FIRST REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

[PERFECTED]

SENATE SUBSTITUTE FOR

SENATE BILL NO. 2

101ST GENERAL ASSEMBLY 2021

0835S.03T

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, with an emergency clause.

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

Section A. Sections 620.2005 and 620.2010, RSMo, are

- 2 repealed and two new sections enacted in lieu thereof, to be
- 3 known as sections 620.2005 and 620.2010, to read as follows:
 - 620.2005. 1. As used in sections 620.2000 to
- 2 620.2020, the following terms mean:
- 3 (1) "Average wage", the new payroll divided by the
- 4 number of new jobs, or the payroll of the retained jobs
- 5 divided by the number of retained jobs;
- 6 (2) "Commencement of operations", the starting date
- 7 for the qualified company's first new employee, which shall
- 8 be no later than twelve months from the date of the approval;
- 9 (3) "Contractor", a person, employer, or business
- 10 entity that enters into an agreement to perform any service
- 11 or work or to provide a certain product in exchange for
- 12 valuable consideration. This definition shall include but
- 13 not be limited to a general contractor, subcontractor,

independent contractor, contract employee, project manager,
or a recruiting or staffing entity;

- 16 (4) "County average wage", the average wages in each
- 17 county as determined by the department for the most recently
- 18 completed full calendar year. However, if the computed
- 19 county average wage is above the statewide average wage, the
- 20 statewide average wage shall be deemed the county average
- 21 wage for such county for the purpose of determining
- 22 eligibility. The department shall publish the county
- 23 average wage for each county at least annually.
- 24 Notwithstanding the provisions of this subdivision to the
- 25 contrary, for any qualified company that in conjunction with
- 26 their project is relocating employees from a Missouri county
- 27 with a higher county average wage, the company shall obtain
- 28 the endorsement of the governing body of the community from
- 29 which jobs are being relocated or the county average wage
- 30 for their project shall be the county average wage for the
- 31 county from which the employees are being relocated;
- 32 (5) "Department", the Missouri department of economic
- 33 development;
- (6) "Director", the director of the department of
- 35 economic development;
- 36 (7) "Employee", a person employed by a qualified
- 37 company, excluding:
- 38 (a) Owners of the qualified company unless the
- 39 qualified company is participating in an employee stock
- 40 ownership plan; or
- 41 (b) Owners of a noncontrolling interest in stock of a
- 42 qualified company that is publicly traded;
- 43 (8) "Existing Missouri business", a qualified company
- 44 that, for the ten-year period preceding submission of a
- 45 notice of intent to the department, had a physical location

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in Missouri and full-time employees who routinely performed job duties within Missouri;

- "Full-time employee", an employee of the qualified 48 company that is scheduled to work an average of at least 49 50 thirty-five hours per week for a twelve-month period, and 51 one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums. 52 53 An employee that spends less than fifty percent of the employee's work time at the facility shall be considered to 54 55 be located at a facility if the employee receives his or her directions and control from that facility, is on the 56 facility's payroll, one hundred percent of the employee's 57 58 income from such employment is Missouri income, and the employee is paid at or above the applicable percentage of 59 the county average wage; 60
 - (10) "Industrial development authority", an industrial development authority organized under chapter 349 that has entered into a formal written memorandum of understanding with an entity of the United States Department of Defense regarding a qualified military project;
- 66 (11) "Infrastructure projects", highways, roads,
 67 streets, bridges, sewers, traffic control systems and
 68 devices, water distribution and supply systems, curbing,
 69 sidewalks, storm water and drainage systems, broadband
 70 internet infrastructure, and any other similar public
 71 improvements, but in no case shall infrastructure projects
 72 include private structures;
- 73 (12) "Local incentives", the present value of the 74 dollar amount of direct benefit received by a qualified 75 company for a project facility from one or more local 76 political subdivisions, but this term shall not include 77 loans or other funds provided to the qualified company that

78 shall be repaid by the qualified company to the political
79 subdivision;

- 80 (13) "Manufacturing capital investment", expenditures 81 made by a qualified manufacturing company to retool or 82 reconfigure a manufacturing project facility directly 83 related to the manufacturing of a new product or the 84 expansion or modification of the manufacture of an existing 85 product;
- 86 (14) "Memorandum of understanding", an agreement 87 executed by an industrial development authority and an 88 entity of the United States Department of Defense, a copy of 89 which is provided to the department of economic development, 90 that states, but is not limited to:
- 91 (a) A requirement for the military to provide the 92 total number of existing jobs, jobs directly created by a 93 qualified military project, and average salaries of such 94 jobs to the industrial development authority and the 95 department of economic development annually for the term of 96 the benefit;
- 97 (b) A requirement for the military to provide an
 98 accounting of the expenditures of capital investment made by
 99 the military directly related to the qualified military
 100 project to the industrial development authority and the
 101 department of economic development annually for the term of
 102 the benefit;
- 103 (c) The process by which the industrial development
 104 authority shall monetize the tax credits annually and any
 105 transaction cost or administrative fee charged by the
 106 industrial development authority to the military on an
 107 annual basis;
- 108 (d) A requirement for the industrial development 109 authority to provide proof to the department of economic

development of the payment made to the qualified military project annually, including the amount of such payment;

- 112 (e) The schedule of the maximum amount of tax credits
- (e) The schedule of the maximum amount of tax credits
- 113 which may be authorized in each year for the project and the
- 114 specified term of the benefit, as provided by the department
- of economic development; and
- 116 (f) A requirement that the annual benefit paid shall
- 117 be the lesser of:
- 118 a. The maximum amount of tax credits authorized; or
- 119 b. The actual calculated benefit derived from the
- 120 number of new jobs and average salaries;
- 121 (15) "NAICS" or "NAICS industry classification", the
- 122 classification provided by the most recent edition of the
- 123 North American Industry Classification System as prepared by
- 124 the Executive Office of the President, Office of Management
- 125 and Budget;
- 126 (16) "New capital investment", shall include costs
- incurred by the qualified company at the project facility
- 128 after acceptance by the qualified company of the proposal
- 129 for benefits from the department or the approval notice of
- 130 intent, whichever occurs first, for real or personal
- 131 property, and may include the value of finance or capital
- leases for real or personal property for the term of such
- 133 lease at the project facility executed after acceptance by
- 134 the qualified company of the proposal for benefits from the
- department or the approval of the notice of intent;
- 136 (17) "New direct local revenue", the present value of
- 137 the dollar amount of direct net new tax revenues of the
- 138 local political subdivisions likely to be produced by the
- 139 project over a ten-year period as calculated by the
- 140 department, excluding local earnings tax, and net new
- 141 utility revenues, provided the local incentives include a

discount or other direct incentives from utilities owned or operated by the political subdivision;

- (18) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job;
- 150 (19) "New payroll", the amount of wages paid for all 151 new jobs, located at the project facility during the 152 qualified company's tax year that exceeds the project 153 facility base payroll;
- 154 (20) "New product", a new model or line of a

 155 manufactured good that has not been manufactured in Missouri

 156 by a qualified manufacturing company at any time prior to

 157 the date of the notice of intent, or an existing brand,

 158 model, or line of a manufactured good that is redesigned;
 - (21) "Notice of intent", a form developed by the department and available online, completed by the qualified company, and submitted to the department stating the qualified company's intent to request benefits under this program. The notice of intent shall be accompanied with a detailed plan by the qualifying company to make good faith efforts to employ, at a minimum, commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census, the following: racial minorities, contractors who are racial minorities, and contractors that, in turn, employ at a minimum racial minorities commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census. At a minimum, such plan shall include monitoring the effectiveness of outreach and

174 recruitment strategies in attracting diverse applicants and

175 linking with different or additional referral sources in the

- 176 event that recruitment efforts fail to produce a diverse
- 177 pipeline of applicants;
- 178 (22) "Percent of local incentives", the amount of
- 179 local incentives divided by the amount of new direct local
- 180 revenue;
- 181 (23) "Program", the Missouri works program established
- 182 in sections 620.2000 to 620.2020;
- 183 (24) "Project facility", the building or buildings
- used by a qualified company at which new or retained jobs
- and any new capital investment are or will be located or by
- 186 a qualified manufacturing company at which a manufacturing
- 187 capital investment is or will be located. A project
- 188 facility may include separate buildings located within sixty
- 189 miles of each other such that their purpose and operations
- 190 are interrelated; provided that where the buildings making
- 191 up the project facility are not located within the same
- 192 county, the average wage of the new payroll shall exceed the
- 193 applicable percentage of the highest county average wage
- 194 among the counties in which the buildings are located. Upon
- 195 approval by the department, a subsequent project facility
- 196 may be designated if the qualified company demonstrates a
- 197 need to relocate to the subsequent project facility at any
- 198 time during the project period. For qualified military
- 199 projects, the term "project facility" means the military
- 200 base or installation at which such qualified military
- 201 project is or shall be located;
- 202 (25) "Project facility base employment", the greater
- 203 of the number of full-time employees located at the project
- 204 facility on the date of the notice of intent or, for the
- 205 twelve-month period prior to the date of the notice of

206 intent, the average number of full-time employees located at

207 the project facility. In the event the project facility has

- 208 not been in operation for a full twelve-month period, the
- 209 average number of full-time employees for the number of
- 210 months the project facility has been in operation prior to
- 211 the date of the notice of intent;
- 212 (26) "Project facility base payroll", the annualized
- 213 payroll for the project facility base employment or the
- 214 total amount of taxable wages paid by the qualified company
- 215 to full-time employees of the qualified company located at
- 216 the project facility in the twelve months prior to the
- 217 notice of intent. For purposes of calculating the benefits
- 218 under this program, the amount of base payroll shall
- 219 increase each year based on an appropriate measure, as
- 220 determined by the department;
- 221 (27) "Project period", the time period within which
- benefits are awarded to a qualified company or within which
- 223 the qualified company is obligated to perform under an
- 224 agreement with the department, whichever is greater;
- 225 (28) "Projected net fiscal benefit", the total fiscal
- 226 benefit to the state less any state benefits offered to the
- 227 qualified company, as determined by the department;
- 228 (29) "Qualified company", a firm, partnership, joint
- venture, association, private or public corporation whether
- 230 organized for profit or not, or headquarters of such entity
- 231 registered to do business in Missouri that is the owner or
- 232 operator of a project facility, certifies that it offers
- 233 health insurance to all full-time employees of all
- 234 facilities located in this state, and certifies that it pays
- 235 at least fifty percent of such insurance premiums. For the
- 236 purposes of sections 620.2000 to 620.2020, the term
- 237 "qualified company" shall not include:

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

- 240 (b) Store front consumer-based retail trade
 241 establishments (under NAICS sectors 44 and 45), except with
 242 respect to any company headquartered in this state with a
 243 majority of its full-time employees engaged in operations
 244 not within the NAICS codes specified in this subdivision;
- (c) Food and drinking places (NAICS subsector 722);
- 246 (d) Public utilities (NAICS 221 including water and sewer services);
- (e) Any company that is delinquent in the payment of
 any nonprotested taxes or any other amounts due the state or
 federal government or any other political subdivision of
 this state;
- (f) Any company requesting benefits for retained jobs
 that has filed for or has publicly announced its intention
 to file for bankruptcy protection. However, a company that
 has filed for or has publicly announced its intention to
 file for bankruptcy may be a qualified company provided that
 such company:
- 258 a. Certifies to the department that it plans to 259 reorganize and not to liquidate; and
- 260 b. After its bankruptcy petition has been filed, it 261 produces proof, in a form and at times satisfactory to the 262 department, that it is not delinquent in filing any tax 263 returns or making any payment due to the state of Missouri, including but not limited to all tax payments due after the 264 filing of the bankruptcy petition and under the terms of the 265 plan of reorganization. Any taxpayer who is awarded 266 267 benefits under this subsection and who files for bankruptcy under Chapter 7 of the United States Bankruptcy Code, Title 268 11 U.S.C., shall immediately notify the department and shall 269

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270 forfeit such benefits and shall repay the state an amount 271 equal to any state tax credits already redeemed and any 272 withholding taxes already retained; Educational services (NAICS sector 61); 273 (q) 274 (h) Religious organizations (NAICS industry group 275 8131); Public administration (NAICS sector 92); 276 (i) 277 (寸) Ethanol distillation or production; 278 Biodiesel production; or (k) 279 (1) Health care and social services (NAICS sector 62). 280 Notwithstanding any provision of this section to the 281 contrary, the headquarters, administrative offices, or 282 research and development facilities of an otherwise excluded 283 business may qualify for benefits if the offices or 284 facilities serve a multistate territory. In the event a 285 national, state, or regional headquarters operation is not 286 the predominant activity of a project facility, the jobs and investment of such operation shall be considered eligible 287 288 for benefits under this section if the other requirements 289 are satisfied; (30) "Qualified manufacturing company", a company that: 290 291 Is a qualified company that manufactures motor (a) 292 vehicles (NAICS group 3361); Manufactures goods at a facility in Missouri; 293 (b) 294 Manufactures a new product or has commenced making 295 a manufacturing capital investment to the project facility 296 necessary for the manufacturing of such new product, or 297 modifies or expands the manufacture of an existing product or has commenced making a manufacturing capital investment 298 for the project facility necessary for the modification or 299

expansion of the manufacture of such existing product; and

- 301 (d) Continues to meet the requirements of paragraphs
- 302 (a) to (c) of this subdivision for the project period;
- 303 (31) "Qualified military project", the expansion or
- 304 improvement of a military base or installation within this
- 305 state that causes:
- 306 (a) An increase of ten or more part-time or full-time
- 307 military or civilian support personnel:
- 308 a. Whose average salaries equal or exceed ninety
- 309 percent of the county average wage; and
- 310 b. Who are offered health insurance, with an entity of
- 311 the United States Department of Defense paying at least
- 312 fifty percent of such insurance premiums; and
- 313 (b) Investment in real or personal property at the
- 314 base or installation expressly for the purposes of serving a
- 315 new or expanded military activity or unit.
- 316 For the purposes of this subdivision, part-time military or
- 317 civilian support personnel shall be converted to full-time
- 318 new jobs by, in hire date order, counting one full-time new
- job for every thirty-five averaged hours worked per week by
- 320 part-time military or civilian support personnel in jobs
- 321 directly created by the qualified military project. For each
- 322 such full-time new job, the sum of the wages of the part-
- 323 time military or civilian support personnel combined and
- 324 converted to form the new job shall be the wage for the one
- 325 full-time new job. Each part-time military or civilian
- 326 support personnel whose job is combined and converted for
- 327 such a full-time new job shall be offered health insurance
- 328 as described in subparagraph b of paragraph (a) of this
- 329 subdivision;
- 330 (32) "Related company", shall mean:

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

- 333 (b) An individual, corporation, partnership, trust, or association in control of the qualified company; or
- 335 (c) Corporations, partnerships, trusts or associations 336 controlled by an individual, corporation, partnership,
- 337 trust, or association in control of the qualified company.
- 338 As used in this paragraph, "control of a qualified company"
- 339 shall mean:

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- a. Ownership, directly or indirectly, of stock
 possessing at least fifty percent of the total combined
 voting power of all classes of stock entitled to vote in the
- b. Ownership of at least fifty percent of the capital or profit interest in such qualified company if it is a

case of a qualified company that is a corporation;

- 346 partnership or association;
- c. Ownership, directly or indirectly, of at least
 fifty percent of the beneficial interest in the principal or
 income of such qualified company if it is a trust, and
 ownership shall be determined as provided in Section 318 of
 the Internal Revenue Code of 1986, as amended;
- 352 (33) "Related facility", a facility operated by the 353 qualified company or a related company located in this state 354 that is directly related to the operations of the project 355 facility or in which operations substantially similar to the 356 operations of the project facility are performed;
- 357 (34) "Related facility base employment", the greater
 358 of the number of full-time employees located at all related
 359 facilities on the date of the notice of intent or, for the
 360 twelve-month period prior to the date of the notice of
 361 intent, the average number of full-time employees located at

all related facilities of the qualified company or a related company located in this state;

- (35) "Related facility base payroll", the annualized 364 payroll of the related facility base payroll or the total 365 amount of taxable wages paid by the qualified company to 366 367 full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of 368 369 the notice of intent. For purposes of calculating the 370 benefits under this program, the amount of related facility 371 base payroll shall increase each year based on an appropriate measure, as determined by the department; 372
- 373 (36) "Rural area", a county in Missouri with a
 374 population less than seventy-five thousand or that does not
 375 contain an individual city with a population greater than
 376 fifty thousand according to the most recent federal
 377 decennial census;
- 378 (37) "Tax credits", tax credits issued by the
 379 department to offset the state taxes imposed by chapters 143
 380 and 148, or which may be sold or refunded as provided for in
 381 this program;
- 382 (38) "Withholding tax", the state tax imposed by
 383 sections 143.191 to 143.265. For purposes of this program,
 384 the withholding tax shall be computed using a schedule as
 385 determined by the department based on average wages.
- 386 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 revenues and other economic stimuli

 that will be generated by the new jobs created, a qualified

 company may, for a period of five years from the date the

 new jobs are created, or for a period of six years from the

 date the new jobs are created if the qualified company is an

7 existing Missouri business, retain an amount equal to the

- 8 withholding tax as calculated under subdivision (38) of
- 9 section 620.2005 from the new jobs that would otherwise be
- 10 withheld and remitted by the qualified company under the
- 11 provisions of sections 143.191 to 143.265 if:
- 12 (1) The qualified company creates ten or more new
- jobs, and the average wage of the new payroll equals or
- 14 exceeds ninety percent of the county average wage;
- 15 (2) The qualified company creates two or more new jobs
- 16 at a project facility located in a rural area, the average
- 17 wage of the new payroll equals or exceeds ninety percent of
- 18 the county average wage, and the qualified company commits
- 19 to making at least one hundred thousand dollars of new
- 20 capital investment at the project facility within two years;
- **21** or
- 22 (3) The qualified company creates two or more new jobs
- 23 at a project facility located within a zone designated under
- 24 sections 135.950 to 135.963, the average wage of the new
- 25 payroll equals or exceeds eighty percent of the county
- 26 average wage, and the qualified company commits to making at
- 27 least one hundred thousand dollars in new capital investment
- 28 at the project facility within two years of approval.
- 2. In addition to any benefits available under
- 30 subsection 1 of this section, the department may award a
- 31 qualified company that satisfies subdivision (1) of
- 32 subsection 1 of this section additional tax credits, issued
- 33 each year for a period of five years from the date the new
- 34 jobs are created, or for a period of six years from the date
- 35 the new jobs are created if the qualified company is an
- 36 existing Missouri business, in an amount equal to or less
- 37 than six percent of new payroll; provided that in no event
- 38 may the total amount of benefits awarded to a qualified

- 39 company under this section exceed nine percent of new
- 40 payroll in any calendar year. The amount of tax credits
- 41 awarded to a qualified company under this subsection shall
- 42 not exceed the projected net fiscal benefit to the state, as
- 43 determined by the department, and shall not exceed the least
- 44 amount necessary to obtain the qualified company's
- 45 commitment to initiate the project. In determining the
- 46 amount of tax credits to award to a qualified company under
- 47 this subsection or a qualified manufacturing company under
- 48 subsection 3 of this section, the department shall consider
- 49 the following factors:
- 50 (1) The significance of the qualified company's need
- for program benefits;
- 52 (2) The amount of projected net fiscal benefit to the
- 53 state of the project and the period in which the state would
- 54 realize such net fiscal benefit;
- 55 (3) The overall size and quality of the proposed
- 56 project, including the number of new jobs, new capital
- 57 investment, manufacturing capital investment, proposed
- 58 wages, growth potential of the qualified company, the
- 59 potential multiplier effect of the project, and similar
- 60 factors;
- 61 (4) The financial stability and creditworthiness of
- 62 the qualified company;
- (5) The level of economic distress in the area;
- (6) An evaluation of the competitiveness of
- 65 alternative locations for the project facility, as
- 66 applicable; and
- 67 (7) The percent of local incentives committed.
- 68 3. (1) The department may award tax credits to a
- 69 qualified manufacturing company that makes a manufacturing
- 70 capital investment of at least five hundred million dollars

71 not more than three years following the department's

- 72 approval of a notice of intent and the execution of an
- 73 agreement that meets the requirements of subsection 4 of
- 74 this section. Such tax credits shall be issued no earlier
- 75 than January 1, 2023, and may be issued each year for a
- 76 period of five years. A qualified manufacturing company may
- 77 qualify for an additional five-year period under this
- 78 subsection if it makes an additional manufacturing capital
- 79 investment of at least two hundred fifty million dollars
- 80 within five years of the department's approval of the
- 81 original notice of intent.
- 82 (2) The maximum amount of tax credits that any one
- 83 qualified manufacturing company may receive under this
- 84 subsection shall not exceed five million dollars per
- 85 calendar year. The aggregate amount of tax credits awarded
- 86 to all qualified manufacturing companies under this
- 87 subsection shall not exceed ten million dollars per calendar
- 88 year.
- 89 (3) If, at the project facility at any time during the
- 90 project period, the qualified manufacturing company
- 91 discontinues the manufacturing of the new product, or
- 92 discontinues the modification or expansion of an existing
- 93 product, and does not replace it with a subsequent or
- 94 additional new product or with a modification or expansion
- 95 of an existing product, the company shall immediately cease
- 96 receiving any benefit awarded under this subsection for the
- 97 remainder of the project period and shall forfeit all rights
- 98 to retain or receive any benefit awarded under this
- 99 subsection for the remainder of such period.
- 100 (4) Notwithstanding any other provision of law to the
- 101 contrary, any qualified manufacturing company that is
- 102 awarded benefits under this section shall not simultaneously

- 103 receive tax credits or exemptions under sections 100.700 to
- 104 100.850 for the jobs created or retained or capital
- 105 improvement that qualified for benefits under this section.
- 106 The provisions of subsection 5 of section 285.530 shall not
- 107 apply to a qualified manufacturing company that is awarded
- 108 benefits under this section.
- 4. Upon approval of a notice of intent to receive tax
- 110 credits under subsection 2, 3, 6, or 7 of this section, the
- 111 department and the qualified company shall enter into a
- 112 written agreement covering the applicable project period.
- 113 The agreement shall specify, at a minimum:
- 114 (1) The committed number of new jobs, new payroll, and
- 115 new capital investment, or the manufacturing capital
- 116 investment and committed percentage of retained jobs for
- 117 each year during the project period;
- 118 (2) The date or time period during which the tax
- 119 credits shall be issued, which may be immediately or over a
- 120 period not to exceed two years from the date of approval of
- 121 the notice of intent;
- 122 (3) Clawback provisions, as may be required by the
- 123 department;
- 124 (4) Financial quarantee provisions as may be required
- 125 by the department, provided that financial guarantee
- 126 provisions shall be required by the department for tax
- 127 credits awarded under subsection 7 of this section; and
- 128 (5) Any other provisions the department may require.
- 5. In lieu of the benefits available under sections 1
- and 2 of this section, and in exchange for the consideration
- 131 provided by the new tax revenues and other economic stimuli
- that will be generated by the new jobs created by the
- 133 program, a qualified company may, for a period of five years
- 134 from the date the new jobs are created, or for a period of

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six years from the date the new jobs are created if the qualified company is an existing Missouri business, retain an amount equal to the withholding tax as calculated under subdivision (38) of section 620.2005 from the new jobs that would otherwise be withheld and remitted by the qualified company under the provisions of sections 143.191 to 143.265 equal to:

- (1) Six percent of new payroll for a period of five years from the date the required number of new jobs were created if the qualified company creates one hundred or more new jobs and the average wage of the new payroll equals or exceeds one hundred twenty percent of the county average wage of the county in which the project facility is located; or
- 149 (2) Seven percent of new payroll for a period of five 150 years from the date the required number of jobs were created 151 if the qualified company creates one hundred or more new 152 jobs and the average wage of the new payroll equals or 153 exceeds one hundred forty percent of the county average wage 154 of the county in which the project facility is located.
- The department shall issue a refundable tax credit for any difference between the amount of benefit allowed under this subsection and the amount of withholding tax retained by the company, in the event the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company under this subsection.
 - 6. In addition to the benefits available under subsection 5 of this section, the department may award a qualified company that satisfies the provisions of subsection 5 of this section additional tax credits, issued each year for a period of five years from the date the new

166 jobs are created, or for a period of six years from the date 167 the new jobs are created if the qualified company is an 168 existing Missouri business, in an amount equal to or less than three percent of new payroll; provided that in no event 169 170 may the total amount of benefits awarded to a qualified 171 company under this section exceed nine percent of new payroll in any calendar year. The amount of tax credits 172 173 awarded to a qualified company under this subsection shall 174 not exceed the projected net fiscal benefit to the state, as 175 determined by the department, and shall not exceed the least 176 amount necessary to obtain the qualified company's commitment to initiate the project. In determining the 177 amount of tax credits to award to a qualified company under 178 179 this subsection, the department shall consider the factors 180 provided under subsection 2 of this section. 181 In lieu of the benefits available under subsections 182 1, 2, 5, and 6 of this section, and in exchange for the 183 consideration provided by the new tax revenues and other 184 economic stimuli that will be generated by the new jobs and new capital investment created by the program, the 185 department may award a qualified company that satisfies the 186 provisions of subdivision (1) of subsection 1 of this 187 188 section tax credits, issued within one year following the 189 qualified company's acceptance of the department's proposal 190 for benefits, in an amount equal to or less than nine percent of new payroll. The amount of tax credits awarded 191 192 to a qualified company under this subsection shall not exceed the projected net fiscal benefit to the state, as 193 determined by the department, and shall not exceed the least 194 195 amount necessary to obtain the qualified company's 196 commitment to initiate the project. In determining the amount of tax credits to award to a qualified company under 197

198 this subsection, the department shall consider the factors 199 provided under subsection 2 of this section and the 200 qualified company's commitment to new capital investment and 201 new job creation within the state for a period of not less 202 than ten years. For the purposes of this subsection, each 203 qualified company shall have an average wage of the new payroll that equals or exceeds one hundred percent of the 204 205 county average wage. Notwithstanding the provisions of 206 section 620.2020 to the contrary, this subsection, shall 207 expire on June 30, 2025.

- No benefits shall be available under this section 208 for any qualified company that has performed significant, 209 project-specific site work at the project facility, 210 purchased machinery or equipment related to the project, or 211 212 has publicly announced its intention to make new capital 213 investment or manufacturing capital investment at the 214 project facility prior to receipt of a proposal for benefits under this section or approval of its notice of intent, 215 whichever occurs first. 216
- In lieu of any other benefits under this chapter, 217 the department of economic development may award a tax 218 219 credit to an industrial development authority for a 220 qualified military project in an amount equal to the 221 estimated withholding taxes associated with the part-time and full-time civilian and military new jobs located at the 222 223 facility and directly impacted by the project. The amount of the tax credit shall be calculated by multiplying: 224
- 225 (1) The average percentage of tax withheld, as 226 provided by the department of revenue to the department of 227 economic development;
- 228 (2) The average salaries of the jobs directly created 229 by the qualified military project; and

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

If the amount of the tax credit represents the least amount necessary to accomplish the qualified military project, the tax credits may be issued, but no tax credits shall be issued for a term longer than fifteen years. No qualified military project shall be eligible for tax credits under this subsection unless the department of economic development determines the qualified military project shall

achieve a net positive fiscal impact to the state.

Section B. Because of the importance of military jobs

to the state, section A of this act is deemed necessary for

the immediate preservation of the public health, welfare,

peace, and safety, and is hereby declared to be an emergency

act within the meaning of the constitution, and section A of

this act shall be in full force and effect upon its passage

and approval.

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