

HB 1245 -- Missouri Quality Jobs Act

Sponsor: Lauer

The bill authorizes economic incentives for job retention projects under the Missouri Quality Jobs Act for a qualified company that meets certain requirements if the Department of Economic Development determines that there is a significant probability that the qualified company would relocate to another state in the absence of the benefits. The economic incentives can be in the form of retaining taxes otherwise withheld from full-time jobs or a tax credit. Prior to the award of any benefits, the department director must notify the President Pro Tem of the Senate and the Speaker of the House of Representatives of the amount of the award and other specified information unless the disclosure is otherwise protected by law.

In order to receive withholding tax retention benefits, the qualified company must retain at least 125 full-time employees for a period of 10 years from approval of the notice of intent, make a new capital investment at the project facility within three years from approval of the notice of intent in an amount equal to 50% of the total withholding tax retention benefits, and enter into a written agreement with the department containing detailed performance requirements and repayment penalties in the event of nonperformance. If a qualified company meets these requirements, it may be authorized to retain up to 100% of the withholding taxes from full-time jobs for a period of 10 years if the average wage of the retained jobs equals or exceeds 90% of the county average wage. The aggregate amount of retained withholding taxes authorized is limited to \$6 million for each fiscal year beginning on or after July 1, 2012. The bill specifies the factors that the department must consider in awarding withholding tax retention benefits.

Beginning January 1, 2013, but ending on or before December 31, 2014, in lieu of the withholding tax retention benefits, the department may authorize a qualified company a one-time tax credit in an amount up to 7% of new payroll from the new jobs created over a five-year period or up to 9% if the qualified company is in a targeted industry as identified by the department by rule following a specified process. The qualified company must also enter into a written agreement with the department covering the applicable project period which contains detailed performance requirements; the time period during which the tax credits will be issued; repayment penalties, including recapture of the tax credits, in the event of nonperformance; and other specified information. The total credits authorized cannot exceed \$10 million annually.