

Missouri Works Program

Purpose

Facilitate the creation of quality jobs by targeted business projects.

Authorization

Sections 620.2000 to 620.2020

Eligible Applicants

Eligible

For-Profit or non-profit businesses.

Headquarters, administrative, or research and development offices of otherwise excluded businesses that serve a multi-state area.

Not Eligible

Gambling establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, biodiesel production, or health-care and social services.

Businesses that are delinquent in payment of any nonprotested taxes or other payments (state, federal, local).

Businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are met.

Eligibility Criteria

Program	Min. New Jobs	Min. New Private Capital Investment	Min. Avg. Wage	Automatic Benefit
Zone Works (Note 1)	2	\$100,000	80% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Rural Works (Note 2)	2	\$100,000	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Statewide Works	10	N/A	90% of County Avg. Wage	WH, 5 or 6 years (Note 3)
Mega Works 120	100	N/A	120% of County Avg. Wage	6% of new payroll, 5 or 6 years (Note 3)
Mega Works 140	100	N/A	140% of County Avg. Wage	7% of new payroll, 5 or 6 years

"WH" means the retention of the state withholding tax of the new jobs

Note 1: Project facility must be located in an Enhanced Enterprise Zone.

Note 2: Project facility must be located in a "rural" county, which would NOT include Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis City and County.

Note 3: Benefit period is 5 years, or 6 years for existing Missouri companies (those that have been operational in Missouri for at least 10 years).

In addition to the Automatic Benefit indicated above, the Statewide Works or Mega Works projects may be considered for discretionary benefits, limited to the net state fiscal benefit. The criteria for the discretionary benefits include:

The least amount necessary to obtain the company's commitment;

The overall size (number of jobs, payroll, new capital investment) and quality (average wages, growth potential of the company, multiplier effect of the industry) of the project;

The financial stability and creditworthiness of the company;
The level of economic distress of the project area;
The competitiveness of alternative locations; and
The percent of local incentives committed to the project.

Program Benefits

Program benefits are (a) the retention of the state withholding tax of the new jobs and/or (b) state tax credits, which are refundable, transferable and/or saleable. The program benefits are based on a percentage of the payroll of the new jobs. The program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

“New jobs” are defined as full-time (average 35 or more hours/week each year and for whom the company offers/pays 50% of health insurance) employees of the company located at the project facility, based on the increase from the “base employment”.

“Base Employment” is the greater of (a) the number of full-time employees on the date of the Notice of Intent, or (b) the average number of full-time employees for the 12 month period prior to the date of the Notice of Intent. In the event the company (or a related company) reduces jobs at another facility in Missouri with related operations, the new jobs at the project facility would be reduced accordingly.

Funding Limits

There is no annual limit on the retained withholding taxes. Tax credits issued for the entire program shall not exceed \$106 million for FY2014, \$111 million for FY2015, and \$116 million for 2016 forward.

Attributes Of The Tax Credits

The tax credits may be applied to Chapter 143 (state income tax, excluding withholding tax) and Chapter 148 (financial institution tax). Tax credits must be claimed within one year of the close of the taxable year for which they were issued. Tax credits can only be applied to tax liability for the year in which they were earned. Any annual unused balance is fully refundable. The credits may also be transferred, sold or assigned.

Application/Approval Procedure

Prior to the receipt of a DED proposal or approval of a notice of intent (“NOI”), none of the following can have occurred:

Significant, project-specific site work at the project facility.

Purchased machinery or equipment related to the project.

Publicly announced its intention to make new capital investment at the project facility.

Upon receipt of the proposal/NOI, DED will:

Confirm the business is eligible;

Establish the date at which “base employment” is calculated;

Reserve the estimated tax credits for the project; and

Establish the 2-year “deadline” date by which the minimum thresholds for the creation of the new jobs, investment, etc must be met.

Reporting Requirements

On an annual basis, the business must submit a report documenting the new jobs created, the total payroll, and confirming that the business meets the health insurance requirements for the new jobs. In the event that a company has not maintained the minimum program requirements, benefits may cease for the remainder of the benefit period. The Tax Credit Accountability Act Reporting Form must be submitted to the Department of Revenue by June 30th each year the company receives tax credits and for the three years following the issuance of the tax credits.



Special Program Requirements

A business cannot simultaneously receive benefits for the same capital investment or the same jobs for the following programs:

Rebuilding Communities
Development Tax Credit
Enhanced Enterprise Zone
Quality Jobs
Manufacturing Jobs

Special conditions apply when Missouri Works is used at the same time as other programs that affect state withholding taxes (Missouri Training, State TIF, MODESA).

Estimated state withholding taxes, based on adjusted gross income (AGI):

AGI of \$15-20,000 1.27%
AGI of \$20-25,000 1.82%
AGI of \$25-30,000 2.29%
AGI of \$30-35,000 2.63%
AGI of \$35-40,000 2.85%
AGI of \$40-45,000 3.00%
AGI of \$45-50,000 3.11%
AGI of \$50-55,000 3.21%
AGI of \$55-60,000 3.31%
AGI of \$60-65,000 3.40%
AGI of \$65-70,000 3.49%
AGI of \$70-75,000 3.57%
AGI of \$75-100,000 3.78%
AGI of \$100-200,000 4.29%
AGI of \$200-500,000 4.82%



County average wages (effective until 7/1/2018)

Average county wages based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages.

Statewide average of \$46,564 applicable to any county over the statewide average when determining program eligibility.

The wages represent an average for all private industries.

If a project is moving from one Missouri county to a county with a lower county average wage, the company must obtain endorsement from the governing body of the community where the jobs are located, or the higher county average wage will be used for calculations.

County	Avg. Annual Wage	County	Avg. Annual Wage	County	Avg. Annual Wage	County	Avg. Annual Wage
Adair	\$29,404	Dent	\$27,758	Mercer	\$34,531	St. Louis City	\$57,846
Andrew	\$32,230	Douglas	\$24,800	Miller	\$30,041	Saline	\$32,751
Atchison	\$29,844	Dunklin	\$24,588	Mississippi	\$29,170	Schuyler	\$26,774
Audrain	\$33,818	Franklin	\$37,910	Moniteau	\$31,179	Scotland	\$23,215
Barry	\$37,554	Gasconade	\$28,375	Monroe	\$29,607	Scott	\$34,524
Barton	\$28,738	Gentry	\$32,369	Montgomery	\$31,720	Shannon	\$22,236
Bates	\$28,885	Greene	\$40,215	Morgan	\$26,995	Shelby	\$28,563
Benton	\$26,111	Grundy	\$34,385	New Madrid	\$34,467	Stoddard	\$33,512
Bollinger	\$26,235	Harrison	\$25,724	Newton	\$33,870	Stone	\$29,621
Boone	\$37,442	Henry	\$33,517	Nodaway	\$31,833	Sullivan	\$40,450
Buchanan	\$42,140	Hickory	\$22,902	Oregon	\$22,992	Taney	\$28,626
Butler	\$30,994	Holt	\$34,871	Osage	\$34,352	Texas	\$27,041
Caldwell	\$32,102	Howard	\$29,902	Ozark	\$21,822	Vernon	\$34,814
Callaway	\$42,720	Howell	\$31,582	Pemiscot	\$29,745	Warren	\$36,088
Camden	\$29,575	Iron	\$39,670	Perry	\$35,235	Washington	\$23,931
Cape Girardeau	\$38,761	Jackson	\$53,426	Pettis	\$32,732	Wayne	\$23,380
Carroll	\$31,401	Jasper	\$39,582	Phelps	\$33,759	Webster	\$30,436
Carter	\$23,515	Jefferson	\$34,650	Pike	\$32,034	Worth	\$23,985
Cass	\$32,672	Johnson	\$29,386	Platte	\$44,272	Wright	\$28,417
Cedar	\$24,205	Knox	\$25,981	Polk	\$29,349		
Chariton	\$31,075	Laclede	\$32,022	Pulaski	\$25,911		
Christian	\$29,733	Lafayette	\$31,638	Putnam	\$25,494		
Clark	\$25,790	Lawrence	\$33,535	Ralls	\$43,828		
Clay	\$47,020	Lewis	\$30,865	Randolph	\$35,019		
Clinton	\$32,033	Lincoln	\$37,308	Ray	\$33,560		
Cole	\$39,433	Linn	\$33,798	Reynolds	\$23,557		
Cooper	\$30,263	Livingston	\$31,993	Ripley	\$20,348		
Crawford	\$37,454	Mcdonald	\$33,003	St. Charles	\$43,520		
Dade	\$30,279	Macon	\$31,764	St. Clair	\$23,703		
Dallas	\$23,503	Madison	\$26,619	Ste. Genevieve	\$40,961		
Daviess	\$26,793	Maries	\$30,028	St. Francois	\$29,206		
Dekalb	\$37,367	Marion	\$34,941	St. Louis Co.	\$56,646		

