

HCS HB 630 -- ECONOMIC DEVELOPMENT INCENTIVES (McCaherty)

COMMITTEE OF ORIGIN: Committee on International Trade

This substitute changes the laws regarding economic development incentives.

MISSOURI QUALITY JOBS ACT

The substitute adds a manufacturer of firearms, ammunition, or firearm parts that relocates or expands an existing facility in Missouri to the projects that may receive benefits under the Missouri Quality Jobs Act. A qualified company may retain the withholding tax from any new jobs created for a period of three years from the date the required number of new jobs were created if the average wage of the new payroll is at least the county average wage, and for a period of five years if the average wage of the new payroll is at least 120% of the county average wage. The maximum amount that may be retained by a qualifying company is \$3 million per year. This provision will expire six years from the effective date.

MANUFACTURING JOBS ACT

The substitute changes the laws regarding the Manufacturing Jobs Act which provides incentives for qualified manufacturers and suppliers that create or retain Missouri jobs. In its main provisions, the substitute:

- (1) Revises the definition of a "qualified manufacturing company" to include a business with a standard industrial classification (SIC) code from Division D (Manufacturing) Major Groups 20 to 39 that manufactures goods in the state. Currently, only automobile manufacturers are authorized to receive incentives under the act;
- (2) Increases the aggregate amount of withholding tax that may be retained by all qualified manufacturing companies under the act from \$15 million to \$60 million per calendar year; and
- (3) Extends the sunset from October 12, 2016 to August 28, 2019.

MISSOURI INTERNATIONAL BUSINESS ADVERTISING FUND

The substitute creates the Missouri International Business Advertising Fund consisting of appropriated moneys, contributions, grants, and bequests to be used solely to attract international businesses to Missouri. The fund must be used for advertising the benefits of relocating an international business to Missouri. The fund may also be used to promote its existence and purpose and to

advertise in international business magazines or on social media sites or any search engine that receives international traffic.