

SECOND REGULAR SESSION

SENATE BILL NO. 1057

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS HEGEMAN AND LUETKEMEYER.

Read 1st time February 26, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5607S.011

AN ACT

To repeal sections 620.2005 and 620.2010, RSMo, and to enact in lieu thereof two new sections relating to economic incentives for the creation of military jobs.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 620.2005 and 620.2010, RSMo, are repealed and two
2 new sections enacted in lieu thereof, to be known as sections 620.2005 and
3 620.2010, to read as follows:

620.2005. 1. As used in sections 620.2000 to 620.2010, the following
2 terms mean:

3 (1) "Average wage", the new payroll divided by the number of new jobs,
4 or the payroll of the retained jobs divided by the number of retained jobs;

5 (2) "Commencement of operations", the starting date for the qualified
6 company's first new employee, which shall be no later than twelve months from
7 the date of the approval;

8 (3) "Contractor", a person, employer, or business entity that enters into
9 an agreement to perform any service or work or to provide a certain product in
10 exchange for valuable consideration. This definition shall include but not be
11 limited to a general contractor, subcontractor, independent contractor, contract
12 employee, project manager, or a recruiting or staffing entity;

13 (4) "County average wage", the average wages in each county as
14 determined by the department for the most recently completed full calendar
15 year. However, if the computed county average wage is above the statewide
16 average wage, the statewide average wage shall be deemed the county average
17 wage for such county for the purpose of determining eligibility. The department
18 shall publish the county average wage for each county at least
19 annually. Notwithstanding the provisions of this subdivision to the contrary, for

20 any qualified company that in conjunction with their project is relocating
21 employees from a Missouri county with a higher county average wage, the
22 company shall obtain the endorsement of the governing body of the community
23 from which jobs are being relocated or the county average wage for their project
24 shall be the county average wage for the county from which the employees are
25 being relocated;

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

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

28 (7) "Employee", a person employed by a qualified company, excluding:

29 (a) Owners of the qualified company unless the qualified company is
30 participating in an employee stock ownership plan; or

31 (b) Owners of a noncontrolling interest in stock of a qualified company
32 that is publicly traded;

33 (8) "Existing Missouri business", a qualified company that, for the
34 ten-year period preceding submission of a notice of intent to the department, had
35 a physical location in Missouri and full-time employees who routinely performed
36 job duties within Missouri;

37 (9) "Full-time employee", an employee of the qualified company that is
38 scheduled to work an average of at least thirty-five hours per week for a
39 twelve-month period, and one for which the qualified company offers health
40 insurance and pays at least fifty percent of such insurance premiums. An
41 employee that spends less than fifty percent of the employee's work time at the
42 facility shall be considered to be located at a facility if the employee receives his
43 or her directions and control from that facility, is on the facility's payroll, one
44 hundred percent of the employee's income from such employment is Missouri
45 income, and the employee is paid at or above the applicable percentage of the
46 county average wage;

47 (10) "Industrial development authority", an industrial development
48 authority organized under chapter 349 that has entered into a formal written
49 memorandum of understanding with an entity of the United States Department
50 of Defense regarding a qualified military project;

51 (11) "Infrastructure projects", highways, roads, streets, bridges, sewers,
52 traffic control systems and devices, water distribution and supply systems,
53 curbing, sidewalks, storm water and drainage systems, broadband internet
54 infrastructure, and any other similar public improvements, but in no case shall
55 infrastructure projects include private structures;

56 (12) "Local incentives", the present value of the dollar amount of direct
57 benefit received by a qualified company for a project facility from one or more
58 local political subdivisions, but this term shall not include loans or other funds
59 provided to the qualified company that shall be repaid by the qualified company
60 to the political subdivision;

61 (13) "Manufacturing capital investment", expenditures made by a
62 qualified manufacturing company to retool or reconfigure a manufacturing project
63 facility directly related to the manufacturing of a new product or the expansion
64 or modification of the manufacture of an existing product;

65 (14) "Memorandum of understanding", an agreement executed by an
66 industrial development authority and an entity of the United States Department
67 of Defense, a copy of which is provided to the department of economic
68 development, that states, but is not limited to:

69 (a) A requirement for the military to provide the total number of existing
70 jobs, jobs directly created by a qualified military project, and average salaries of
71 such jobs to the industrial development authority and the department of economic
72 development annually for the term of the benefit;

73 (b) A requirement for the military to provide an accounting of the
74 expenditures of capital investment made by the military directly related to the
75 qualified military project to the industrial development authority and the
76 department of economic development annually for the term of the benefit;

77 (c) The process by which the industrial development authority shall
78 monetize the tax credits annually and any transaction cost or administrative fee
79 charged by the industrial development authority to the military on an annual
80 basis;

81 (d) A requirement for the industrial development authority to provide
82 proof to the department of economic development of the payment made to the
83 qualified military project annually, including the amount of such payment;

84 (e) The schedule of the maximum amount of tax credits which may be
85 authorized in each year for the project and the specified term of the benefit, as
86 provided by the department of economic development; and

87 (f) A requirement that the annual benefit paid shall be the lesser of:

88 a. The maximum amount of tax credits authorized; or

89 b. The actual calculated benefit derived from the number of new jobs and
90 average salaries;

91 (15) "NAICS" or "NAICS industry classification", the classification

92 provided by the most recent edition of the North American Industry Classification
93 System as prepared by the Executive Office of the President, Office of
94 Management and Budget;

95 (16) "New capital investment", shall include costs incurred by the
96 qualified company at the project facility after acceptance by the qualified
97 company of the proposal for benefits from the department or the approval notice
98 of intent, whichever occurs first, for real or personal property, and may include
99 the value of finance or capital leases for real or personal property for the term of
100 such lease at the project facility executed after acceptance by the qualified
101 company of the proposal for benefits from the department or the approval of the
102 notice of intent;

103 (17) "New direct local revenue", the present value of the dollar amount of
104 direct net new tax revenues of the local political subdivisions likely to be
105 produced by the project over a ten-year period as calculated by the department,
106 excluding local earnings tax, and net new utility revenues, provided the local
107 incentives include a discount or other direct incentives from utilities owned or
108 operated by the political subdivision;

109 (18) "New job", the number of full-time employees located at the project
110 facility that exceeds the project facility base employment less any decrease in the
111 number of full-time employees at related facilities below the related facility base
112 employment. No job that was created prior to the date of the notice of intent
113 shall be deemed a new job;

114 (19) "New payroll", the amount of wages paid for all new jobs, located at
115 the project facility during the qualified company's tax year that exceeds the
116 project facility base payroll;

117 (20) "New product", a new model or line of a manufactured good that has
118 not been manufactured in Missouri by a qualified manufacturing company at any
119 time prior to the date of the notice of intent, or an existing brand, model, or line
120 of a manufactured good that is redesigned;

121 (21) "Notice of intent", a form developed by the department and available
122 online, completed by the qualified company, and submitted to the department
123 stating the qualified company's intent to request benefits under this
124 program. The notice of intent shall be accompanied with a detailed plan by the
125 qualifying company to make good faith efforts to employ, at a minimum,
126 commensurate with the percentage of minority populations in the state of
127 Missouri, as reported in the previous decennial census, the following: racial

128 minorities, contractors who are racial minorities, and contractors that, in turn,
129 employ at a minimum racial minorities commensurate with the percentage of
130 minority populations in the state of Missouri, as reported in the previous
131 decennial census. At a minimum, such plan shall include monitoring the
132 effectiveness of outreach and recruitment strategies in attracting diverse
133 applicants and linking with different or additional referral sources in the event
134 that recruitment efforts fail to produce a diverse pipeline of applicants;

135 (22) "Percent of local incentives", the amount of local incentives divided
136 by the amount of new direct local revenue;

137 (23) "Program", the Missouri works program established in sections
138 620.2000 to 620.2020;

139 (24) "Project facility", the building or buildings used by a qualified
140 company at which new or retained jobs and any new capital investment are or
141 will be located or by a qualified manufacturing company at which a
142 manufacturing capital investment is or will be located. A project facility may
143 include separate buildings located within sixty miles of each other such that their
144 purpose and operations are interrelated; provided that where the buildings
145 making up the project facility are not located within the same county, the average
146 wage of the new payroll shall exceed the applicable percentage of the highest
147 county average wage among the counties in which the buildings are
148 located. Upon approval by the department, a subsequent project facility may be
149 designated if the qualified company demonstrates a need to relocate to the
150 subsequent project facility at any time during the project period. For qualified
151 military projects, the term "project facility" means the military base or
152 installation at which such qualified military project is or shall be located;

153 (25) "Project facility base employment", the greater of the number of
154 full-time employees located at the project facility on the date of the notice of
155 intent or, for the twelve-month period prior to the date of the notice of intent, the
156 average number of full-time employees located at the project facility. In the event
157 the project facility has not been in operation for a full twelve-month period, the
158 average number of full-time employees for the number of months the project
159 facility has been in operation prior to the date of the notice of intent;

160 (26) "Project facility base payroll", the annualized payroll for the project
161 facility base employment or the total amount of taxable wages paid by the
162 qualified company to full-time employees of the qualified company located at the
163 project facility in the twelve months prior to the notice of intent. For purposes

164 of calculating the benefits under this program, the amount of base payroll shall
165 increase each year based on an appropriate measure, as determined by the
166 department;

167 (27) "Project period", the time period within which benefits are awarded
168 to a qualified company or within which the qualified company is obligated to
169 perform under an agreement with the department, whichever is greater;

170 (28) "Projected net fiscal benefit", the total fiscal benefit to the state less
171 any state benefits offered to the qualified company, as determined by the
172 department;

173 (29) "Qualified company", a firm, partnership, joint venture, association,
174 private or public corporation whether organized for profit or not, or headquarters
175 of such entity registered to do business in Missouri that is the owner or operator
176 of a project facility, certifies that it offers health insurance to all full-time
177 employees of all facilities located in this state, and certifies that it pays at least
178 fifty percent of such insurance premiums. For the purposes of sections 620.2000
179 to 620.2020, the term "qualified company" shall not include:

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

181 (b) Store front consumer-based retail trade establishments (under NAICS
182 sectors 44 and 45), except with respect to any company headquartered in this
183 state with a majority of its full-time employees engaged in operations not within
184 the NAICS codes specified in this subdivision;

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

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

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

190 (f) Any company requesting benefits for retained jobs that has filed for or
191 has publicly announced its intention to file for bankruptcy protection. However,
192 a company that has filed for or has publicly announced its intention to file for
193 bankruptcy may be a qualified company provided that such company:

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

196 b. After its bankruptcy petition has been filed, it produces proof, in a form
197 and at times satisfactory to the department, that it is not delinquent in filing any
198 tax returns or making any payment due to the state of Missouri, including but
199 not limited to all tax payments due after the filing of the bankruptcy petition and

200 under the terms of the plan of reorganization. Any taxpayer who is awarded
201 benefits under this subsection and who files for bankruptcy under Chapter 7 of
202 the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the
203 department and shall forfeit such benefits and shall repay the state an amount
204 equal to any state tax credits already redeemed and any withholding taxes
205 already retained;

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

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

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

209 (j) Ethanol distillation or production;

210 (k) Biodiesel production; or

211 (l) Health care and social services (NAICS sector 62).

212 Notwithstanding any provision of this section to the contrary, the headquarters,
213 administrative offices, or research and development facilities of an otherwise
214 excluded business may qualify for benefits if the offices or facilities serve a
215 multistate territory. In the event a national, state, or regional headquarters
216 operation is not the predominant activity of a project facility, the jobs and
217 investment of such operation shall be considered eligible for benefits under this
218 section if the other requirements are satisfied;

219 (30) "Qualified manufacturing company", a company that:

220 (a) Is a qualified company that manufactures motor vehicles (NAICS
221 group 3361);

222 (b) Manufactures goods at a facility in Missouri;

223 (c) Manufactures a new product or has commenced making a
224 manufacturing capital investment to the project facility necessary for the
225 manufacturing of such new product, or modifies or expands the manufacture of
226 an existing product or has commenced making a manufacturing capital
227 investment for the project facility necessary for the modification or expansion of
228 the manufacture of such existing product; and

229 (d) Continues to meet the requirements of paragraphs (a) to (c) of this
230 subdivision for the project period;

231 (31) "Qualified military project", the expansion or improvement of a
232 military base or installation within this state that causes:

233 (a) An increase of ten or more **part-time or full-time** military or civilian
234 support personnel:

235 a. Whose average salaries equal or exceed ninety percent of the county

236 average wage; and

237 b. Who are offered health insurance, with an entity of the United States
238 Department of Defense paying at least fifty percent of such insurance premiums;
239 and

240 (b) Investment in real or personal property at the base or installation
241 expressly for the purposes of serving a new or expanded military activity or unit;

242 (32) "Related company", shall mean:

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

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

247 (c) Corporations, partnerships, trusts or associations controlled by an
248 individual, corporation, partnership, trust, or association in control of the
249 qualified company. As used in this paragraph, "control of a qualified company"
250 shall mean:

251 a. Ownership, directly or indirectly, of stock possessing at least fifty
252 percent of the total combined voting power of all classes of stock entitled to vote
253 in the case of a qualified company that is a corporation;

254 b. Ownership of at least fifty percent of the capital or profit interest in
255 such qualified company if it is a partnership or association;

256 c. Ownership, directly or indirectly, of at least fifty percent of the
257 beneficial interest in the principal or income of such qualified company if it is a
258 trust, and ownership shall be determined as provided in Section 318 of the
259 Internal Revenue Code of 1986, as amended;

260 (33) "Related facility", a facility operated by the qualified company or a
261 related company located in this state that is directly related to the operations of
262 the project facility or in which operations substantially similar to the operations
263 of the project facility are performed;

264 (34) "Related facility base employment", the greater of the number of
265 full-time employees located at all related facilities on the date of the notice of
266 intent or, for the twelve-month period prior to the date of the notice of intent, the
267 average number of full-time employees located at all related facilities of the
268 qualified company or a related company located in this state;

269 (35) "Related facility base payroll", the annualized payroll of the related
270 facility base payroll or the total amount of taxable wages paid by the qualified
271 company to full-time employees of the qualified company located at a related

272 facility in the twelve months prior to the filing of the notice of intent. For
273 purposes of calculating the benefits under this program, the amount of related
274 facility base payroll shall increase each year based on an appropriate measure,
275 as determined by the department;

276 (36) "Rural area", a county in Missouri with a population less than
277 seventy-five thousand or that does not contain an individual city with a
278 population greater than fifty thousand according to the most recent federal
279 decennial census;

280 (37) "Tax credits", tax credits issued by the department to offset the state
281 taxes imposed by chapters 143 and 148, or which may be sold or refunded as
282 provided for in this program;

283 (38) "Withholding tax", the state tax imposed by sections 143.191 to
284 143.265. For purposes of this program, the withholding tax shall be computed
285 using a schedule as determined by the department based on average wages.

286 2. This section is subject to the provisions of section 196.1127.

620.2010. 1. In exchange for the consideration provided by the new tax
2 revenues and other economic stimuli that will be generated by the new jobs
3 created, a qualified company may, for a period of five years from the date the new
4 jobs are created, or for a period of six years from the date the new jobs are
5 created if the qualified company is an existing Missouri business, retain an
6 amount equal to the withholding tax as calculated under subdivision (38) of
7 section 620.2005 from the new jobs that would otherwise be withheld and
8 remitted by the qualified company under the provisions of sections 143.191 to
9 143.265 if:

10 (1) The qualified company creates ten or more new jobs, and the average
11 wage of the new payroll equals or exceeds ninety percent of the county average
12 wage;

13 (2) The qualified company creates two or more new jobs at a project
14 facility located in a rural area, the average wage of the new payroll equals or
15 exceeds ninety percent of the county average wage, and the qualified company
16 commits to making at least one hundred thousand dollars of new capital
17 investment at the project facility within two years; or

18 (3) The qualified company creates two or more new jobs at a project
19 facility located within a zone designated under sections 135.950 to 135.963, the
20 average wage of the new payroll equals or exceeds eighty percent of the county
21 average wage, and the qualified company commits to making at least one hundred

22 thousand dollars in new capital investment at the project facility within two years
23 of approval.

24 2. In addition to any benefits available under subsection 1 of this section,
25 the department may award a qualified company that satisfies subdivision (1) of
26 subsection 1 of this section additional tax credits, issued each year for a period
27 of five years from the date the new jobs are created, or for a period of six years
28 from the date the new jobs are created if the qualified company is an existing
29 Missouri business, in an amount equal to or less than six percent of new payroll;
30 provided that in no event may the total amount of benefits awarded to a qualified
31 company under this section exceed nine percent of new payroll in any calendar
32 year. The amount of tax credits awarded to a qualified company under this
33 subsection shall not exceed the projected net fiscal benefit to the state, as
34 determined by the department, and shall not exceed the least amount necessary
35 to obtain the qualified company's commitment to initiate the project. In
36 determining the amount of tax credits to award to a qualified company under this
37 subsection or a qualified manufacturing company under subsection 3 of this
38 section, the department shall consider the following factors:

- 39 (1) The significance of the qualified company's need for program benefits;
- 40 (2) The amount of projected net fiscal benefit to the state of the project
41 and the period in which the state would realize such net fiscal benefit;
- 42 (3) The overall size and quality of the proposed project, including the
43 number of new jobs, new capital investment, manufacturing capital investment,
44 proposed wages, growth potential of the qualified company, the potential
45 multiplier effect of the project, and similar factors;
- 46 (4) The financial stability and creditworthiness of the qualified company;
- 47 (5) The level of economic distress in the area;
- 48 (6) An evaluation of the competitiveness of alternative locations for the
49 project facility, as applicable; and
- 50 (7) The percent of local incentives committed.

51 3. (1) The department may award tax credits to a qualified
52 manufacturing company that makes a manufacturing capital investment of at
53 least five hundred million dollars not more than three years following the
54 department's approval of a notice of intent and the execution of an agreement
55 that meets the requirements of subsection 4 of this section. Such tax credits shall
56 be issued no earlier than January 1, 2023, and may be issued each year for a
57 period of five years. A qualified manufacturing company may qualify for an

58 additional five-year period under this subsection if it makes an additional
59 manufacturing capital investment of at least two hundred fifty million dollars
60 within five years of the department's approval of the original notice of intent.

61 (2) The maximum amount of tax credits that any one qualified
62 manufacturing company may receive under this subsection shall not exceed five
63 million dollars per calendar year. The aggregate amount of tax credits awarded
64 to all qualified manufacturing companies under this subsection shall not exceed
65 ten million dollars per calendar year.

66 (3) If, at the project facility at any time during the project period, the
67 qualified manufacturing company discontinues the manufacturing of the new
68 product, or discontinues the modification or expansion of an existing product, and
69 does not replace it with a subsequent or additional new product or with a
70 modification or expansion of an existing product, the company shall immediately
71 cease receiving any benefit awarded under this subsection for the remainder of
72 the project period and shall forfeit all rights to retain or receive any benefit
73 awarded under this subsection for the remainder of such period.

74 (4) Notwithstanding any other provision of law to the contrary, any
75 qualified manufacturing company that is awarded benefits under this section
76 shall not simultaneously receive tax credits or exemptions under sections 100.700
77 to 100.850 for the jobs created or retained or capital improvement that qualified
78 for benefits under this section. The provisions of subsection 5 of section 285.530
79 shall not apply to a qualified manufacturing company that is awarded benefits
80 under this section.

81 4. Upon approval of a notice of intent to receive tax credits under
82 subsection 2, 3, 6, or 7 of this section, the department and the qualified company
83 shall enter into a written agreement covering the applicable project period. The
84 agreement shall specify, at a minimum:

85 (1) The committed number of new jobs, new payroll, and new capital
86 investment, or the manufacturing capital investment and committed percentage
87 of retained jobs for each year during the project period;

88 (2) The date or time period during which the tax credits shall be issued,
89 which may be immediately or over a period not to exceed two years from the date
90 of approval of the notice of intent;

91 (3) Clawback provisions, as may be required by the department;

92 (4) Financial guarantee provisions as may be required by the department,
93 provided that financial guarantee provisions shall be required by the department

94 for tax credits awarded under subsection 7 of this section; and

95 (5) Any other provisions the department may require.

96 5. In lieu of the benefits available under sections 1 and 2 of this section,
97 and in exchange for the consideration provided by the new tax revenues and other
98 economic stimuli that will be generated by the new jobs created by the program,
99 a qualified company may, for a period of five years from the date the new jobs are
100 created, or for a period of six years from the date the new jobs are created if the
101 qualified company is an existing Missouri business, retain an amount equal to the
102 withholding tax as calculated under subdivision (38) of section 620.2005 from the
103 new jobs that would otherwise be withheld and remitted by the qualified company
104 under the provisions of sections 143.191 to 143.265 equal to:

105 (1) Six percent of new payroll for a period of five years from the date the
106 required number of new jobs were created if the qualified company creates one
107 hundred or more new jobs and the average wage of the new payroll equals or
108 exceeds one hundred twenty percent of the county average wage of the county in
109 which the project facility is located; or

110 (2) Seven percent of new payroll for a period of five years from the date
111 the required number of jobs were created if the qualified company creates one
112 hundred or more new jobs and the average wage of the new payroll equals or
113 exceeds one hundred forty percent of the county average wage of the county in
114 which the project facility is located.

115 The department shall issue a refundable tax credit for any difference between the
116 amount of benefit allowed under this subsection and the amount of withholding
117 tax retained by the company, in the event the withholding tax is not sufficient to
118 provide the entire amount of benefit due to the qualified company under this
119 subsection.

120 6. In addition to the benefits available under subsection 5 of this section,
121 the department may award a qualified company that satisfies the provisions of
122 subsection 5 of this section additional tax credits, issued each year for a period
123 of five years from the date the new jobs are created, or for a period of six years
124 from the date the new jobs are created if the qualified company is an existing
125 Missouri business, in an amount equal to or less than three percent of new
126 payroll; provided that in no event may the total amount of benefits awarded to
127 a qualified company under this section exceed nine percent of new payroll in any
128 calendar year. The amount of tax credits awarded to a qualified company under
129 this subsection shall not exceed the projected net fiscal benefit to the state, as

130 determined by the department, and shall not exceed the least amount necessary
131 to obtain the qualified company's commitment to initiate the project. In
132 determining the amount of tax credits to award to a qualified company under this
133 subsection, the department shall consider the factors provided under subsection
134 2 of this section.

135 7. In lieu of the benefits available under subsections 1, 2, 5, and 6 of this
136 section, and in exchange for the consideration provided by the new tax revenues
137 and other economic stimuli that will be generated by the new jobs and new
138 capital investment created by the program, the department may award a qualified
139 company that satisfies the provisions of subdivision (1) of subsection 1 of this
140 section tax credits, issued within one year following the qualified company's
141 acceptance of the department's proposal for benefits, in an amount equal to or
142 less than nine percent of new payroll. The amount of tax credits awarded to a
143 qualified company under this subsection shall not exceed the projected net fiscal
144 benefit to the state, as determined by the department, and shall not exceed the
145 least amount necessary to obtain the qualified company's commitment to initiate
146 the project. In determining the amount of tax credits to award to a qualified
147 company under this subsection, the department shall consider the factors
148 provided under subsection 2 of this section and the qualified company's
149 commitment to new capital investment and new job creation within the state for
150 a period of not less than ten years. For the purposes of this subsection, each
151 qualified company shall have an average wage of the new payroll that equals or
152 exceeds one hundred percent of the county average wage. Notwithstanding the
153 provisions of section 620.2020 to the contrary, this subsection, shall expire on
154 June 30, 2025.

155 8. No benefits shall be available under this section for any qualified
156 company that has performed significant, project-specific site work at the project
157 facility, purchased machinery or equipment related to the project, or has publicly
158 announced its intention to make new capital investment or manufacturing capital
159 investment at the project facility prior to receipt of a proposal for benefits under
160 this section or approval of its notice of intent, whichever occurs first.

161 9. In lieu of any other benefits under this chapter, the department of
162 economic development may award a tax credit to an industrial development
163 authority for a qualified military project in an amount equal to the estimated
164 withholding taxes associated with the **part-time and full-time** civilian and
165 military new jobs located at the facility and directly impacted by the project. The

166 amount of the tax credit shall be calculated by multiplying:

167 (1) The average percentage of tax withheld, as provided by the department
168 of revenue to the department of economic development;

169 (2) The average salaries of the jobs directly created by the qualified
170 military project; and

171 (3) The number of jobs directly created by the qualified military project.

172 If the amount of the tax credit represents the least amount necessary to
173 accomplish the qualified military project, the tax credits may be issued, but no
174 tax credits shall be issued for a term longer than fifteen years. No qualified
175 military project shall be eligible for tax credits under this subsection unless the
176 department of economic development determines the qualified military project
177 shall achieve a net positive fiscal impact to the state.

✓

Bill

Copy