company retained at the project facility the level of full-time employees  
22 that existed in the taxable year immediately preceding the year in which application for the  
23 program is made;

24 (c) The qualified company is considered to have a significant statewide effect on the  
25 economy, and has been determined to represent a substantial risk of relocation from the state by  
26 the quality jobs advisory task force established in section 620.1887; provided, however, until such

1 time as the initial at-large members of the quality jobs advisory task force are appointed, this  
2 determination shall be made by the director [of the department of economic development];

3 (d) The qualified company in the project facility will cause to be invested a minimum of  
4 seventy million dollars in new investment prior to the end of two years or will cause to be  
5 invested a minimum of thirty million dollars in new investment prior to the end of two years and  
6 maintain an annual payroll of at least seventy million dollars during each of the years for which a  
7 credit is claimed; and

8 (e) The local taxing entities shall provide local incentives of at least fifty percent of the  
9 new direct local revenues created by the project over a ten-year period. The quality jobs advisory  
10 task force may recommend to the department of economic development that appropriate penalties  
11 be applied to the company for violating the agreement. The amount of the job retention credit  
12 granted may be equal to up to fifty percent of the amount of withholding tax generated by the  
13 full-time jobs at the project facility for a period of five years. The calendar year annual maximum  
14 amount of tax credit that may be issued to any qualified company for a job retention project or  
15 combination of job retention projects shall be seven hundred fifty thousand dollars per year, but  
16 the maximum amount may be increased up to one million dollars if such action is proposed by the  
17 department and approved by the quality jobs advisory task force established in section 620.1887;  
18 provided, however, until such time as the initial at-large members of the quality jobs advisory task  
19 force are appointed, this determination shall be made by the director of the department of  
20 economic development. In considering such a request, the task force shall rely on economic  
21 modeling and other information supplied by the department when requesting the increased limit  
22 on behalf of the job retention project. In no event shall the total amount of all tax credits issued  
23 for the entire job retention program under this subdivision exceed three million dollars annually.  
24 Notwithstanding the above, no tax credits shall be issued for job retention projects approved by  
25 the department after August 30, [2013] 2015;

26 (5) Job retention projects within a high-risk metropolitan statistical area: a qualified

1 company may retain ninety-five percent of the company's withholding tax from full-time jobs  
2 located at the high-risk metropolitan statistical area facility for a period of ten years for the  
3 retention of jobs in this state, provided the qualified company and the project meets all of the  
4 following conditions:

5 (a) For the thirty-day period preceding the qualified company's notice of intent, the  
6 qualified company must have maintained at least one hundred fifty full-time employees at the  
7 employer's site in the state at which the jobs are based, and the average wage of such employees  
8 shall meet or exceed the county or state average wage, whichever is less;

9 (b) The qualified company is considered to have a significant statewide effect on the  
10 economy and has been determined to represent a substantial risk of relocation from the state by  
11 the quality jobs advisory task force established in section 620.1887;

12 (c) The qualified company in the project facility will cause to be invested a minimum of  
13 ten million dollars in new investment prior to the end of three years or will cause to be invested a  
14 minimum of five million dollars in new investment prior to the end of three years and maintain an  
15 annual payroll of at least six million dollars during each of the years for which the qualified  
16 company retains withholding tax under this program;

17 (d) Within six months of approval of the qualified company's notice of intent, the  
18 qualified company shall enter into an agreement with the department that memorializes the  
19 content of the notice of intent, the requirements of this section, and the consequences for failing to  
20 meet such requirements provided in paragraph (e) of this subdivision;

21 (e) No later than six months following the expiration of the three-year investment period  
22 described in paragraph (c) of subdivision (5) of subsection 3 of this section, the department shall  
23 determine whether the qualified company made the investment as required under this paragraph  
24 and shall notify the qualified company in writing of such determination. If the qualified company  
25 failed to make the requisite investment, the municipality in which the qualified company is  
26 located and the director shall jointly determine whether such investment shortfall occurred for

1 reasons outside the qualified company's control, including without limitation, as a result of  
2 economic conditions. If it is determined that the investment shortfall did not occur as a result of  
3 reasons beyond the control of the qualified company, the director shall provide a written notice of  
4 suspension to the qualified company and the municipality providing that the qualified company  
5 shall repay all withholding taxes retained under this program and that within six months of the  
6 date of suspension notice the director and municipality shall meet with the qualified company to  
7 determine a revised schedule of investment and the terms of suspension of withholding tax  
8 retention rights; and

9 (6) Small business job retention and flood survivor relief: a qualified company may  
10 receive a tax credit under sections 620.1875 to 620.1890 for the retention of jobs and flood  
11 survivor relief in this state for each job retained over a three-year period, provided that:

12 (a) The qualified company did not receive any state or federal benefits, incentives, or tax  
13 relief or abatement in locating its facility in a flood plain;

14 (b) The qualified company and related companies have fewer than one hundred employees  
15 at the time application for the program is made;

16 (c) The average wage of the qualified company's and related companies' employees must  
17 meet or exceed the county average wage;

18 (d) All of the qualified company's and related companies' facilities are located in this  
19 state;

20 (e) The facilities at the primary business site in this state have been directly damaged by  
21 floodwater rising above the level of a five hundred year flood at least two years, but fewer than  
22 eight years, prior to the time application is made;

23 (f) The qualified company made significant efforts to protect the facilities prior to any  
24 impending danger from rising floodwaters;

25 (g) For each year it receives tax credits under sections 620.1875 to 620.1890, the qualified  
26 company and related companies retained, at the company's facilities in this state, at least the level

1 of full-time, year-round employees that existed in the taxable year immediately preceding the year  
2 in which application for the program is made; and

3 (h) In the years it receives tax credits under sections 620.1875 to 620.1890, the company  
4 cumulatively invests at least two million dollars in capital improvements in facilities and  
5 equipment located at such facilities that are not located within a five hundred year flood plain as  
6 designated by the Federal Emergency Management Agency, and amended from time to time. The  
7 amount of the small business job retention and flood survivor relief credit granted may be equal to  
8 up to one hundred percent of the amount of withholding tax generated by the full-time jobs at the  
9 project facility for a period of three years. The calendar year annual maximum amount of tax  
10 credit that may be issued to any qualified company for a small business job retention and survivor  
11 relief project shall be two hundred fifty thousand dollars per year, but the maximum amount may  
12 be increased up to five hundred thousand dollars if such action is proposed by the department and  
13 approved by the quality jobs advisory task force established in section 620.1887. In considering  
14 such a request, the task force shall rely on economic modeling and other information supplied by  
15 the department when requesting an increase in the limit on behalf of the small business job  
16 retention and flood survivor relief project. In no event shall the total amount of all tax credits  
17 issued for the entire small business job retention and flood survivor relief program under this  
18 subdivision exceed five hundred thousand dollars annually. Notwithstanding the provisions of  
19 this subdivision to the contrary, no tax credits shall be issued for small business job retention and  
20 flood survivor relief projects approved by the department after August 30, 2010.

21 4. The qualified company shall provide an annual report of the number of jobs and such  
22 other information as may be required by the department to document the basis for the benefits of  
23 this program. The department may withhold the approval of any benefits until it is satisfied that  
24 proper documentation has been provided, and shall reduce the benefits to reflect any reduction in  
25 full-time employees or new payroll. Upon approval by the department, the qualified company  
26 may begin the retention of the withholding taxes when it reaches the minimum number of new



1 jobs and the average wage exceeds the county average wage. Tax credits, if any, may be issued  
2 upon satisfaction by the department that the qualified company has exceeded the county average  
3 wage and the minimum number of new jobs. In such annual report, if the average wage is below  
4 the county average wage, the qualified company has not maintained the employee insurance as  
5 required, or if the number of new jobs is below the minimum, the qualified company shall not  
6 receive tax credits or retain the withholding tax for the balance of the benefit period. In the case  
7 of a qualified company that initially filed a notice of intent and received an approval from the  
8 department for high-impact benefits and the minimum number of new jobs in an annual report is  
9 below the minimum for high-impact projects, the company shall not receive tax credits for the  
10 balance of the benefit period but may continue to retain the withholding taxes if it otherwise meets  
11 the requirements of a small and expanding business under this program.

12 5. The maximum calendar year annual tax credits issued for the entire program shall not  
13 exceed eighty million dollars. Notwithstanding any provision of law to the contrary, the  
14 maximum annual tax credits authorized under section 135.535 are hereby reduced from ten  
15 million dollars to eight million dollars, with the balance of two million dollars transferred to this  
16 program. There shall be no limit on the amount of withholding taxes that may be retained by  
17 approved companies under this program.

18 6. The department shall allocate the annual tax credits based on the date of the approval,  
19 reserving such tax credits based on the department's best estimate of new jobs and new payroll of  
20 the project, and the other factors in the determination of benefits of this program. However, the  
21 annual issuance of tax credits is subject to the annual verification of the actual new payroll. The  
22 allocation of tax credits for the period assigned to a project shall expire if, within two years from  
23 the date of commencement of operations, or approval if applicable, the minimum thresholds have  
24 not been achieved. The qualified company may retain authorized amounts from the withholding  
25 tax under this section once the minimum new jobs thresholds are met for the duration of the  
26 project period. No benefits shall be provided under this program until the qualified company

1 meets the minimum new jobs thresholds. In the event the qualified company does not meet the  
2 minimum new job threshold, the qualified company may submit a new notice of intent or the  
3 department may provide a new approval for a new project of the qualified company at the project  
4 facility or other facilities.

5 7. For a qualified company with flow-through tax treatment to its members, partners, or  
6 shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to  
7 their share of ownership on the last day of the qualified company's tax period.

8 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,  
9 and may not be carried forward but shall be claimed within one year of the close of the taxable  
10 year for which they were issued, except as provided under subdivision (4) of subsection 3 of this  
11 section.

12 9. Tax credits authorized by this section may be transferred, sold, or assigned by filing a  
13 notarized endorsement thereof with the department that names the transferee, the amount of tax  
14 credit transferred, and the value received for the credit, as well as any other information  
15 reasonably requested by the department.

16 10. Prior to the issuance of tax credits, the department shall verify through the department  
17 of revenue, or any other state department, that the tax credit applicant does not owe any delinquent  
18 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or  
19 assessments levied by any state department and through the department of insurance, financial  
20 institutions and professional registration that the applicant does not owe any delinquent insurance  
21 taxes. Such delinquency shall not affect the authorization of the application for such tax credits,  
22 except that at issuance credits shall be first applied to the delinquency and any amount issued shall  
23 be reduced by the applicant's tax delinquency. If the department of revenue or the department of  
24 insurance, financial institutions and professional registration, or any other state department,  
25 concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the  
26 application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to

1 arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,  
2 penalties, and additions to tax shall be tolled. After applying all available credits toward a tax  
3 delinquency, the administering agency shall notify the appropriate department and that department  
4 shall update the amount of outstanding delinquent tax owed by the applicant. If any credits  
5 remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining  
6 credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

7 11. Except as provided under subdivision (4) of subsection 3 of this section, the director  
8 of revenue shall issue a refund to the qualified company to the extent that the amount of credits  
9 allowed in this section exceeds the amount of the qualified company's income tax.

10 12. An employee of a qualified company will receive full credit for the amount of tax  
11 withheld as provided in section 143.211.

12 13. Notwithstanding any other provision of law to the contrary, a qualified company in a  
13 high risk metropolitan statistical area that is awarded benefits under this section shall not receive  
14 any tax credit or exemption or be entitled to retain withholding taxes under section 620.1910.

15 14. In addition to any other benefits available under subdivision (5) of subsection 3 of this  
16 section, a qualified company within a high-risk metropolitan statistical area that satisfies  
17 provisions in subdivision (5) of subsection 3 of this section shall be entitled to tax credits issued  
18 each year for a period of ten years from the date of the approval of the department in an amount  
19 equal to three percent of the retained payroll from the retained jobs; provided that in no event shall  
20 the total amount of the benefits provided to a qualified company in a high-risk metropolitan  
21 statistical area under this section exceed six percent of the retained payroll in any calendar year.

22 15. Upon approval of a notice of intent to request withholding tax benefits under  
23 subdivision (5) of subsection 3 of this section or to request tax credits under subdivision (5) of  
24 subsection 3 of this section, the department and the qualified company in a high-risk metropolitan  
25 statistical area shall enter into a written agreement covering the applicable project period. The  
26 agreement shall specify, at a minimum:

1 (1) The committed number of retained jobs, payroll, and new capital investment for each  
2 year during the project period;

3 (2) The date or time period during which withholding taxes will be retained or the tax  
4 credits shall be issued, which may be immediately or over a period not to exceed ten years from  
5 the date of the approval;

6 (c) Clawback provisions provided in paragraph (e) of subdivision (5) of subsection 3 of  
7 this section.

8 16. In lieu of all other benefits under subdivision (5) of subsection 3 of this section or  
9 subsection 14 of this section, the department may award a qualified company within a high-risk  
10 metropolitan statistical area meeting the requirements of subdivision (5) of subsection 3 of this  
11 section tax credits in an amount not to exceed ninety percent of the amount the qualified company  
12 within a high-risk metropolitan statistical area may otherwise be eligible to retain for a period of  
13 five years under subdivision (5) of subsection 3 of this section.

14 17. Beginning August 28, 2011, in addition to the exemptions granted under chapter 144,  
15 the department may approve a qualified company in a high-risk metropolitan statistical area for an  
16 exemption of up to one hundred percent of the state sales and use taxes defined, levied, or  
17 calculated under sections 144.010 to 144.525, sections 144.600 to 144.761, or section 238.235 for  
18 a period not to exceed three years from the date of approval of sales and leases of tangible  
19 personal property purchased for use in the project facility and of sales and leases of tangible  
20 personal property and materials for the purpose of constructing, repairing, or remodeling the  
21 project facility. To qualify for the exemption provided in this subsection, the qualified company  
22 shall:

23 (1) Retain at least one hundred fifty retained jobs at the project facility in which the  
24 average wage meets or exceeds the county of state average wage, whichever is less;

25 (2) Commit to making at least ten million dollars in new capital investment at a project  
26 facility within a period of three years from the date of approval, or cause to be invested at least

1 five million dollars in new capital investment within a period of three years from the date of  
2 approval and maintain an annual payroll of at least six million dollars during each of the years for  
3 which the qualified company receives a benefit under this section.

4 18. If any provision of sections 620.1875 to 620.1890 or application thereof to any person  
5 or circumstance is held invalid, the invalidity shall not affect other provisions or application of  
6 these sections which can be given effect without the invalid provisions or application, and to this  
7 end, the provisions of sections 620.1875 to 620.1890 are hereby declared severable.”; and

8  
9 Further amend said bill by amending the title, enacting clause, and intersectional references  
10 accordingly.

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