

Purpose

The Missouri Manufacturing Jobs Act will allow qualified automotive manufacturing facilities or suppliers that bring next-generation production lines to Missouri to retain withholding taxes typically remitted to the state.

Authorization

Section 620.1910, RSMo

Eligible Areas

Statewide.

Eligible Applicants

Qualified manufacturing companies with a NAICS code of 33611 that:

- (a) Manufacture goods at a facility in Missouri throughout the period in which the company receives benefits under the Act; and
- (b) Makes a capital investment of at least \$75,000 per retained job at the facility for the manufacture of a new product within two years of beginning to retain withholding taxes; or
- (c) Commits to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within two years of beginning to retain withholding taxes.

Qualified suppliers that:

- (a) Attest to the Department of Economic Development (DED) that it derives more than 10% of its total annual sales revenue from sales to a qualified manufacturing company;
- (b) Adds five or more new jobs;
- (c) Pays wages for the new jobs that are equal to or exceeds the lower of the county average wage for Missouri as determined by the department using the NAICS industry classifications but are not less than 60% of the statewide average wage; and
- (d) Provides health insurance for all full-time jobs and pays at least 50% of the insurance premiums.

Program Benefits/Eligible Uses

Allows a qualified manufacturing company, beginning January 1, 2012, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes from full-time jobs at the facility for 10 years if it manufactures a new product, or to retain 50% of withholding taxes from full-time jobs for seven years if it modifies or expands the manufacture of an existing product.

Allows a qualified supplier, upon approval of a notice of intent by the department, to retain 100% of the withholding taxes from new jobs for three years. If the qualified supplier pays wages for the new jobs that are equal to or greater than 120% of the county average wage for Missouri as determined by the department using NAICS industry classifications, it can retain the withholding taxes for five years.

Funding Limits

Limits the amount of retained withholding taxes authorized under the Act for any one qualified manufacturing company to \$10 million per year and limits the aggregate amount of retained withholding taxes authorized under the Act to \$15 million per year.

Specifies that if a qualified manufacturing company is utilizing withholding taxes from jobs at the facility for any other state program, the taxes will first be credited to the other state program before beginning to accrue under the provisions of the Act. The other state programs include, but are not limited to:

- (a) New Jobs Training Program (Sections 178.892–178.896);
- (b) Job Retention Program (Sections 178.760–178.764);
- (c) Real Property Tax Increment Allocation Redevelopment Act (Sections 99.800–99.865); or
- (d) Missouri Downtown and Rural Economic Stimulus Act (Sections 99.915–99.980).

Reporting Requirements

On an annual basis, the business must submit a report documenting the retained jobs or 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 will cease for the remainder of the benefit period.

Special Program Requirements

Allows a qualified manufacturing company to remain eligible to participate in the Missouri Quality Jobs Program for any new jobs for which it does not retain withholding taxes, if it meets the qualifications for that program but prohibits a qualified manufacturing company from simultaneously receiving benefits from:

- (a) Business use incentives for large-scale developments (Sections 100.700–100.850, RSMo);
- (b) New or expanded business facilities (Sections 135.100–135.150);
- (c) Enterprise zones (Sections 135.200–135.286);
- (d) Relocation of a business to a distressed community (Section 135.535); or
- (e) Rural empowerment zones (Sections 135.900–135.906).

A qualified supplier is prohibited from simultaneously receiving benefits from:

- (a) Business use incentives for large-scale developments (Sections 100.700–100.850);
- (b) New or expanded business facilities (Sections 135.100–135.150);
- (c) Enterprise zones (Sections 135.200–135.286);
- (d) Relocation of a business to a distressed community (Section 135.535);
- (e) Rural empowerment zones (Sections 135.900–135.906);
- (f) Enhanced enterprise zones (Sections 135.950–135.970); or
- (g) Missouri Quality Jobs Program (Section 620.1881).

Requires a qualified manufacturing company that fails to make the required capital investment within two years to immediately cease retaining any withholding taxes with respect to jobs at the facility, repay all withholding tax previously retained plus interest of 5% per year, and forfeit all rights to retain withholding taxes for the remainder of the withholding period. If the failure to make the capital investment is due to economic conditions beyond the company's control, the department director may suspend the right to retain withholding taxes one time for up to three years at the company's request.

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