MISSOURI TAX CREDIT REVIEW COMMISSION

Table of Contents

Table of Contents

I. Original Welcome Letter, along with an Updated Contact List.

II. A primer in PowerPoint style format for tax credit terminology, as prepared by the Department of Economic Development ("DED").

III. Graphs showing the authorized Issued and Redeemed tax credits from FY 2006-2011, a Comparison of Tax Credits as a percentage of General Revenue, and the FY 2009 General Revenue Expenditures over $100,000,000.

IV. Department of Economic Development Tax Credit Programs.

V. Examples of Expired Tax Credit Programs.

VI. Department of Agriculture Tax Credit Programs.

VII. Department of Health & Senior Service Tax Credit Programs.

VIII. Department of Insurance Tax Credit Programs.

IX. Department of Natural Resources Tax Credit Programs.

X. Department of Revenue Tax Credit Programs.

XI. Department of Social Services Tax Credit Programs.

Section I

- Original Welcome Letter, dated July 26, 2010
- Updated Contact List

MISSOURI TAX CREDIT REVIEW COMMISSIOI

Co-Chairs:

Senator Chuck Gross *
Steven J. Stogel

Council Members:

Sen. Matt Bartle
Sen. Jolie Justus
Sen. Robin Wright-Jones
Rep. Tim Flook
Rep. Sam Komo
Zack Boyers
Mark Gardner
Luana Gifford
Bill Hall
Dee Joyner
David Kendrick
Alan Marble
Troy Nash
Melissa Randol
Tom Reeves
Penney Rector
Russ Still
Craig Van Matre
Ray Wagner
Todd Weaver
Shannon Weber
Mike Wood
David Zimmermann
Jim Anderson
Peter Levi

*Not now serving

MEMORAI DUM

TO: All Committee Members

FROM: Senator Chuck Gross
Steven J. Stogel

Date: July 26, 2010

RE: STATE TAX CREDIT REVIEW COMMISSIOI

Welcome!

Attached is a distribution list with all of our names, addresses and contact information.

This diverse group will undertake, and hopefully reach, a consensus on Recommendations to the Governor and Legislature on all 61 existing Missouri tax credit programs. This will not be an easy task.

This Commission will be bi-partisan, 'open book' with all ideas and suggestions, big and small, considered.

To that end, next week you will receive a briefing package on the programs, the dollar economics and the credit amounts authorized, issued and redeemed for each program.

In August, it is the plan to meet with all Commission members. The time and place of those meetings will be coordinated with you, probably in Kansas City, Jefferson City and St. Louis City. The goal of these meetings will be to receive your ideas and suggestions. That said, please forward your available dates after August 16th to Cyndy Crider at cyndy@dfcgroup.net (314-725-9838), so these meeting can be scheduled.

In September, there will be public hearings on this subject scheduled to invite the broadest comment and input.

All meetings will be subject to the Sunshine law, as will all written communications.

Over the next week, we will be calling all of you, but in the meantime, please contact either Co-Chair at any time as we progress on this assignment.

Thanks to all, and more next week.

Tax Credit Review Commission

Gross, Senator Chuck Gross
Co-Chair of Commission
St. Charles County
Director of Administration
100 N. Third Street, Suite 318
Office: 636-949-7520, ext. 1
Cell: 636-288-6369
cgross@sccmo.org

Stogel, Steven
Co-Chair of Commission
DFC Group, Inc.
7777 Bonhomme Avenue, #1210
St. Louis, MO 63105
Cell: 314-504-7834
dfcsteven@aol.com

Flook, Representative Tim
Capitol Building, Room 412
Jefferson City, MO 65101
Office: 573-751-1218
Tim.Flook@house.mo.gov

Komo, Representative Sam
Capitol Building, Room 102-B
Jefferson City, MO 65101
Office: 753-751-6625
Sam.Komo@house.mo.gov

Bartle, Senator Matt
Capitol Building, Room 319
Jefferson City, MO 65101
Office: 573-751-1464
Matt_Bartle@senate.mo.gov

Justus, Senator Jolie
Capitol Building, Room 328
Jefferson City, MO 65101
Office: 573-751-2788
Jolie.Justus@senate.mo.gov

Wright-Jones, Senator Robin
Capitol Building, Room 425
Jefferson City, MO 65101
Office: 573-751-2606
Robin.Jones@senate.mo.gov

Anderson, Jim
Springfield Chamber of Commerce
202 S. John Q. Hammond Parkway
Springfield, MO 65801-1687
Office: 417-862-5567
jim@springfieldchamber.com

Boyers, Zack
US Bancorp Community Development Corp.
1307 Washington Ave., #300
St. Louis, MO 63101
Office: 314-335-2620
Zachary.Boyers@usbank.com

Gardner, Mark
Gardner Capital, Inc.
1414 East Primrose, #100
Springfield, MO 65804
Office: 417-447-1802
mgardner@gardnercapitalinc.com

Gifford, Luana
American Federation of Teachers
227 Jefferson Street
Jefferson City, MO 65101
Office: 573-634-2115, ext. 117
lgifford@moaflcio.org

Hall, Bill
Hallmark Foundation
2501 McGee Trafficway
Kansas City, MO 64108
Office: 816-274-5111
BHall2@hallmark.com

Joyner, Dee
Commerce Bank
8000 Forsyth Blvd.
St. Louis, MO 63105
Office: 314-746-7326
deejoyner@commercebank.com

Kendrick, David
Kansas City Building & Construction
Trades Council
400 S. Main Street
Independence, MO 64050
Office: 816-836-8485
dkkcbtrades@aol.com

Levi, Peter S.
Polsinelli Shughart
700 West 47th Street
Kansas City, MO 64112
Office: 816-360-4165
plevi@polsinelli.com

Marble, Alan
President
Crowder College
601 Laclede
Neosho, MO 64850
Office: 417-455-5534
amarble@crowder.edu

Nash, Troy
Zimmer Real Estate Services
1220 Washington Street, #100
Kansas City, MO 64105
Office: 816-474-2000
tnash@zimmercos.com

Randol, Melissa
Missouri School Boards Association
2100 I-70 Drive Southwest
Columbia, MO 65203
Office: 800-221-6722, ext 351
randol@msbanet.org

Reeves, Tom
Pulaski Bank
12300 Olive Blvd.
St. Louis, MO 63141
Office: 314-878-3523, ext. 5104
Cell: 314-608-4446
treeves@pulaskibankstl.com

Penny Rector
MASA Legal Counsel
3550 Amazonas Drive
Jefferson City, MO 65109
Office: 573-638-4825
p.rector@mcsa.org

Still, Russ
Harlan, Harlan & Still
515 Cherry Street, #300
Columbia, MO 65205
Office: 573-874-2402
rstill@harlan-still.com

Van Matre, Craig
1108 E. Broadway
Columbia, MO 65201
Office: 573-847-7777
craig@vanmatre.com

Wagner, Ray
Enterprise Holding, Inc.
600 Corporate Park Drive
St. Louis, MO 63105
Office: 314-512-5000
Ray.T.Wagner@ehi.com

Weaver, Todd
Legacy Building Group
1530 South 2nd Street
St. Louis, MO 63104-4504
Office: 314-361-3535
weavert@legacybg.com

Weber, Shannon
Carpenters' District Council of
Greater St. Louis & Vicinity
1401 Hampton Avenue
St. Louis, MO 63139
Office: 314-644-4800
sweber@carpdc.org

Wood, Mike
Missouri State Teachers Association
407 South 6th Street
Columbia, MO 65205
Office: 573-442-3127
mwood@msta.org

Zimmermann, David
Sheet Metal Workers, Local 36
301 South Ewing Avenue
St. Louis, MO 63103
Office: 314-371-2800, ext 24
Cell: 314-406-6476
dcz@sheetmetal36.org

JEREMIAH W. (JAY) NIXON
GOVERNOR

GOVERNOR OF MISSOURI
JEFFERSON CITY
65102

P.O. Box 720
(573) 751-3222

Contact: Scott Holste, (573) 751-0290
Scott.Holste@mo.gov

Sam Murphey, (573) 751-0290
Sam.Murphey@mo.gov

FOR IMMEDIATE RELEASE
July 21, 2010

Gov. Nixon creates new commission to perform comprehensive review of state tax credit programs

Panel of business and community leaders, legislators will make recommendations to enhance job creation, boost return on investment for state

JEFFERSON CITY, Mo. – **Gov. Jay Nixon** today announced the creation of a Tax Credit Review Commission that will review the state's 61 tax credit programs and make recommendations for greater efficacy and enhanced return on investment. Gov. Nixon named 25 business, community and legislative leaders to serve on the commission.

"Missouri must have sharp, effective development tools that will promote growth, create jobs, strengthen our communities and continue to drive our economic recovery forward," **Gov. Nixon** said. "This commission will perform a critical analysis to ensure taxpayers receive the greatest possible return on investment from tax credit programs and that those programs are used efficiently and effectively. The work of the commission will play a vital role in reshaping the way the state uses financial incentives to achieve those important goals."

The commission will analyze the efficacy and return on investment for each of the state's 61 tax credit programs and make recommendations for modifications as appropriate.

Gov. Nixon appointed **Steve Stogel** and **Chuck Gross** to co-chair the Tax Credit Review Commission. Stogel is the President of DSC Group in St. Louis; Gross is the director of administration for St. Charles County. They are joined on the commission by leaders from the development, education, finance and labor communities, as well as members of the Missouri General Assembly.

From the Missouri Senate, Gov. Nixon named **Sen. Matt Bartle** (R- Lee's Summit), **Sen. Jolie Justus** (D- Kansas City) and **Sen. Robin Wright-Jones** (D- St. Louis). Gov. Nixon's appointees from the Missouri House are **Rep. Tim Flook** (R- Liberty) and **Rep. Sam Komo** (D- House Springs).

Gov. Nixon also named: **Zack Boyers** of U.S. Bancorp Community Development Corporation in St. Louis; **Mark Gardner** of Gardner Capital in Springfield; **Luana Gifford** of the American Federation of Teachers in Jefferson City; **Bill Hall** of Hallmark in Kansas City; **Dee Joyner** of Commerce Bank in St. Louis; **David Kendrick** of the Kansas City Building and Construction Trades Council; **Alan Marble,** President of Crowder College in Neosho; **Troy Nash** of Zimmer Real Estate Services in Kansas City; **Melissa Randol** of the Missouri School Boards Association in Jefferson City; **Tom Reeves** of Pulaski Bank in St. Louis; **Penney Rector** of the Missouri Association of School Administrators in Jefferson City; **Russ Still**, a member of the State Board of Education from Columbia; **Craig Van Matre**, a member of the coordinating Board for Higher Education from Columbia; **Ray Wagner** of Enterprise Rent-A-Car in St. Louis; **Todd Weaver** of Legacy Building Group of St. Louis; **Shannon Weber** of the Carpenters' District Council of Greater St. Louis and Vicinity; **Mike Wood** of the Missouri State Teachers Association; and **David Zimmerman** of the Sheet Metal Workers International Association, Local 36.

###

=

Section II

• DED Tax Credit Terminology

Missouri Taxes and Tax Credits

MISSOURI
Department of Economic Development

Missouri Advantages

- Tax Friendly State for both individuals and corporations
- Stability:
  - One of seven states with AAA bond rating by all 3 rating agencies.
- Certainty:
  - State and local taxes can't be raised without voter approval.

MISSOURI
Department of Economic Development

Business Climate Rankings

1 = Most favorable to business

	MO	KS	IL
• **Tax Foundation** State Business Tax Climate	16th	32nd	30th
• **Milken Institute** Cost of Doing Business Index	8th	13th	33th
• **CNBC** Best States for Business, Cost of Doing Business	4th	23rd	38th
• **Forbes Magazine** Best States for Bus., 2009 Business Costs	15th	25th	34th

MISSOURI
Department of Economic Development

Tax Environment

1 = Most favorable

	MO	KS	IL
State/local taxes as % of private GSP Ernst & Young "COST" study	8th	40th	26th
State/Local Taxes Per Capita	19th $3,508	30th $3,911	21st $4,346
State/Local Taxes Revenue as a Percent of Personal Income, 2006	7th	29th	25th
State/Local Property Taxes As a Share of Personal Income	12th 2.63%	31st 3.44%	40th 3.99%

MISSOURI
Department of Economic Development

Business Cost Environment

1 = Most favorable to business

	MO	KS	IL
Cost of Living Rank	8th	10th	22nd
Industrial Electric Cost per KwH	8th	15th	32nd
Average Family Premium for Employer-Based Health Insurance	16th $11,557	19th $11,662	34th $12,603

MISSOURI Department of Economic Development

Types of Taxes

- Personal Taxes
  - **Individual Income**
  - Fiduciary
  - Estate
  - Partnership
  - **Property**

MISSOURI Department of Economic Development

Types of Taxes

- Business Taxes
  - Cigarette and other tobacco products
  - **Corporate Franchise**
  - **Corporation Income**
  - Financial Institution
  - Motor Fuel
  - Partnership
  - S Corporation
  - **Sales/Use**

MISSOURI Department of Economic Development

State Tax Collection by Source - 2004

• Individual Income	40.8%
• General Sales	32.3%
• Selective Sales	16.7%
• Other	7.5%
• Corporate Income	2.5%
• Property	0.2%

MISSOURI Department of Economic Development

Corporate Income Tax

- State set at 6.25% of net taxable income earned by a business in MO
- Allows 50% of federal income tax payments to be deducted before computing taxable income
- Eg. Taxable income of $1M = an effective tax rate of only 5.2%

MISSOURI
Department of Economic Development

Taxable Income

- Only income earned in MO is taxed
- 2 options for calculating income (company choice)
  - 3 factor formula (sales, property, payroll)
  - Single factor formula (sales)
- Companies not penalized for locating property and jobs in MO as they are in other states
- No worldwide or nationwide unitary tax assessment that computes multinational corporate income tax liability

MISSOURI
Department of Economic Development

Sales/Use Tax

- 4.225% (3% is GR)
- Lower than 35 other states
- Local sales/use tax range = ½ - 1%
- County sales/use tax range = ¼ - 1%
- Use tax imposed when tangible personal property comes in the state and is stored, used, or consumed in MO
- 12 major sales/use tax exemptions (refer to data book)

MISSOURI
Department of Economic Development

Property Tax

- Set and administered locally
- Not comparable state to state
  - Assessment ratio differs among states
  - Tax levies vary from city to city
  - Assessors (human factor)
- MO assessment ratio
  - Personal Property = 1/3 true value
  - Real property (land and building)
    - Commercial and industrial = 32%
    - Residential = 19%
    - Ag = 12%

MISSOURI
Department of Economic Development

Property Tax

- Local Property Tax Rate is an aggregate of:
  - School levy
  - City levy
  - County levy
  - State levy
- And expressed in tax per $100 assessed valuation

MISSOURI
Department of Economic Development

Property Tax

- Commercial and Industrial real property is assessed an additional county surcharge to replace revenues lost by tax exemptions of business inventories
  - Average county surcharge =$1.02 per $100 AV
- Total average real property tax rate for commercial/industrial = $6.89 per $100
- Total average personal property tax rate = $5.87 per $100

MISSOURI
Department of Economic Development

Franchise Tax

- Based on capital employed in a company
- Rate = 1/30 of 1% or $0.33 per $1000 par value of outstanding shares and surplus or total assets
- Corporations with less than $1M not taxed
- Based on receivables, inventory, land and fixed assets in MO

MISSOURI
Department of Economic Development

Individual Income Tax

- Sliding percentage scale based on income
- Higher the income, higher the percentage of withholding
- Income of less than $5K = 1.93% of MO Adjusted Gross Income paid in tax
- Income of more than $500K = 5.40% of MO Adjusted Gross Income paid in tax

MISSOURI
Department of Economic Development

Typical Taxes Offset by Incentives

- Individual Income
- Property
- Corporate Income
- Partnership
- S Corporation
- Sales/Use tax

MISSOURI
Department of Economic Development

Typical Types of Tax Offset

- Tax Credit – offsets tax liability prior to payment
- Tax Diversion – collected taxes transferred to a specific fund to pay for specific activities
  - Example: local government diverts sales tax for a specific project
- Tax Abatement – a freezing of current tax amount for a period of years and an exemption of future tax based on increased assessed valuation which is sometimes coupled with a payment in lieu of tax (PILOT)
  - Example: Chapter 353, Chapter 99

MISSOURI
Department of Economic Development

Typical Types of Tax Offset

- Tax Exemption – elimination of the requirement to pay the obligation for specific entities and specific situations
  - Example: manufacturers sales tax exemption
- Tax Deferral – postponing the tax due
- Tax Deduction – allowing a reduction of tax liability

MISSOURI
Department of Economic Development

Sales Tax Exemptions Related to Economic Development SB 30, 2007

- Energy
  - Manufacturers
    - State sales tax
- Personal Property
  - Chapter 100 bonds
    - Subject to DED approval
    - State and local sales tax
  - Manufacturers – already exempt

MISSOURI
Department of Economic Development

The Typical Life of a Tax Credit

- Application is received by agency and tax credits are approved
- Awardee performs eligible activity
- Agency issues to a taxpayer after verification of that activity
- Taxpayer uses credit to offset state tax liability (DOR)
- DED and DOR "talk" through our shared computer system

MISSOURI
Department of Economic Development

Tax Credit Approval Stages – the Language of Tax Credits

- Authorized/Approved:
  - Application is approved.
- Issued:
  - Tax Credit is given to the applicant.
  - Issuance may be immediately or up to 2 years after authorization, depending on the program.
- Redeemed:
  - Credit is applied against state tax liability.
  - May be in same tax year of issuance, or spread out over several years (for carry forward credits).

MISSOURI
Department of Economic Development

The Purpose of Tax Credits

- Incent certain activities
- Write down certain costs
- Make projects financially feasible
- Include the private sector

MISSOURI
Department of Economic Development

The Value of Tax Credits

- Statutes set value (15%, 25%, 50%, etc)
- Statutes set taxes which may be offset
- Statutes set eligibility of taxpayer or non-profit
- Statutes determine "type of credit" (two main types with variances):
  - Contribution credit
  - Investment credit

- If sellable, the market defines the price.
  - Risk
  - Time value of money
  - Time of year

MISSOURI
Department of Economic Development

Contribution Credit

- Typically issued to non-profit for identified project
- Non-profit uses credit to entice donations
- Donors receive credit
- Credits can increase size of donation since donor gains tax advantage
- Credits not typically transferable
- Credits often not redeemed (perfect carrot)

MISSOURI
Department of Economic Development

Contribution Credit

Example:

Project is $1,000,000 senior center.

Project is awarded $250,000 in 50% credits.

Donor offers $100 and gets value of donation in 50% credits or $50

Project can achieve $500,000 with award.

MISSOURI
Department of Economic Development

Investment Credit

- Credits issued to for profit for certain eligible activity
- Credits become equity in deal
- Credits accomplish financial feasibility
- Investment credits are typically transferable and sellable and are often used as collateral with the lenders
- Credits have higher redemption rate

MISSOURI
Department of Economic Development

Investment Credit

Historic property has $1,000,000 renovation.

Historic credits are 25% of eligible costs or $250,000

Owner does not have that amount of tax liability so he/she sells the credits to another taxpayer

$250,000 x market rate .82 cents = $205,000 in cash toward construction costs

New tax credit holder redeems dollar for dollar

MISSOURI
Department of Economic Development

Special Features of Some Tax Credits

- Refundable
  - Credit in excess of tax liability can be refunded to the taxpayer in cash.
- Sellable/Transferable
  - Credit can be sold or given to another taxpayer.
  - Retains its original characteristics (e.g., carry forward, carry back) from year earned regardless of year purchased.

MISSOURI
Department of Economic Development

Special Features on Some Tax Credits

- **Expiring Credits**
  - Credit can only be used for year it was earned.
  - Balance expires.
- **Carry Back**
  - Credit can be applied to up to 3 prior tax years from year earned by amending previous tax returns.
- **Carry Forward**
  - Credit can be applied for a number of years in the future from the year it was earned (typically 5-10 years).

MISSOURI
Department of Economic Development

Selling Credits

- Time of sale – "pre-sold" or after receipt
- Sale price varies due to:
  - Time value
  - Risk of non-performance
  - Limitations on redemption
  - Supply and Demand
- Who buys?
  - Brokers
  - Institutions
  - Wealthy individuals

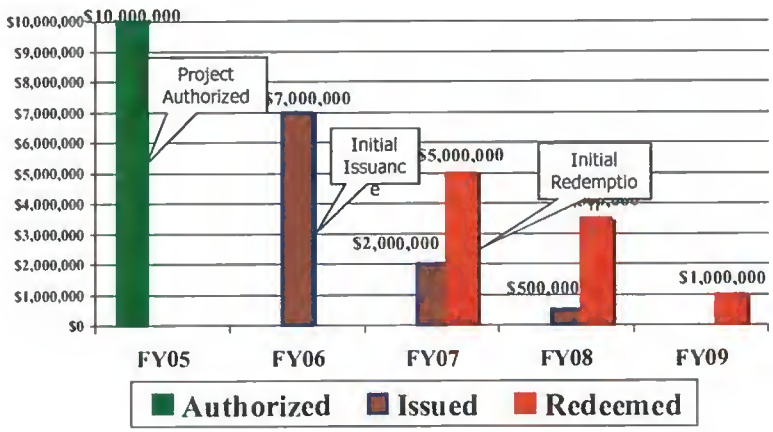
MISSOURI
Department of Economic Development

Caps

- Program Caps
  - Annual Cap
  - Cumulative Cap
  - No Cap
- Project Caps
- Sunsets

MISSOURI
Department of Economic Development

Example – Approval Stage



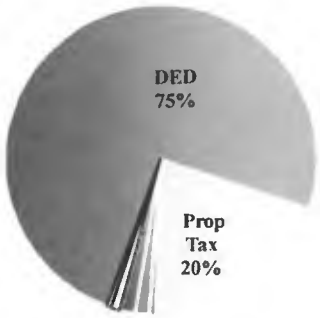
Summary –Tax Credits

- **Tax Credit Programs:**
  - $588 million redeemed credits total (FY-09)
  - DED $439 million redeemed credits (FY-09)
    - 75% of total of all state agencies
  - 64 tax credit programs in all state agencies
  - 37 tax credit programs in DED

MISSOURI
Department of Economic Development

FY09 Actual Tax Credits Redeemed

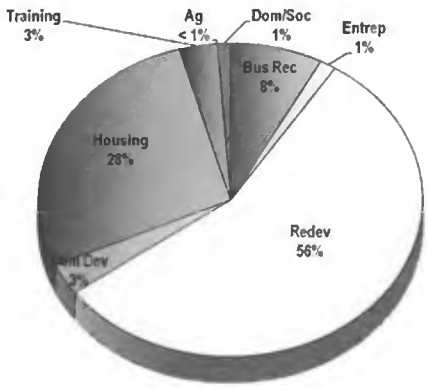
By Type/Agency



• DED	$ 439 mil
• Prop Tax* (senior citizen or disabled)	$ 119 mil
• Insurance	$ 9 mil
• Revenue*	$ 9 mil
• Ag	$ 4 mil
• DNR	$ 5 mil
• Social Services	$ 3 mil
• Pub Safety	$ 0
• Health	> $ 1 mil
• DESE	$ 0
• TOTAL	$588 mil

DED FY-09 Redeemed Credits

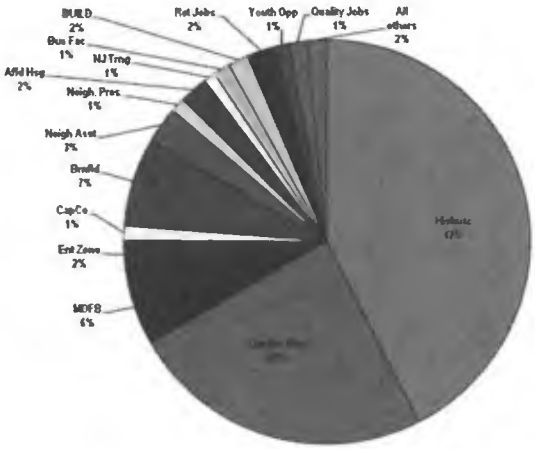
by Category



Agricultural	< $ 1 mil
Bus Recruitment	$ 34 mil
Entrepreneurial	$ 6 mil
Redevelopment	$245 mil
Community Dev	$ 14 mil
Domestic/Social	$ 5 mil
Housing	$ 121 mil
Training	$ 14 mil
TOTAL:	**$439 mil**

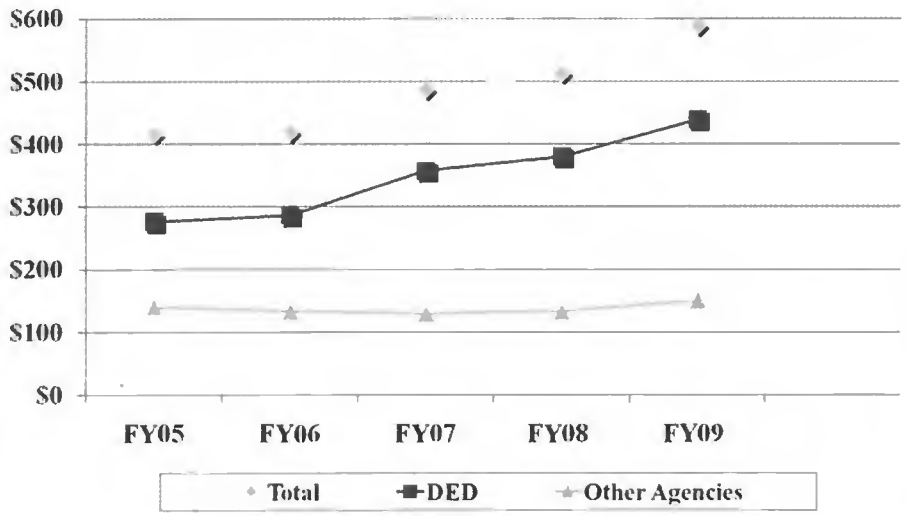
DED Tax Credit Programs

Redeemed Credits – FY09 by Program



Redeemed Tax Credits – All MO Agencies

FY05-FY09



Tax Credits – by State Agencies

Department of Revenue

- Senior Citizens Pharmaceutical (repealed)
- Disabled Access
- Bank Franchise for S-Corp
- Bank Tax Credit
- "Circuit-breaker" (Senior Citizen Property Tax)

Department of Social Services

- Special Needs Adoption
- Maternity Home
- Shared Care

MISSOURI Department of Economic Development

Tax Credits - by State Agencies

- MO Agricultural and Small Business Development Authority:
  - New Generation Cooperative (different than DED's)
  - Agricultural Product Utilization Contribution
- Department of Elementary and Secondary Education:
  - Sponsorship and Mentoring
- Department of Higher Education:
  - Higher Education Scholarship Fund Contribution
  - Advantage Missouri

MISSOURI Department of Economic Development

Tax Credits - by State Agencies (cont.)

- Dept. of Insurance
  - Guaranty
  - Examination Fee
  - Health Insurance Pool
- Department of Natural Resources:
  - Charcoal Producer Pollution Control
  - Wood Energy
- Department of Public Safety:
  - Shelter for Victims of Domestic Violence

MISSOURI Department of Economic Development

DED Tax Credits

DED Entrepreneurial Programs

- Certified Capital Comp. Credits (expired)
- Capital Tax Credits (expired)
- Seed Capital Tax Credits (expired)
- New Ent. Creation Credits (expired)

MISSOURI Department of Economic Development

DED Tax Credits

DED Custom and Small Business Development Programs

- Rebuilding Com. Tax Credit
- Business Incubator Credit
- Wine/Grape Grower Credit
- Film Production Tax Credit
- Charcoal Producer Credit
- Mutual Fund Apportionment

MISSOURI
Department of Economic Development

DED Tax Credits

DED Business Development Programs

- Missouri Quality Jobs
- BUILD Bonds/Tax Credits (DED/MDFB)
- Development Tax Credit
- Enhanced Enterprise Zone Credits
- Business Facility
- Enterprise Zone (old program phasing out)

MISSOURI
Department of Economic Development

DED Tax Credits

Training Programs

- Community Colleges New Jobs Training
- Job Retention Training

MISSOURI
Department of Economic Development

DED Tax Credits

DED Affordable Housing Programs

- Affordable Housing Credit (MHDC)
- Low-Income Housing Credit (MHDC)
- Neighborhood Preservation Tax Credit

MISSOURI
Department of Economic Development

DED Tax Credits

DED Public Purpose Infrastructure Programs

- MDFB Contribution Tax Credits
- MDFB Bond Guarantee Tax Credits

MISSOURI
Department of Economic Development

DED Tax Credits

DED Community Development Programs

- Neighborhood Assistance Program Tax Credit
- Youth Opportunities Program Credit
- Family Development Account Credit
- Dry Fire Hydrant

MISSOURI
Department of Economic Development

DED Tax Credits

DED Redevelopment Programs

- Brownfield Remediation Tax Credits
- Brownfield Jobs/Investment Tax Credits
- Brownfield Demolition Tax Credits
- Historic Preservation Tax Credits
- Land Assemblage Tax Credits
- New Markets Tax Credits

MISSOURI
Department of Economic Development

Thanks!

MISSOURI
Department of Economic Development

Section III

•Tax Credit Graphs

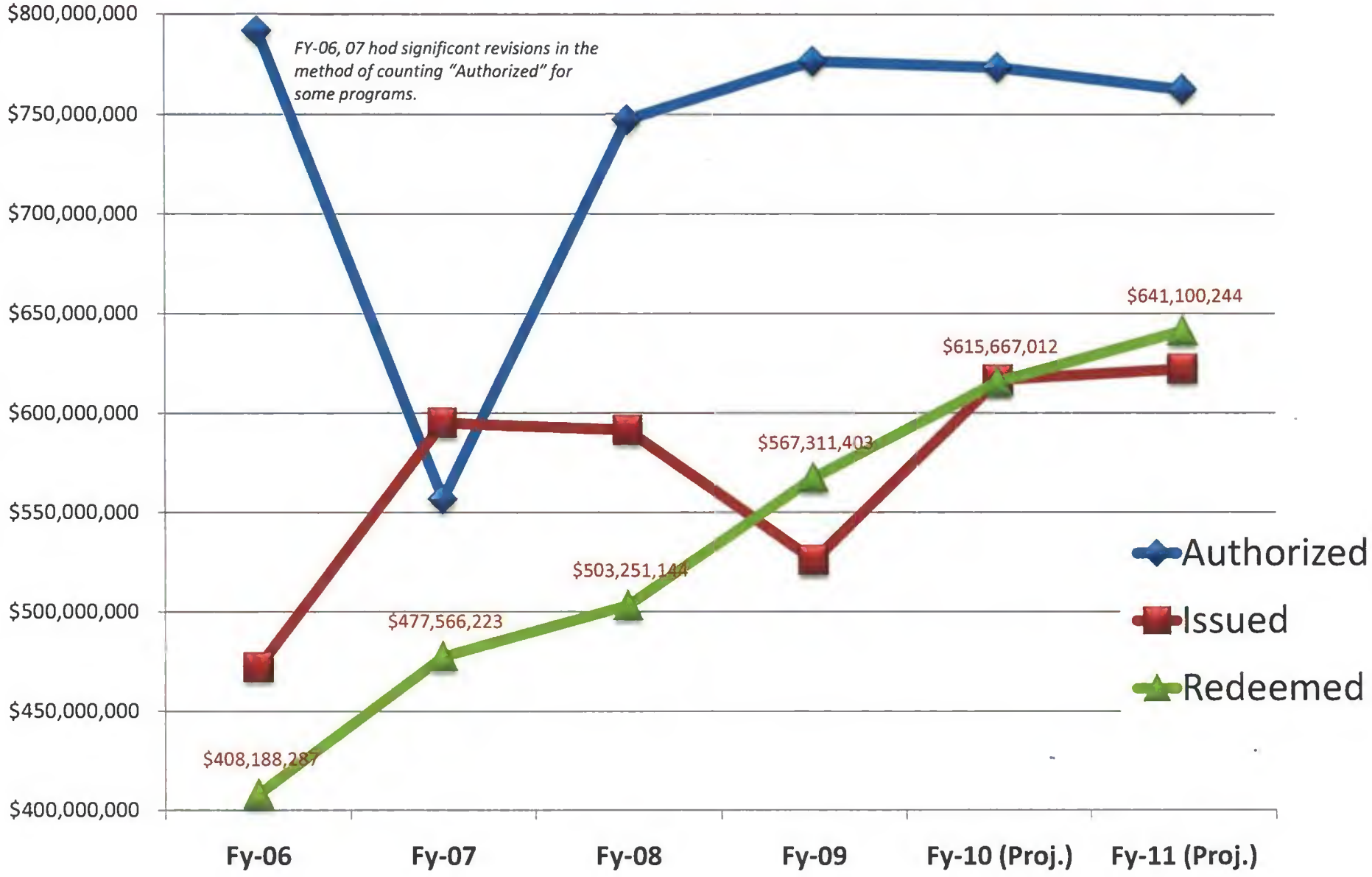
Graphs showing the authorized, issued and redeemed tax credits from FY 2006-2011, and FY 2009 general revenue expenditures over $100,000,000.

State Tax Credits, Fy-06 to FY-11

***Includes* Sr. Citizen Property Tax and Homestead**

Fy-11 Projections assume NO changes

Does not include New/Retained Jobs Training since they are not a tax credit.

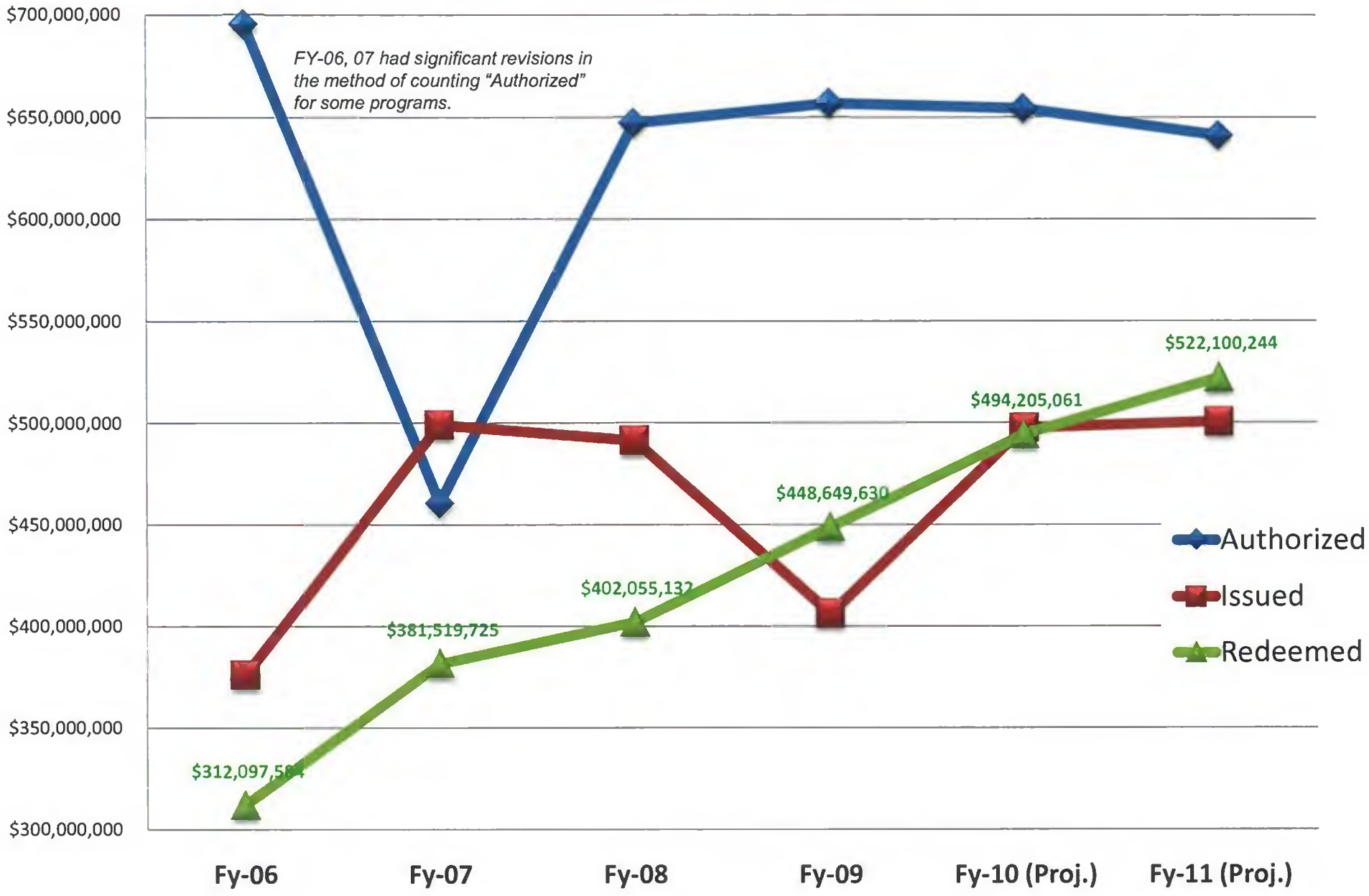


State Tax Credits, Fy-06 to FY-11

***Excludes* Sr. Citizen Property Tax and Homestead**

Fy-11 Projections assume NO changes

Does not include New/Retained Jobs Training since they are not a tax credit.



FY 2009 GR Expenditures over $100,000,000

	GR Expenditure	Amount
1	Education Foundation Formula	$2,606,776,481
2	University of Missouri	$414,606,569
3	Managed Care	$243,623,969
4	State Employee Healthcare	$235,279,555
5	Medicare Part D	$175,000,000
6	State Employee Retirement	$173,004,456
7	MO HealthNet Services	$169,168,874
8	Nursing Facilities	$163,427,935
9	DHSS Services	$159,590,239
10	Mental Health	$152,911,330
11	MO HealthNet Drug Prescription Funding	$150,526,710
12	Community Colleges	$135,884,434

Section IV

Department of Economic Development

- Affordable Housing
- Brownfield Redevelopment
- BUILD (Business Use Incentives for Large Scale Development)
- Business Facility
- Community College New Jobs Training / Job Retention Programs
- Development
- Dry Fire Hydrant
- Enhanced Enterprise Zone
- Enterprise Zone (being phased out)
- Family Development Account
- Film Production
- Historic Preservation
- Incubator
- Land Assemblage
- Low Income Housing MDFB Bond Guarantee
- MDFB Infrastructure Development
- Neighborhood Assistance
- Neighborhood Preservation Act
- Ne Markets (being phased out)
- Quality Jobs
- Rebuilding Communities
- Wine & Grape Production
- Youth Opportunities

DED Economic Impact Analysis Overview

Topics

REMI Missouri Economic Regional Model
Economic Impact Example

REMI Missouri Economic Model

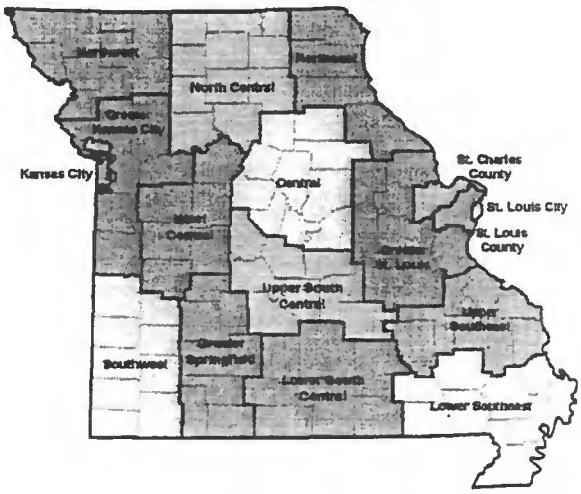
The REMI Missouri Regional Economic Model is used by the Missouri Department of Economic Development (DED) to forecast economic and policy impacts statewide and across 17 economic regions. DED uses the REMI model to assess the economic and fiscal impacts of new firms, layoffs, industrial restructuring, and tax credits.

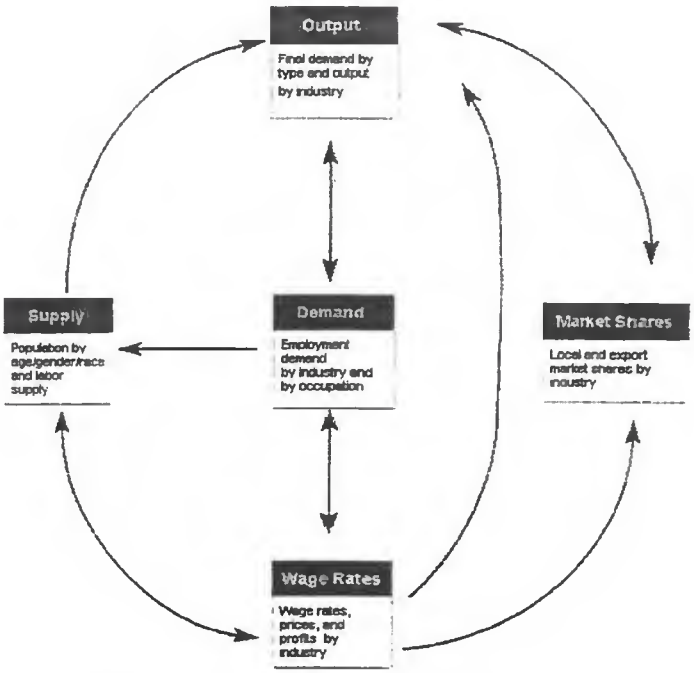
REMI Features:

- It is calibrated to regional conditions using a relatively large amount of area data, which improves performance, especially under conditions of structural economic change.
- It combines several analytical models (including input-output, general equilibrium, economic geography and econometric models), allowing it to take advantage of each specific method's strengths and compensate for its weaknesses.
- It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
- It accounts for changes in prices, wage rates, migration patterns, labor participation, etc. that are generated from supply and demand movements.
- It is used by a large number of researchers under diverse conditions and has proven to perform acceptably.

The REMI Missouri Economic Model is utilized to forecast economic impacts at the regional and state level. REMI includes a model that has been built for Missouri's 17 economic regions, which are based on commuting and trade flows between counties. The model-building system uses hundreds of programs developed over the last two decades to build customized models for each area using data from the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Department of Energy, the Census Bureau and other public sources. The model is based on past and current research and development, which is subject to peer review and published in academic journals. REMI is currently used by hundreds of governmental agencies, universities, and others. Articles about the model equations and research findings have been published in professional journals such as the *American Economic Review*, *The Review of Economic Statistics*, *the Journal of Regional Science*, and the *International Regional Science Review*.

17 Region REMI Model

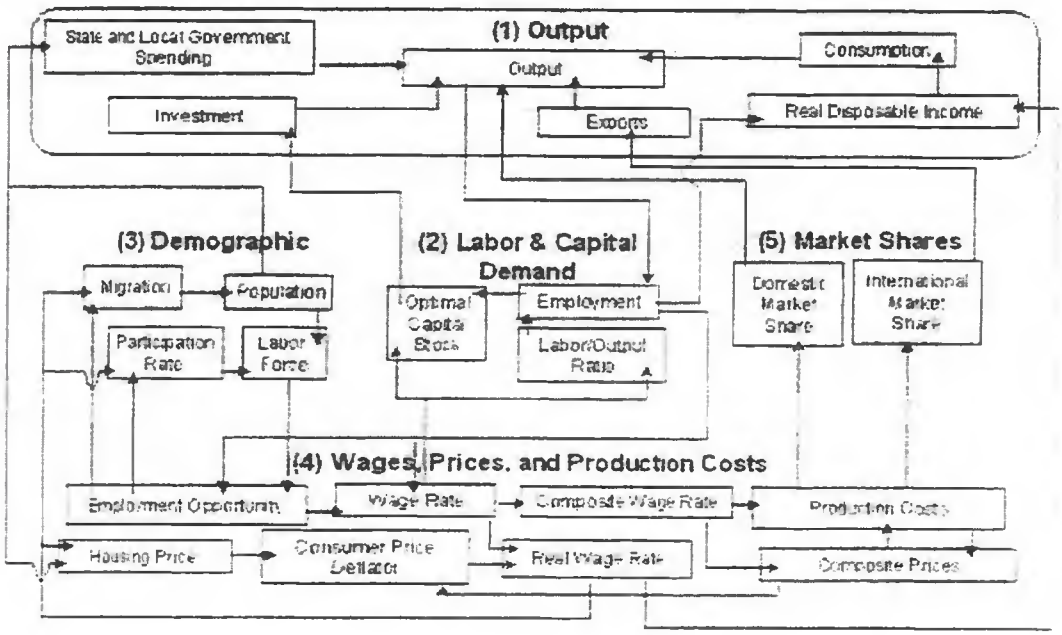




Although the model contains a large number of equations, the five block illustrations on this page describe the underlying structure of the REMI model. Each block contains several components that are shown in rectangular boxes. The lines and arrows represent the interaction of key components both within and between blocks. Most interactions flow both ways indicating a highly simultaneous structure. The *Output Block* linkages form the core of the model. An input-output structure represents the inter-industry and final demand linkages by industry. The interaction between the *Output Block* and the rest of the model is extensive.

Predicted outputs from the Output Block drive labor demand in the *Demand Block.* Labor demand interacts with labor supply in the *Supply Block* to determine wages in the *Wage Rates Block.*

Combined with other factor costs, wages determine relative production costs and relative profitability in the *Wage Rates Block* affecting the market shares and exports in the *Market Shares Block.* Market shares determine the amount of demand supplied locally, which feeds into the *Output Block* and again runs through the above process. Concurrently, the *Supply Block* determines population changes based on employment opportunity, which feeds back into output, wages and government spending.



Economic Impact Example

The following economic impact example is used to illustrate how analysis is conducted and what the results mean.

Scenario: A new manufacturing company locates in Missouri. The firm builds the plant in 2009 and starts operations in 2010. The plant will employ 100 full-time workers.

YEAR ONE: INVESTMENT ACTIVITY ONLY

- The firm will invest $10 million to build the plant in 2009.
- The state offers $1 million in tax credits.
- The firm redeems $500,000 of the tax credits in 2009 and the remainder in 2010.

ANNUAL ECONOMIC IMPACTS	1-YEAR
Employment	118
Population	12
Wage and Salary Income	$3,906,250
Total Personal Income	$4,287,720
Value-Added/Gross State Product	$6,598,948
Total Economic Output	$11,565,896

Initial capital investment spending creates 118 new jobs in 2009, mostly in construction. Some workers migrate into Missouri which increases the population.

Construction, utilities, professional/tech. services, and other direct investments spur additional economic activity in business sectors that supply inputs. Jobs that result from these direct and indirect activities create further spending in such sectors as retail and food services.

These effects multiply throughout the economy. As each round of spending occurs, a portion of money is spent on imports which leaks income out of the state and eventually halts the impact.

ANNUAL FISCAL IMPACTS	1-YEAR
General Revenues	$220,963
General Expenditures	$42,952

General revenue, primarily individual income taxes followed by sales and corporate income tax, is increased by the investment impact.

General expenditures, typically a negative impact to state government, is positive in year one because reduced payouts from social services offset smaller spending increases in education, public safety, and administration.

Note: MERIC adjust over two dozen fiscal categories in REMI yearly to reflect Missouri OA budget figures.

CUMULATIVE BENEFIT-COST	1-YEAR
Cumulative General Revenues	$263,914
General Revenue Benefit Ratio	**0.53**
Cumulative Total Personal Income	$4,287,720
Personal Income Benefit Ratio	**8.58**
Cumulative Gross State Product	$6,598,948
Gross State Product Benefit Ratio	**13.20**
Cumulative Output	$11,565,896
Output Benefit Ratio	**23.13**
Cumulative State incentives (Cost Factor)	**$500,000**

Understanding the Benefit Ratio

Benefit / Cost	=	GR / Incentive	Personal Income / Incentive	GSP / Incentive
Benefit / Cost	=	$264K / $500K	$4.29M / $500K	$6.60M / $500K
Benefit Ratio	=	0.53	8.58	13.20

ADD YEARS TWO AND THREE: FIRM EMPLOYS 100 WORKERS

- The firm will employ 100 full-time workers starting in 2010. The 100 direct manufacturing jobs create an additional 133 indirect jobs in year two (total of 233) due to the purchase of inputs and spending by new workers.
- The firm redeems remaining $500,000 ($485,371 in current dollars) of tax credits in 2010. Future dollar values are discounted to present value for benefit/cost comparisons.

YEAR ONE – INVESTMENT → INVESTMENT ENDS | YEAR TWO ONWARD – FIRM EMPLOYS 100 WORKERS →

ANNUAL ECONOMIC IMPACTS	1-YEAR	2-YEARS	3-YEARS
Employment	118	233	236
Population	12	34	53
Wage and Salary Income	$3,906,250	$9,553,957	$10,045,022
Total Personal Income	$4,287,720	$9,805,766	$10,462,365
Value-Added/Gross State Product	$6,598,948	$24,213,879	$25,650,746
Total Economic Output	$11,565,896	$50,982,189	$53,465,663

ANNUAL FISCAL IMPACTS	1-YEAR	2-YEARS	3-YEARS
General Revenues	$220,963	$681,748	$706,234
General Expenditures	$42,952	$64,754	$25,082

CUMULATIVE BENEFIT-COST	1-YEAR	2-YEARS	3-YEARS
Cumulative General Revenues	$263,914	$1,010,416	$1,741,732
General Revenue Benefit Ratio	**0.53**	**1.03**	**1.77**
Cumulative Total Personal Income	$4,287,720	$14,093,486	$24,555,851
Personal Income Benefit Ratio	**8.58**	**14.30**	**24.92**
Cumulative Gross State Product	$6,598,948	$30,812,826	$56,463,572
Gross State Product Benefit Ratio	**13.20**	**31.27**	**57.30**
Cumulative Output	$11,565,896	$62,548,085	$116,013,748
Output Benefit Ratio	**23.13**	**63.48**	**117.74**
Cumulative State Incentives (Cost Factor)	**$500,000**	**$985,371**	**$985,371**

$500K + $485K

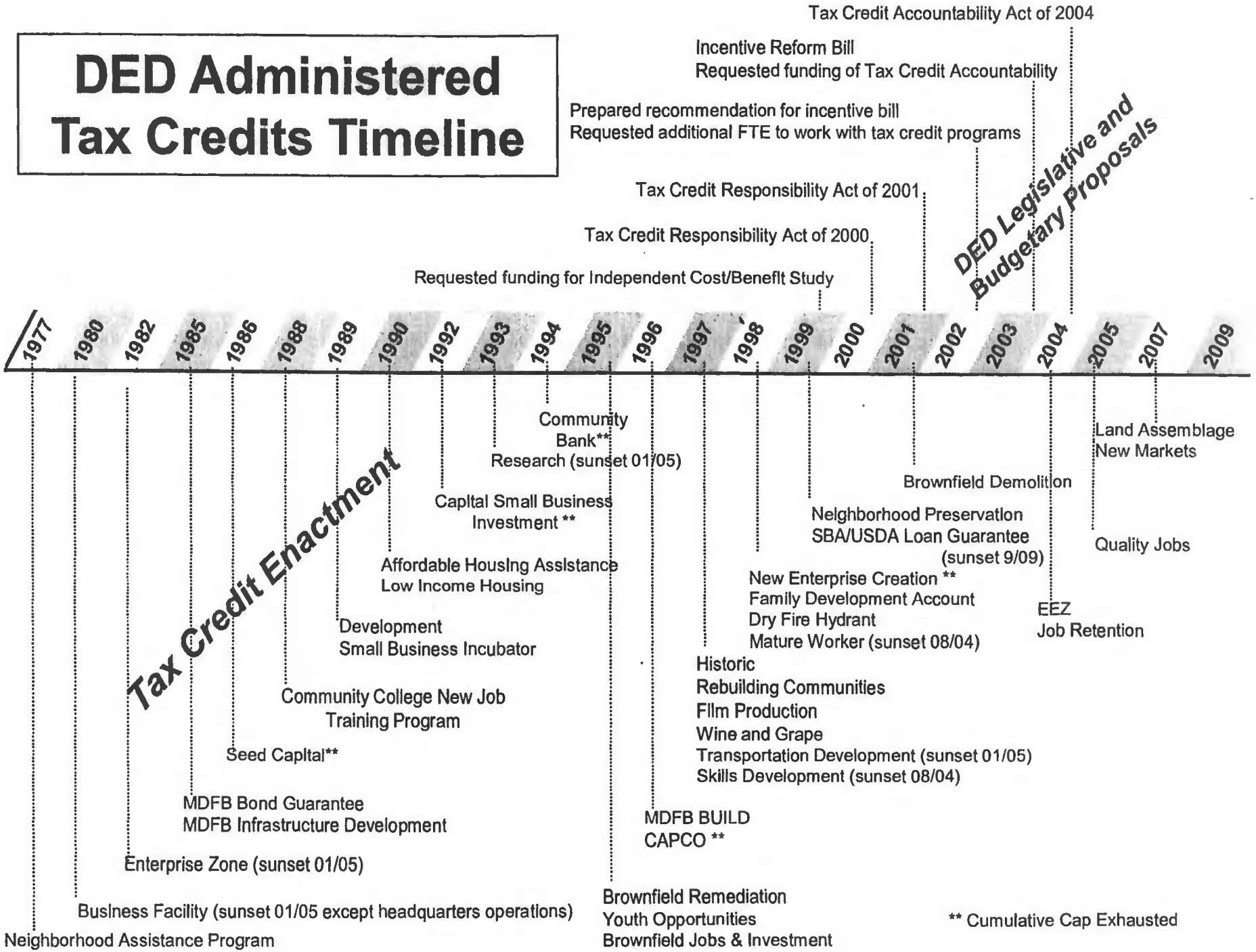
Benefit Ratio over Time

Beneficial impacts, such as net new General Revenue and Personal Income, are summed up along with the cumulative cost of incentives to develop the Benefit Ratio. All values are discounted to current dollar figures.

Cumulative Benefit Ratio in YEAR THREE

Benefit / Cost	=	GR / Incentive	Personal Income / Incentive	GSP / Incentive
Benefit / Cost	=	$1.74M / $985K	$24.55M / $985K	$56.46M / $985K
Benefit Ratio	=	1.77	24.9	57.3

DED Administered Tax Credits Timeline



AFFORDABLE HOUSING ASSISTANCE PROGRAM

MISSOURI HOUSING DEVELOPMENT COMMISSION

PURPOSE

An incentive for businesses and individuals to make donations to non-profit organizations that assist in the production of affordable rental housing or homeownership for low-income families in Missouri.

AUTHORIZATION

Sections 32.105 to 32.125, RSMo

HOW THE PROGRAM WORKS

To receive a tax credit a business firm or eligible individual must donate cash, professional services, real or personal property to a non-profit housing organization to assist with the acquisition, rehabilitation and/or new construction of affordable housing. There is also a set-aside for donations that assist non-profit housing organizations with their basic operating expenses. The amount of tax credit allocated is equal to 55% of the value of the contribution.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Non-profit housing organizations are eligible to apply for tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax
- ✓ Ch. 147-Corporation Franchise Tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institutions Tax
- ✓ Ch. 153-Express Company Tax

This credit's special attributes:

- ✓ Carryforward 10 years
- ✓ Sellable or transferable

APPLICATION PROCEDURE

Refer to the MHDC website for application deadlines and forms.

SPECIAL PROGRAM REQUIREMENTS

Proposals must:

- ✓ Meet a demonstrated housing need;
- ✓ Provide affordable housing for low-income families by restricting rents and purchase prices;
- ✓ Target housing for persons below 50% of area median income or provide market rate housing in "rebuilding communities" as defined by state statute;
- ✓ Provide assistance for the administrative costs of a non-profit housing organization.

Approved proposals for rental or for-sale housing must follow income and rent/resale restrictions for a period of ten years.

CONTACT

Missouri Housing Development Commission
3435 Broadway
Kansas City, MO 64111-2403
Phone: 816-759-6824 Fax: 816-759-6828
E-mail: kwatts@mhdc.com

ADDITIONAL RESOURCES

Go to the MHDC home page at www.mhdc.com and choose the Rental Production link to obtain guidelines and forms for the Affordable Housing Assistance Tax Credit Program as well as information regarding other MHDC housing programs.

MISSOURI HOUSING
DEVELOPMENT COMMISSION

12/09

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program	**Department:** Missouri Housing Development Commission	**Date:** October 2009
Program Category: Housing		
Statutory Authority: Sections 32.105 - 32.125, RSMo	**Applicable Taxes:** Income Tax; Bank Tax; Financial Institutions Tax; Corporate Franchise Tax; Tax on Gross Receipts of Express Companies; Insurance Premium Tax	

Program Description and Eligibility Requirements:

The Affordable Housing Assistance Tax Credit Program (AHAP) is an incentive for businesses and qualified individuals in Missouri to participate in the production of affordable housing for low-income families. The credit can be used by a business firm or qualified individual as a reduction in their state tax obligation. To receive the AHAP credit, a business firm or qualified individual must donate cash, professional services or real or personal property to a non-profit housing organization to assist with the acquisition, rehabilitation and/or new construction of a specific affordable housing development. There is also a set-aside of AHAP credit for the basic operating expenses of non-profit organizations whose primary purpose is to provide affordable housing for low-income families.

Explanation of How Award is Computed: Entitlement _____ Discretionary X

The amount of Affordable Housing Assistance Program Tax Credit allocated is equal to 55% of the amount of the contribution. Non-profit organizations make application to the Missouri Housing Development Commission (MHDC) for a reservation of AHAP credit. The non-profit organization then solicits contributions from businesses or qualified individuals to assist in the production of a specific affordable housing development. After MHDC receives the necessary documentation of a qualified contribution to the non-profit organization that meets all of the criteria set out in the statute and program regulations, a tax credit is granted to the donor in the amount of 55% of the value of the contribution. Applications for production credits are accepted continuously, and applications for the operating credit set-aside are accepted twice a year.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $11,000,000 None _____

Explanation of cap:
The cap on the Affordable Housing Assistance Program is set by statute at $11 million annually of which no more than $1 million may be used for operating credits. Once MHDC has made reservations totaling $11 million in AHAP credit in a fiscal year, the application cycle is closed.

Explanation of Expiration of Authority: N/A

Specific Provisions: (if applicable)
Carry forward 10 years Carry Back 0 years Refundable No Sellable/Assignable Yes Additional Federal Deductions Available Yes

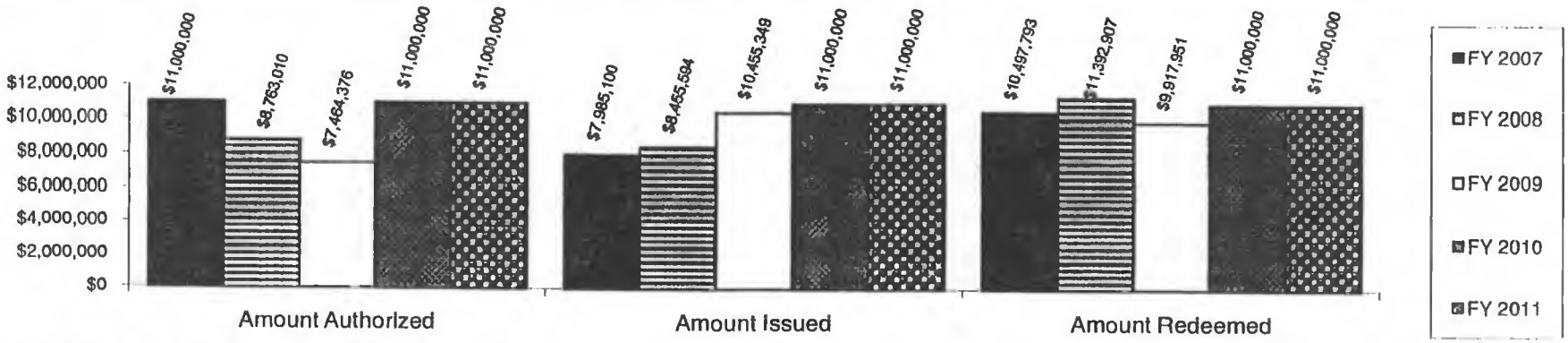
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	269	306	311	225	225
Projects (#)	59	47	64	50	50
Amount Authorized	$11,000,000	$8,763,010	$7,464,376	$11,000,000	$11,000,000
Amount Issued	$7,985,100	$8,455,594	$10,455,349	$11,000,000	$11,000,000
Amount Redeemed	$10,497,793	$11,392,907	$9,917,951	$11,000,000	$11,000,000
EST. Amount Outstanding	N/A	N/A	$19,326,449	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program	Department: Missouri Housing Development Commission	Date: October 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (12 years)
BENEFITS		
Direct Fiscal Benefits	$970,966	$1,740,461
Indirect Fiscal Benefits	$400,556	$717,999
Total	$1,371,522	$2,458,460
COSTS		
Direct Fiscal Costs	$746,438	$7,037,047
Indirect Fiscal Costs	$0	$0
Total	$746,438	$7,037,047
BENEFIT: COST	**1.84**	**0.35**

Derivation of Benefits:

Investment: (a) $129,360,308 in Construction and Development Demand between 2009-2010; (b) $1,000,000 towards the operations of qualifying non-profit organizations.
Employment: (a) n/a.
Incentives/Credits: (a) $7,464,376 in Authorized AHAP Credits in FY 2009, redeemed between 2009-2019.
The multi-year fiscal Benefit-Cost Ratio is 0.07 when other program incentives are included. Impacts occur in the Statewide Region. Assumptions provided by MHDC. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits: The Affordable Housing Assistance Program (AHAP) increases the availability of rental housing and for sale housing that is affordable to low-income families. Other benefits include the removal of blight in communities and increased local tax revenues such as property taxes. The AHAP credit also increases the capacity of non-profit housing organizations to build or renovate affordable housing for low-income families. The AHAP credit increases the amount of disposable income for low-income families by providing housing that is affordable to them. This improves the overall quality of their lives by providing additional income for other basic necessities such as food, clothing, healthcare and education. Lastly, the operating AHAP credit helps organizations attract donations to support operating funds, without which the agencies would not be able to administer their affordable housing programs.

In FY-2009, every dollar of authorized program tax credit returns:
$37.58 in new personal income totaling $28.05 million
$54.41 in new value-added/GSP totaling $40.62 million
$95.74 in new economic output totaling $71.47 million

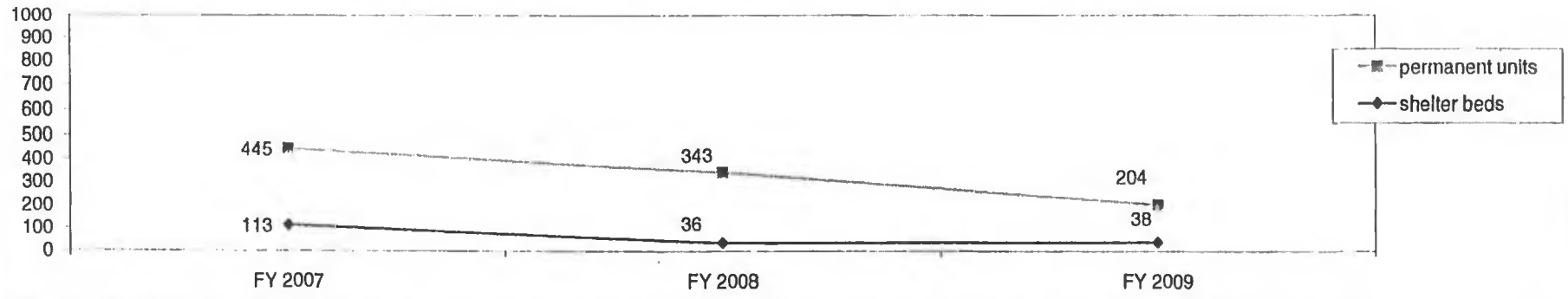
Over 12 years, every dollar of authorized program tax credits returns:
$8.10 in new personal income totaling $57.02 million
$11.38 in new value-added/GSP totaling $80.12 million
$19.93 in new economic output totaling $140.22 million

TAX CREDIT ANALYSIS

Program Name: Affordable Housing Assistance Tax Credit Program	Department: Missouri Housing Development Commission	Date: October 2009

PERFORMANCE MEASURE(S)

Number of Units by Housing Type



Comments on Performance Measure: The number of housing units produced is based on what is reported to MHDC by the non-profit sponsor of the development.

BROWNFIELD REDEVELOPMENT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides financial incentives for the redevelopment of commercial/industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years.

AUTHORIZATION

Sections 447.700 to 447.718, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any Missouri taxpayer is eligible to participate in the program.

ELIGIBILITY CRITERIA

- The applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project.
- If the property is not owned by a public entity, the city or county must endorse the project.
- The project must be accepted into the "Voluntary Cleanup Program" of the Missouri Department of Natural Resources (DNR).
- The project must be projected by the Missouri Department of Economic Development (DED) to result in the creation of at least ten new jobs or the retention of 25 jobs by a private commercial operation.

PROGRAM BENEFITS/ELIGIBLE USES

The program authorizes several types of financial assistance for eligible projects:

- **Remediation Tax Credits**

  DED may issue tax credits for up to 100% of the cost of remediating the project property. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR.

- **Demolition Tax Credits**

  DED may issue tax credits for up to 100% of the cost of non-remediation demolition costs. The demolition must be part of a city (or county) and state approved redevelopment plan.

- **Jobs and Investment Tax Benefits**

  Businesses locating at the project site that create new jobs to the state may receive (for up to ten years) tax credits in the amount of $500 to $1,300 per year for each new job created; 2% of new capital investment per year; and a 50% income exemption. To be eligible to receive these benefits, the city or county must provide at least 50% real property tax abatement for ten to 25 years.

The tax credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

The remediation tax credit's special attributes:

- Carry forward 20 years
- Sellable or transferable

The demolition tax credit's special attributes:

- Carry forward 20 years
- Sellable or transferrable

The jobs and investment tax credit has no special attributes. It must be applied to tax liability for the year it was earned.

FUNDING LIMITS

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED.

The amount of remediation and demolition tax credits

Revised August 2009

TAX CREDIT ANALYSIS

Program Name: Brownfield Remediation	**Department:** Economic Development	**Date:** October, 2009
Program Category: Redevelopment	**Type:** Tax Credit_X_ Other (specify)____	
Statutory Authority: 447.700 - 447.718, RSMo	**Applicable Taxes:** Income tax; Corporate Franchise tax; bank tax; insurance premium tax; other financial institutions tax	

Program Description and Eligibility Requirements:

Provide an incentive to businesses/developers to redevelop property contaminated with hazardous wastes. Requirements are property abandoned or underutilized for at least three years. Real or supected environmental contamination and must enter DNR's Voluntary Cleanup Program. Project must create 10 new jobs or retain 25 jobs.

Explanation of How Award Is Computed: Entitlement _____ Discretionary _X_

Tax credit of up to 100% of eligible remediation costs. The program requires the project to enroll in DNR's Voluntary Cleanup Program. 75% upon payment of remediation costs; 25% upon issuance of DNR "clean letter". Must be the least amount necessary to cause the project to occur. Total benefits of project capped by state economic benefit of project.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _X_

Explanation of cap:

Explanation of Expiration of Authority:

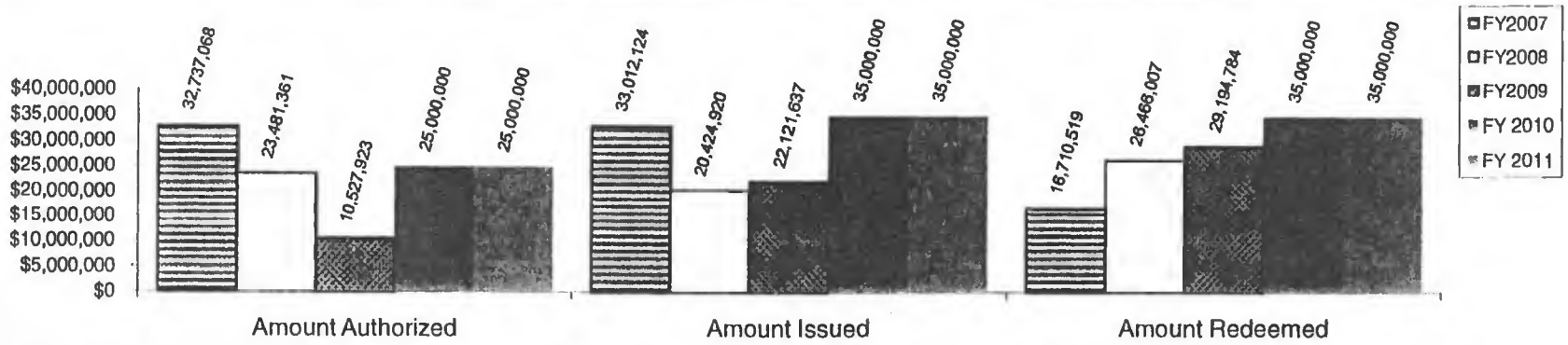
Specific Provisions: (If applicable)

Carry forward _20_ years Carry Back _____ years Refundable _____ Sellable/Assignable _X_ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 10 (current year)	FY 2011 (budget year)
Certificates Issued (#)	57	77	75	75	75
Projects (#)	26	17	25	25	25
Amount Authorized	$32,737,068	$23,481,361	$10,527,923	$25,000,000	$25,000,000
Amount Issued	$33,012,124	$20,424,920	$22,121,637	$35,000,000	$35,000,000
Amount Redeemed	$16,710,519	$26,466,007	$29,194,784	$35,000,000	$35,000,000
EST. Amount Outstanding	N/A	N/A	$17,000,000	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Brownfield Remediation | **Department:** Economic Development | **Date:** October, 2009

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period 15 Years
BENEFITS		
Direct Fiscal Benefits	$472,812	$13,028,795
Indirect Fiscal Benefits	$603,289	$16,624,199
Total	$1,076,101	$29,652,994
COSTS		
Direct Fiscal Costs	$7,895,942	$10,455,327
Indirect Fiscal Costs	$0	$0
Total	$7,895,942	$10,455,327
BENEFIT: COST	**0.14**	**2.84**

Derivation of Benefits:

Investment: (a) $63,904,262 in Residential Investment Spending between 2009-2010; (b) $88,698,619 in Non-Residential Investment Spending between 2009-2010; (c) $11,386,000 in Durable Equipment Spending between 2009-2010.

Employment: (a) 1,172 jobs (679 displaced) in specified industries between 2011-2023.

Other Assumptions: n/a.

Incentives/Credits: $10,527,923 in Authorized Brownfield Remediation Credits; Estimated Redemption Rate of 75% in Year 1, 25% in Year 2.

Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

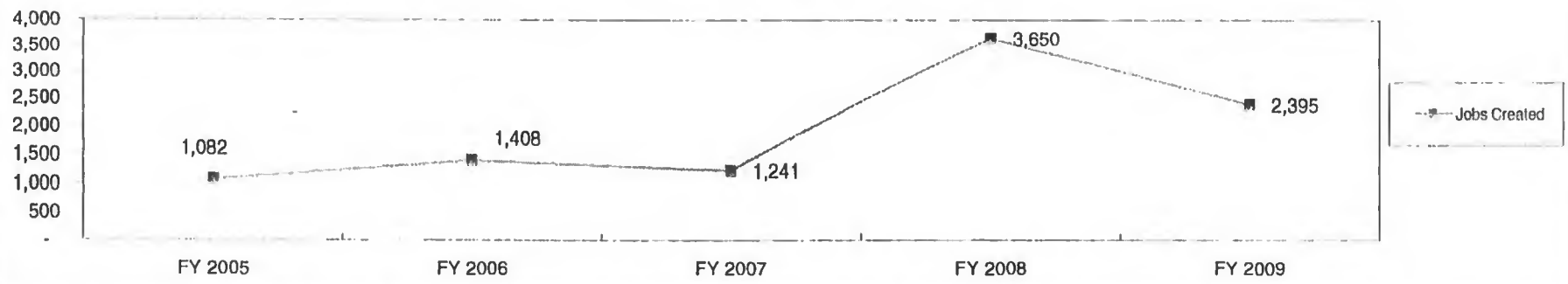
The multi-year fiscal Benefit-Cost Ratio is 1.92 when other program incentives are included.

Other Benefits:

In FY 2009, every dollar of authorized program tax credits returns
$2.75 in new personal income totaling $21.70 million
$4.25 in new value-added/GSP totaling $33.53 million
$7.37 in new economic output totaling $58.18 million

Over 15 years, every dollar of authorized program tax credits returns
$85.08 in new personal income totaling $889.49 million
$132.57 in new value-added/GSP totaling $1,386.02 million
$193.12 in new economic output totaling $2,019.16 million

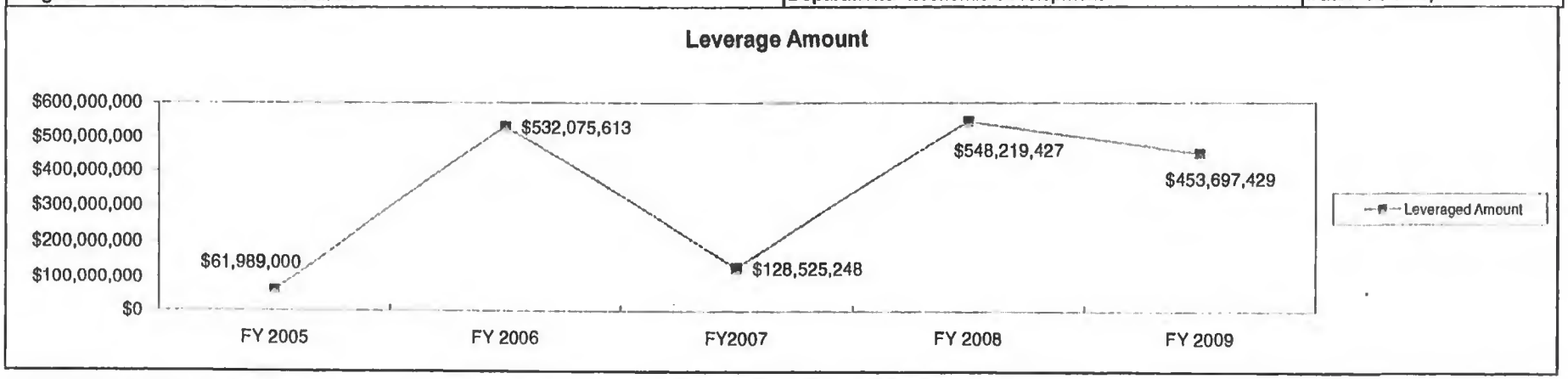
PERFORMANCE MEASURE(S)



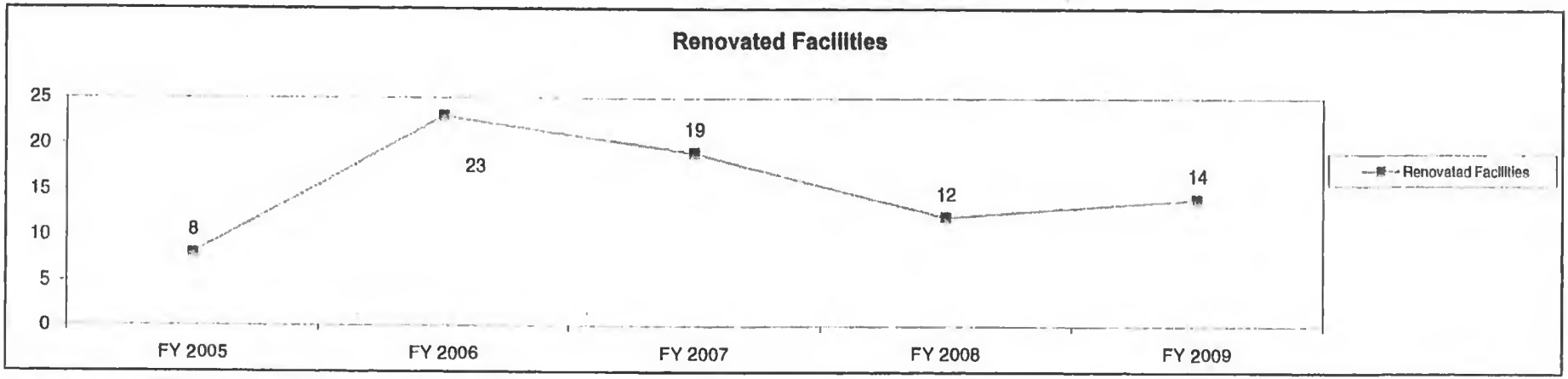
Comments on Performance Measure:

TAX CREDIT ANALYSIS

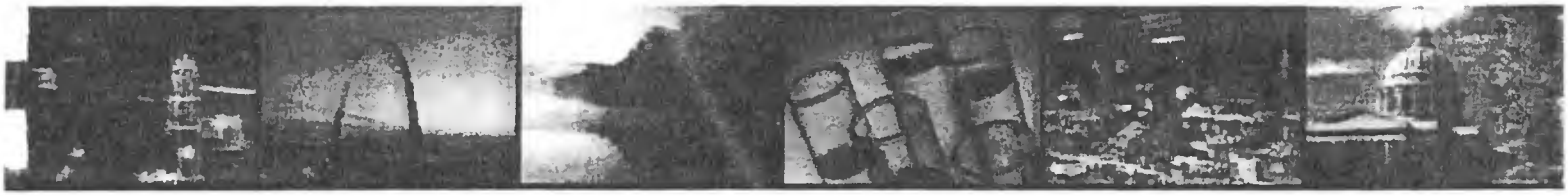
Program Name: Brownfield Remediation	Department: Economic Development	Date: October, 2009



Comments on Performance Measure:



Comments on Performance Measure:



BUILD PROGRAM

BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides a financial incentive for the location or expansion of large business projects. The incentives are designed to reduce necessary infrastructure and equipment expenses if a project can demonstrate a need for funding.

AUTHORIZATION

Sections 100.700 to 100.850, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce, which will invest a minimum of $15 million in capital improvements for a project and create at least 100 new jobs within three years.
- Office projects (regional, national or international headquarters, telecommunications operations, computer operations, insurance companies or credit card billing and processing centers) are also eligible if the capital improvements exceed $10 million and at least 500 new jobs are created within three years (200 jobs if in a "distressed community" - §135.530, RSMo).
- Ineligible: Retail, health or professional services, intra-state relocations or replacement facilities.

PROGRAM BENEFITS/ELIGIBLE USES

The bonds may be used to finance public or private infrastructure to support the project, or the new capital improvements of the business at the project location. Bond proceeds may not be used for working capital, inventory or other operating costs of the business or another entity.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Bank Tax, Insurance Premium Tax, Other Financial Institution Tax

This credit's special attributes:

- Refundable

FUNDING LIMITS

The amount of bonds to be issued will be determined by the Missouri Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), based on the need for funding to initiate the project, and limited to the state's economic benefit. The minimum bond issue is $500,000.

APPLICATION/APPROVAL PROCEDURE

The business must submit an application to DED and MDFB for review. Applications are due 15 business days prior to the first Monday of the month. DED and MDFB will review on a case-by-case basis.

REPORTING REQUIREMENTS

The business must report to MDFB the number of new jobs; the total amount of salaries and wages paid to eligible employees and investment in capital improvements, semi-annually during the initial 3-year build out phase and annually for the term of the credits.

SPECIAL PROGRAM REQUIREMENTS

The following conditions must be met for a project to be approved.

- **Sale of Bonds:** Unless otherwise approved by the Board, the Applicant will be required to purchase the Bonds.
- **Cooperative Effort:** The political subdivisions benefiting from the project or other local entities must commit significant local incentives relative to their economic benefit compared to the state. Such incentives may include tax abatement, discounted utility fees or others, to the extent allowed by law.

"But For" Test: The company may not start the project prior to MDFB approval of the application. This would include any public announcement, construction or receipt of new machinery or equipment at the project site related to the new project. DED and the MDFB must determine that the program is a material factor in the company's decision to initiate the project, and this is certified by the business.

Revised June 2009

- **Positive State Economic Impact:** The amount of new direct and indirect state taxes over an 8- to 15-year period, as calculated by DED, must exceed the total amount of incentives provided by the state.
- **Requirements:** New full-time (35+ hours per week) jobs in a new or expanding business (not including identical jobs filled by recalled workers, replacement jobs or jobs which previously existed in the business) are considered to be "new jobs". The business or a related taxpayer cannot have employed them during the preceding twelve months. The wages for such employees must be above the average wage for the area.
- **"Clawbacks":** In the event the business does not fulfill the commitments made regarding the number of new jobs or capital investment, the tax credits will be reduced proportionately. In the event the business relocates or reduces the operation below the minimum standards for new jobs or capital investment prior to the term of the bonds, the tax credits received prior to that time must be repaid in full.
- **Bond Purchase:** Since the MDFB cannot guarantee the bonds, the business will likely have to purchase the Bonds.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

Missouri Development Finance Board

Governor Office Building
200 Madison Street • Suite 1000 • P.O. Box 567
Jefferson City • MO • 65102
Finance Officer
Phone: 573-522-4527 • Fax: 573-526-4418

E-mail: mdfb@ded.mo.gov • Web: www.mdfb.org

MDFB
Missouri Development Finance Board

TAX CREDIT ANALYSIS

Program Name: Business Use Incentives for Large-scale Development (BUILD)	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type:** Tax Credit X Other (specify)____	
Statutory Authority: 100.700 - 100.850, RSMo	**Applicable Taxes:** Income Tax; Bank Tax; Insurance Premium Tax; Other Financial Institution Tax	

Program Description and Eligibility Requirements:

The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance by the Board of certificates (bonds or notes) the principal and interest on which will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri State income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has no Missouri income tax liability. All businesses that manufacture, process (including agricultural processing) or assemble products are eligible. Businesses that conduct research and development or provide services in interstate commerce are also eligible. Certain office industries are also eligible. A manufacturing business must invest a minimum of $15 million and 100 new jobs. An office business must invest a minimum of $10 million and 500 new jobs. There are other factors.

Explanation of How Award is Computed: Entitlement _____ Discretionary X

The award is computed based on principal, interest and board fees annually and limited to be no more that 5% of gross wages of each eligible employee whose job was created as a result of the project.

Program Cap: Cumulative $ _____ (remainder of cumulative cap) $_____ Annual $ 25 million None _____

Explanation of cap:

Aggregate amount of tax credits authorized shall not exceed $25 million annually.

Explanation of Expiration of Authority:

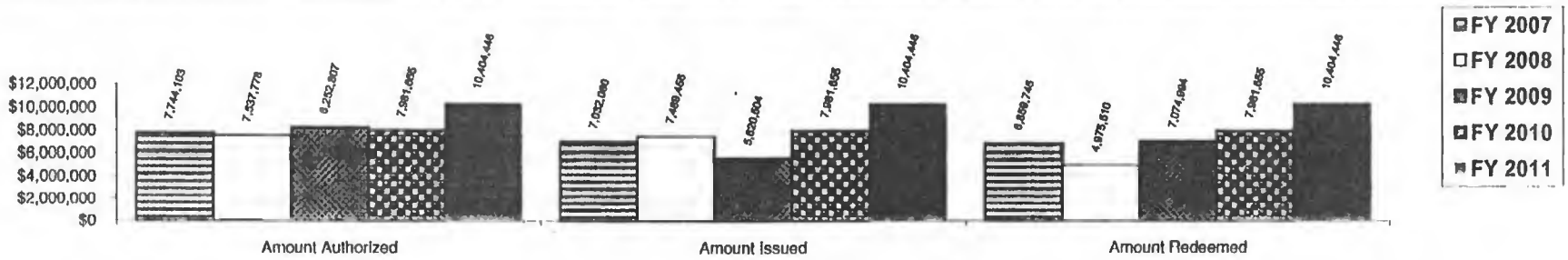
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable X Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	24	25	23	28	31
Projects (#)	24	25	23	28	31
Amount Authorized	$7,744,103	$7,537,778	$8,252,807	$7,981,655	$10,404,446
Amount Issued	$7,032,080	$7,489,456	$5,620,504	$7,981,655	$10,404,446
Amount Redeemed	$6,859,745	$4,975,510	$7,074,994	$7,981,655	$10,404,446
EST. Amount Outstanding	N/A	N/A	$2,077,077	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Business Use Incentives for Large-scale Development (BUILD)	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes Only State Revenue Impacts)

	FY 2009 ACTUAL	Other Fiscal Period (15 years)
BENEFITS		
Direct Fiscal Benefits	$2,339,359	$25,772,555
Indirect Fiscal Benefits	$2,531,528	$27,889,666
Total	$4,870,887	$53,682,221
COSTS		
Direct Fiscal Costs	$667,747	$8,527,946
Indirect Fiscal Costs	$0	$0
Total	$667,747	$8,527,946
BENEFIT: COST	7.29	6.29

Derivation of Benefits:

ASSUMPTIONS

Investment: (a) $297,335,372 in Construction Demand in 2009-2011, (b) $38,519,628 in Durable Equipment Demand in 2009-2011.

Employment: (a) 954 jobs (0 displaced) in Warehousing, Securities/Investments, and Electrical Equipment Manufacturing industries between 2009-2023.

Incentives/Credits: (a) $10,016,200 in Authorized BUILD tax credits , redeemed between 2009-2023.

Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

The multi-year fiscal Benefit-Cost Ratio is 2.89 when other program incentives are included.

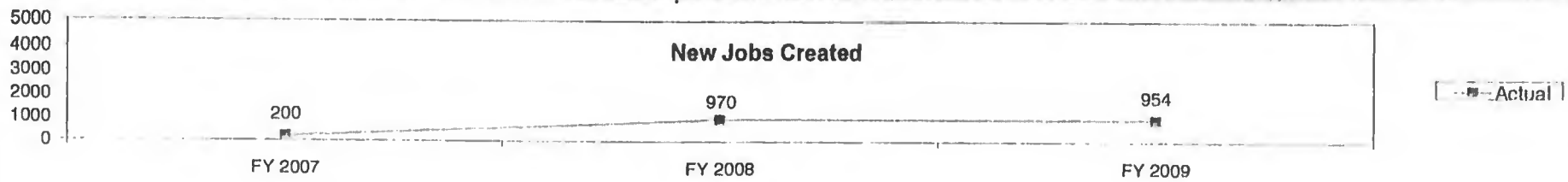
In FY 2009, every dollar of authorized program tax credits returns

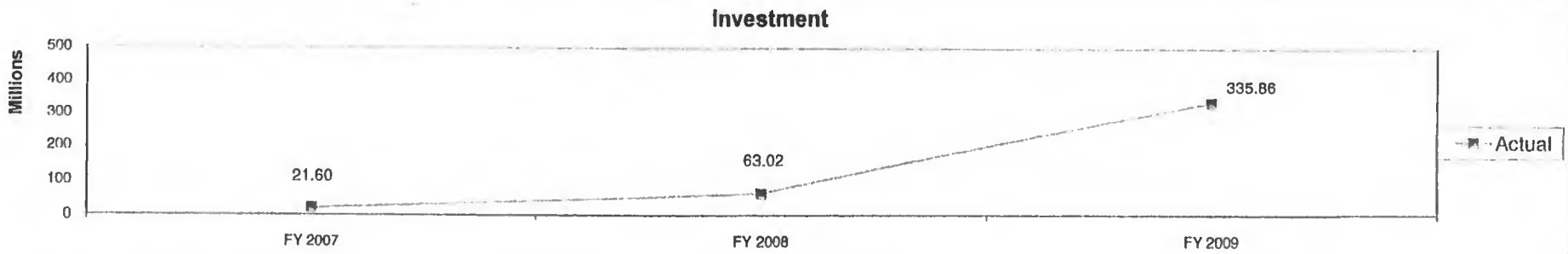
$137.06 in new personal income totaling	$91.52 million
$221.73 in new value-added/GSP totaling	$148.06 million
$369.97 in new economic output totaling	$247.04 million

Over 15 YEARS, every dollar of authorized program tax credits returns

$177.74 in new personal income totaling	$1,515.73 million
$326.27 in new value-added/ GSP totaling	$2,782.44 million
$543.99 in new economic output totaling	$4,639.12 million

PERFORMANCE MEASURE(S)





Comments on Performance Measure:

BUSINESS FACILITY TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

NOTICE

Pursuant to SB 1155 (2004), the Business Facility Tax Credit Program is being phased out of existence.

- Only a facility that has commenced operations or put its development into use on or before December 31, 2004, can be eligible for the program.
- Facilities that do not commence operations until January 1, 2005, or later, will not be eligible to receive incentives under the program.

  Remember that Form 135.258, the pre-application ("Letter of Intent") for the facility, must be postmarked no later than 15 days before commencement of operations. For a business commencing operations ON December 31, 2004, the form must be postmarked no later than December 16, 2004. Forms postmarked after that date will be ineligible for the program without regard to the date of commencement of operations.
- Facilities already in the program as of December 31, 2004, will continue to receive the state tax incentives under this program for up to ten years as provided in the law. These facilities are considered to be "grandfathered" into the program.

Pursuant to HB 191 (2009), "headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations on or before December 31, 2019 may be eligible for the program.

PURPOSE

Provide tax incentives to facilitate the expansion of new or existing businesses in Missouri.

AUTHORIZATION

Sections 135.100 to 135.150, 135.258, RSMo

ELIGIBLE AREAS

Statewide: Higher credit amounts are given for businesses in "distressed communities." For a list of cities and census block groups that are "distressed communities," visit DED's web site at www.missouridevelopment.org.

ELIGIBLE APPLICANTS

Facility eligibility is determined by its primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code, and includes manufacturing, warehousing, wholesale distribution, mining, insurance carriers, research and development, recycling operations, computer-related services and certain office activities.

To receive credits in any of the ten years, the facility must create at least 2 new jobs (25 for office) and make $100,000 in new investment ($1,000,000 for "replacement facilities") in that year as compared to the base year (the year prior to the commencement of operations at the facility). For expansions of "headquarters" of certain "employee-owned" businesses, the facility must create at least 25 new jobs and make $1,000,000 in new investment as compared to the base year.

The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

PROGRAM BENEFITS/ELIGIBLE USES

State income tax credits are provided to the business based on the number of new jobs created and amount of new investment at the qualifying facility. The credits are provided each year for up to ten years after the project commences operations.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 – Insurance Premium Tax
- Sec. 375.916 – Insurance Co. Retaliatory Tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

FUNDING LIMITS

New Companies

A new Missouri company can receive $75 (or $125 if in a distressed community) for each new job and for each $100,000 of new capital investment at the project facility.

Existing Companies

An existing Missouri company can receive $100 (or $150 in a distressed community) for each new job and for each $100,000 of new capital investment at the project facility.

days of receipt of the letter of intent form. Failure to meet this requirement precludes participation in the program for the base year sought.

Revised January 2010

APPLICATION PROCEDURE/APPROVAL

The business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations, otherwise, the project is ineligible for the tax credits. DED must determine eligibility of the business within 15 days of receipt of the letter of intent form. Failure to meet this requirement precludes participation in the program for the base year sought.

The business must file an application for tax credits for its first year of operations by the end of the tax year immediately following the tax year during which operations were commenced. Failure to timely file the application for credits for the first year of operations will result in a denial of the application and precludes participation in the program for the base year sought.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

ADDITIONAL RESOURCES

Go to the department's home page at : www.missouridevelopment.org to obtain guidelines and forms for this program, as well as a wealth of information regarding Missouri's many other economic development programs and policies.

TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: 135.100 to 135.150, and 135.258	**Applicable Taxes:** income tax, insurance premium tax, insurance company retaliatory tax	

Program Description and Eligibility Requirements:
Tax credits given to taxpayers who establish new facilities or expand existing ones. At least two new jobs must be created or maintained and at least $100,000 of new investment.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit is equal to $75 to $150 per new job and per $100,000 of new investment each year for 10 years.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None __X_____

Explanation of cap:

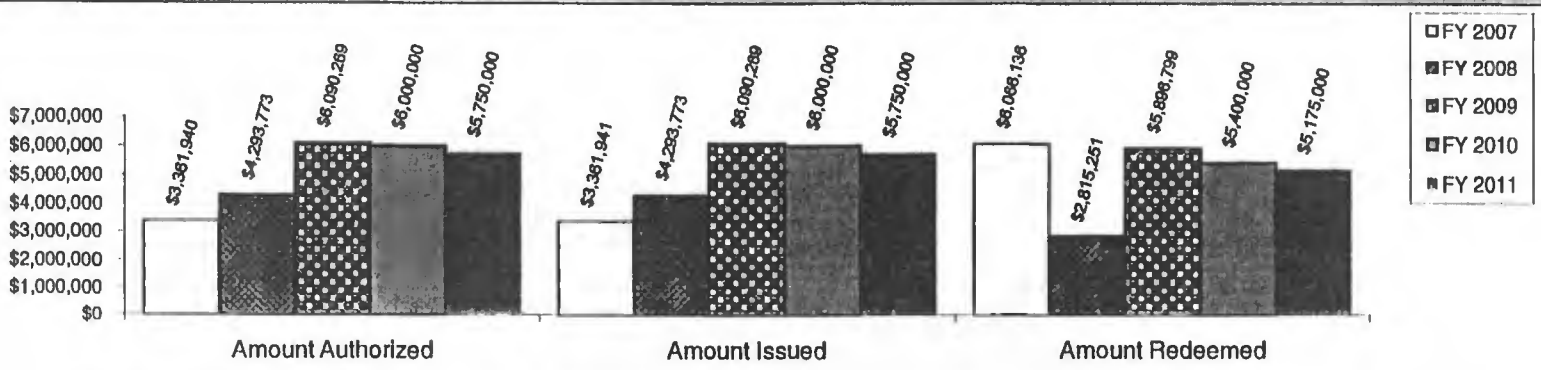
Explanation of Expiration of Authority: No revenue-producing enterprise shall receive the incentives set forth in sections 135.100 to 135.150 for facilities commencing operations on or after January 1, 2005. SB 1155 (2004). Headquarters may receive incentives for facilities commencing operations on or after Jan. 1, 2005 but not on or after Jan.1, 2020.

Specific Provisions: (if applicable)
Carry forward _X____ years Carry Back _____ years Refundable __X___ Sellable/Assignable __X__ Additional Federal Deductions Available _____

Comments on Specific Provisions: Carry forward, Refundable and Sellable/Assignable provisions are limited in application.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	83	73	69	63	53
Projects (#)	83	73	69	63	53
Amount Authorized	$3,361,940	$4,293,773	$6,090,269	$6,000,000	$5,750,000
Amount Issued	$3,361,941	$4,293,773	$8,090,269	$6,000,000	$5,750,000
Amount Redeemed	$6,066,136	$2,815,251	$5,898,799	$5,400,000	$5,175,000
EST. Amount Outstanding	N/A	N/A	$193,470	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

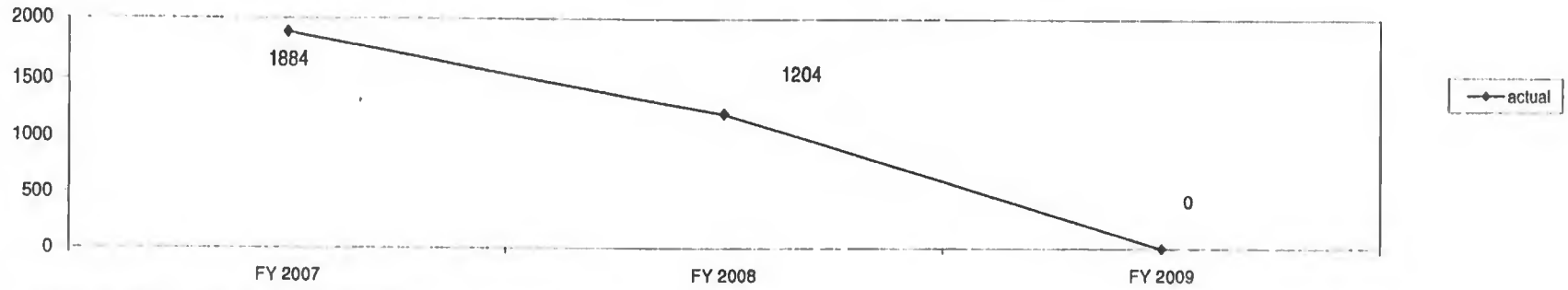
	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No new projects in FY 09.

PERFORMANCE MEASURE(S)

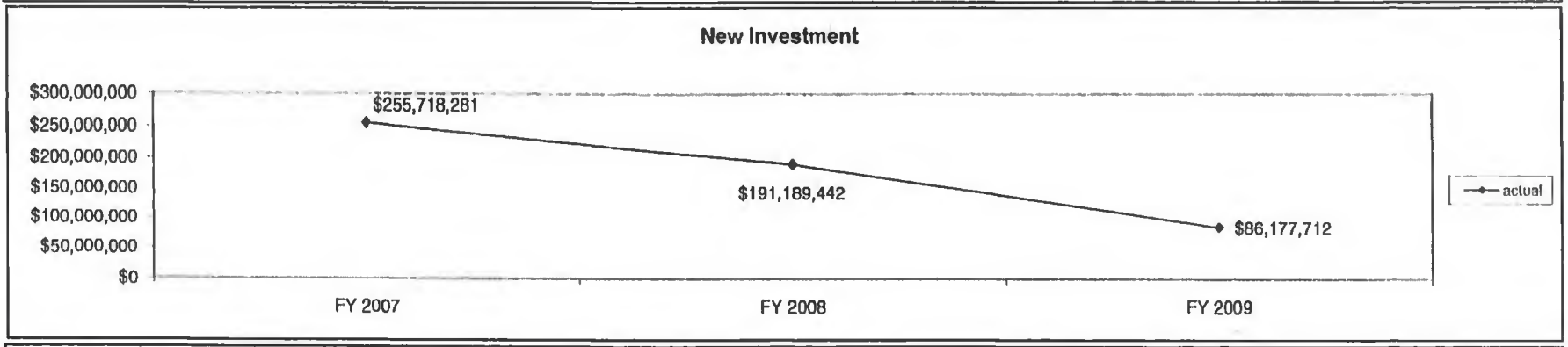
Permanent New Jobs Created



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: New and Expanded Business Facility Credit	Department: Economic Development	Date: October 2009



Comments on Performance Measure:

MISSOURI COMMUNITY COLLEGE NEW JOBS TRAINING PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT • DIVISION OF WORKFORCE DEVELOPMENT

PURPOSE

Provides assistance in reducing the cost associated with expanding a workforce or locating a new facility in the state of Missouri through training services:

- Training customized to the specific needs of the industry;
- General occupational skill training.

AUTHORIZATION

Sections 178.892 to 178.896 RSMo (2004)
Regulations: 4 CSR 195-3.010

ELIGIBLE AREAS

An eligible project may be located anywhere within the state of Missouri.

ELIGIBLE APPLICANTS

Businesses with a sound credit rating currently located in or locating to Missouri that are creating a substantial number of new jobs in Missouri by locating a new facility or expanding an existing workforce in Missouri.

ELIGIBILITY CRITERIA

Businesses applying must be:

- engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products;
- conducting research and development; or
- providing services in interstate commerce.

Retail businesses do not qualify for the program.

Other eligibility criteria may apply, such as types of jobs, type of industry and wage rates.

PROGRAM BENEFITS/ELIGIBLE USES

The community colleges located in twelve districts in Missouri, in cooperation with the Missouri Department of Economic Development's Division of Workforce Development, administer the program. Funds for training and project costs are generated by using tax credits from the employer's regular withholding taxes that are paid for the employees in the created jobs. The amount paid is based on a percentage of the gross wages that have been paid to the employees. The tax withholding is equal to 2.5% of gross wages for the first 100 jobs, and 1.5% for the remaining jobs in the project. The tax withholding credits for the project are claimed for an average of 4 to 5 years to pay for project costs.

Training assistance can include skill assessments, pre-employment training, instructor costs, curriculum development, travel and a variety of other training-related services. On-the-job training expenses are restricted to no more than 50% of a project's training costs. Training may be provided by the company, a local educational agency or a training vendor.

FUNDING LIMITS

Funding for this program is contingent upon the availability of funds. There is a limit on the total amount of outstanding project costs for all New Jobs Training Program projects. In addition, the amount of funds available each year is further controlled by the applicable appropriation.

APPLICATION/APPROVAL PROCEDURE

The appropriate community college will submit a "Notice of Intent" for a potential project to the Division of Workforce Development. The Division will determine company eligibility and review for training duplication. On behalf of the company, the community college will then submit an application for the New Jobs Training Program outlining training details. Upon approval by the Division, the community college may enter into a formal contract agreement with the company. The community college board of trustees must approve all final project agreements.

Community college contacts may be obtained through the Division of Workforce Development's Industry Training Unit at (800) 877-8698 or e-mail at: wfdcusto@ded.mo.gov.

REPORTING REQUIREMENTS

The community college will assist the company with documenting and submitting all reporting requirements for this program.

Revised February 2008

SPECIAL PROGRAM REQUIREMENTS

If applicable, union consultation is required.

This program is subject to "clawback" legislation. If any jobs for which training assistance has been received are moved out of Missouri or eliminated within five years of the date the project is approved, the company may be responsible for repayment of all training assistance received through the program. The Director of the Department of Economic Development has the authority and discretion to determine any exemptions from the repayment requirement.

Any proposed amount is an estimate based on the assumptions provided by the company. Any variation in the actual salaries or number of jobs created could affect the proposed amount and possibly invalidate the proposal. This summary is for guidance only and does not state complete program requirements.

CONTACT

Missouri Department of Economic Development

Division of Workforce Development • Business and Industry Services

421 East Dunklin • P.O. Box 1087
Jefferson City • MO • 65102
Phone: 573-526-8254 • Fax: 573-522-9496
Toll Free Phone: 800-877-8698

E-mail: wfdcusto@ded.mo.gov • Web: http://ded.mo.gov/WFD.aspx

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

TAX CREDIT ANALYSIS

Program Name: Community College New Jobs Training Program	**Department: Economic Development**	**Date:** October 2009 REVISED
Program Category: Education and Training	**Type: Appropriation based on employer withholding**	
Statutory Authority: 178.892-178.896, RSMo.	**Applicable Taxes: N/A - is an appropriation of funds, not a credit**	

Program Description and Eligibility Requirements:

Companies creating a substantial number of new jobs may qualify for training assistance through this program. Generally, funds are generated through the sale of certificates by the community college district. The debt is then retired by deferring a portion of the state employer withholding tax - approximately 2% - on the newly created jobs. Eligible companies include manufacturing, research and development, and companies engaged in interstate commerce.

Explanation of How Award Is Computed: Entitlement _____ Discretionary X

A formula using the number of jobs to be created and the average annual salary of the workers in the new jobs calculates the amount that can be generated for the sale of certificates. Discretionary measures such as review of types of industry and wage rates paid are considered before approving a project.

Program Cap: Cumulative $__55 million_ (remainder of cumulative cap) $_ 42,254,549 million_ Annual $_____ None _____

Explanation of cap: There is a statewide cap of $55 million on the amount of outstanding debt (total outstanding certificates) there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

Explanation of Expiration of Authority: Program sunsets July 1, 2018

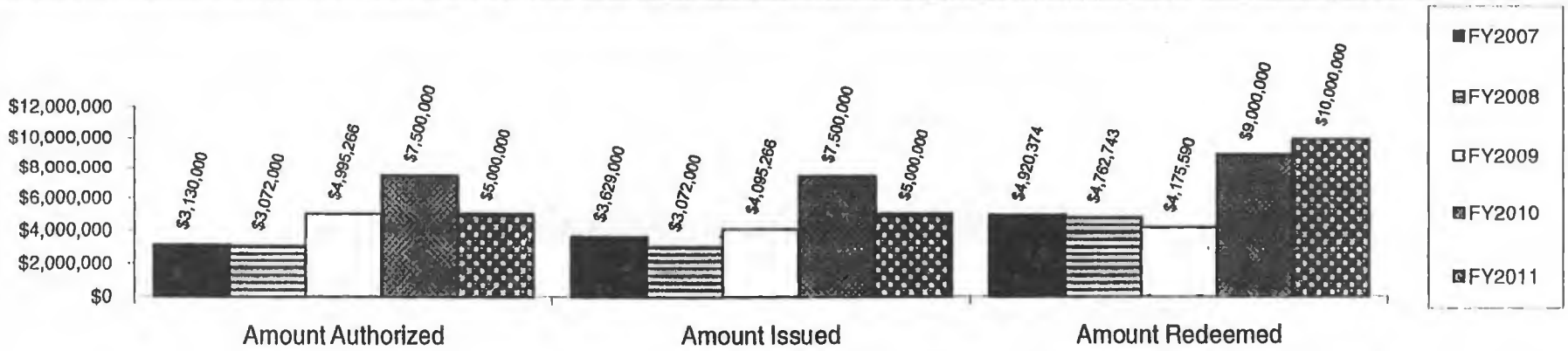
Specific Provisions: (If applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	4	4	3	9	6
Projects (#)	4	4	3	9	6
Amount Authorized	$3,130,000	$3,072,000	$4,995,266	$7,500,000	$5,000,000
Amount Issued	$3,629,000	$3,072,000	$4,095,266	$7,500,000	$5,000,000
Amount Redeemed	$4,920,374	$4,762,743	$4,175,590	$9,000,000	$10,000,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Community College New Jobs Training Program	Department: Economic Development	Date: October 2009 REVISED

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$4,809,298	$35,726,054
Indirect Fiscal Benefits	$3,753,136	$27,880,311
Total	$8,562,434	$63,606,365
COSTS		
Direct Fiscal Costs	$611,908	$4,571,507
Indirect Fiscal Costs	$0	$0
Total	$611,908	$4,571,507
BENEFIT: COST	**13.99**	**13.91**

Derivation of Benefits:

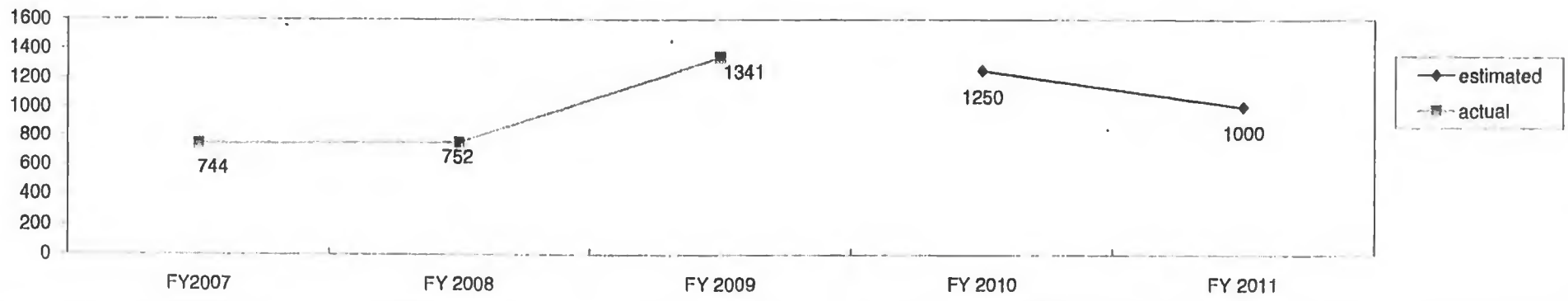
Investment: n/a
Employment: 1,570 jobs (0 displaced) in Repair/Maintenance, Utilities, Non-Metallic Manufacturing and Food Manufacturing Industries in 2009-2018 with average wages of $33,176.64 following training.
Other Assumptions: n/a.
Incentives/Credits: $4,995,266 in Authorized NJTP tax credits; redeemed between 2009-2018. The multi-year fiscal Benefit-Cost Ratio is 5.18 when other program incentives are included.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:
In FY 09, every dollar of authorized program tax credits returns:
$202.48 in new personal income totaling $123.90 million
$471.54 in new value-added/GSP totaling $288.54 million
$1,203.52 in new economic output totaling $736.44 million.

Over 10 years, every dollar of authorized program tax credits returns:
$329.00 in new personal income totaling $1,504.01 million
$711.52 in new value added/GSP totaling $3,252.71 million
$1,764.09 in new economic output totaling $8,064.55 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



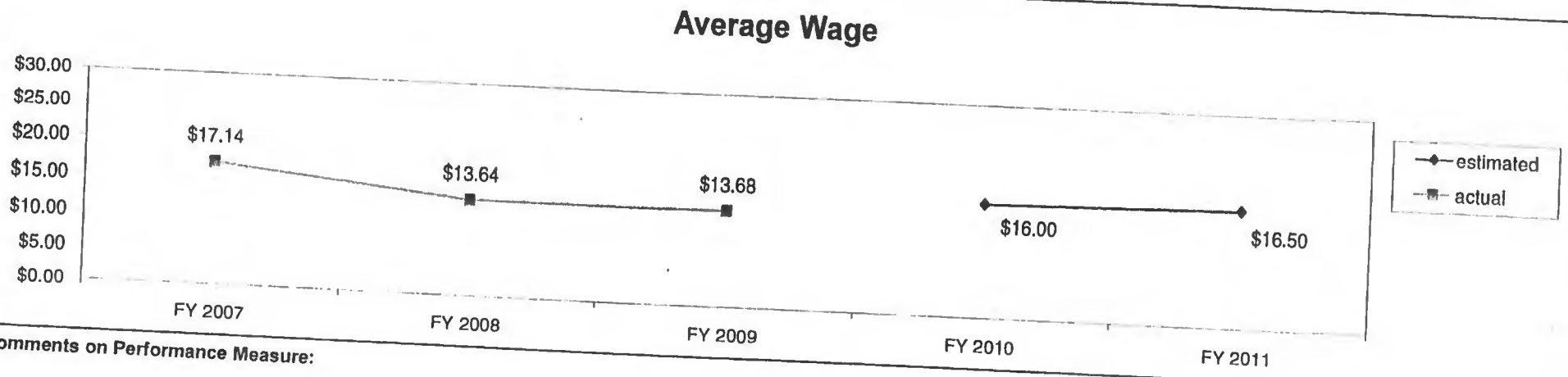
Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Community College New Jobs Training Program

Department: Economic Development

Date: October 2009 REVISED



Comments on Performance Measure:

MISSOURI COMMUNITY COLLEGE JOB RETENTION TRAINING PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT • DIVISION OF WORKFORCE DEVELOPMENT

PURPOSE

Provides assistance in reducing the cost associated with retraining an existing workforce for the purpose of retaining jobs in the state of Missouri through training services:

- Training designed for the specific needs of the industry;
- General occupational skill training.

AUTHORIZATION

Sections 178.760 to 178.764 RSMo (2004)
Regulations: 4 CSR 195-3.020

ELIGIBLE AREAS

An eligible project may be located anywhere within the state of Missouri.

ELIGIBLE APPLICANTS

Businesses with a sound credit rating currently located in Missouri that have retained at that site the level of employment for at least one year, and a minimum of 100 employees for two consecutive calendar years preceding the year in which the application for the program was made. In addition, the business must make a capital investment of at least one million dollars to acquire long-term assets.

ELIGIBILITY CRITERIA

Businesses applying must be:

- engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products;
- conducting research and development; or
- providing services in interstate commerce.

In addition to being determined at-risk, businesses must also meet one of the following criteria:

- Have made a substantial investment in new technology; or
- Be located in a border county of the state and represent a potential risk of relocation from the state; or
- Be determined to represent a substantial risk of relocation from the state by the Department of Economic Development.

Retail businesses do not qualify for this program.

Other eligibility criteria may apply, such as types of jobs, type of industry and wage rates.

PROGRAM BENEFITS/ELIGIBLE USES

The community colleges, located in twelve districts in Missouri, in cooperation with the Missouri Department of Economic Development through the Division of Workforce Development, administer the program. Funds for training and project costs are generated by using tax credits from the employer's regular withholding taxes that are paid for the employees in the retained jobs. The tax withholding is equal to 2.5% of gross wages for the first 100 jobs, and 1.5% for the remaining jobs in the project. The tax withholding credits for the project are claimed for an average of 4 to 5 years to pay for project costs.

Training assistance can include skill assessments, instructor costs, curriculum development, travel and a variety of other training-related services. On-the-job training expenses are restricted to no more than 50% of a project's training costs. In addition, total expenses for equipment, supplies and travel cannot exceed 25% of a project's training costs. Training may be provided by the company, a local educational agency or a training vendor.

FUNDING LIMITS

Funding for this program is contingent upon the availability of funds. There is a limit on the total amount of outstanding project costs for all Job Retention Training Program projects. In addition, the amount of funds available each year is further controlled by the applicable appropriation.

APPLICATION/APPROVAL PROCEDURE

The appropriate community college will notify the Division of Workforce Development in writing of its Intent to submit a Job Retention Training Program Application with an eligible employer. On behalf of the company, the community college will then submit an application for the Job Retention Training Program. Upon approval by the Division, the community college may enter into a formal contract agreement with the company. The community college board of trustees must approve all final project agreements.

Community college contacts may be obtained through the Division of Workforce Development's Industry Training Unit at (800) 877-8698 or e-mail at: wfdcusto@ded.mo.gov

Revised February 2008

REPORTING REQUIREMENTS

The community college will assist the company with documenting and submitting all reporting requirements for this program.

SPECIAL PROGRAM REQUIREMENTS

If applicable, union consultation is required.

This program is subject to "clawback" legislation. If any jobs for which training assistance has been received are moved out of Missouri or eliminated within five years of the date the project is approved, the company may be responsible for repayment. The Director of the Department of Economic Development has the authority and discretion to determine any exemptions from the repayment requirement.

Any proposed amount is an estimate based on the assumptions provided by the company. Any variation in the actual salaries or number of jobs retained could affect the proposed amount and possibly invalidate the proposal. This summary is for guidance only and does not state complete program requirements.

CONTACT

Missouri Department of Economic Development

Division of Workforce Development • Business and Industry Services

421 East Dunklin • P.O. Box 1087
Jefferson City • MO • 65102
Phone: 573-526-8254 • Fax: 573-522-9496
Toll Free Phone: 800-877-8698

E-mail: wfdcusto@ded.mo.gov • Web: http://ded.mo.gov/WFD.aspx

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

TAX CREDIT ANALYSIS

Program Name: Job Retention Training Program	**Department: Economic Development**	**Date:** October 2009
Program Category: Education and Training	**Type: appropriation based on employer withholdings**	
Statutory Authority: 178.760 - 178.764 RSMo.	**Applicable Taxes: N/A - is an appropriation of funds, not a tax credit**	

Program Description and Eligibility Requirements:
Provides training assistance for job retention efforts. Companies making a large capital investment and/or at risk of leaving the state may be eligible. This program is best-suited for large retention and training projects. The company must make a minimum capital investment of $1 million and the retained jobs must have been in existence for the previous 2 calendar years. The company must also be making substantial capital investment, located in a border county, or be determined to represent a substantial risk of relocation.

Explanation of How Award is Computed: Entitlement _____ Discretionary _X_

A formula using the number of jobs to be retained and the average annual salary of workers in retained jobs calculates the amount that can be generated generally by the sale of certificates. Discretionary measures such as review of types of industry, occupations, and wage rates are considered before approving a project.

Program Cap: Cumulative $__45 million_ (remainder of cumulative cap) $29,450,750_ Annual $_____ None _____

Explanation of cap: There is a statewide cap of $45 million on the amount of outstanding debt there can be at any given time. This figure changes monthly as debt is retired on existing projects and new projects are issued.

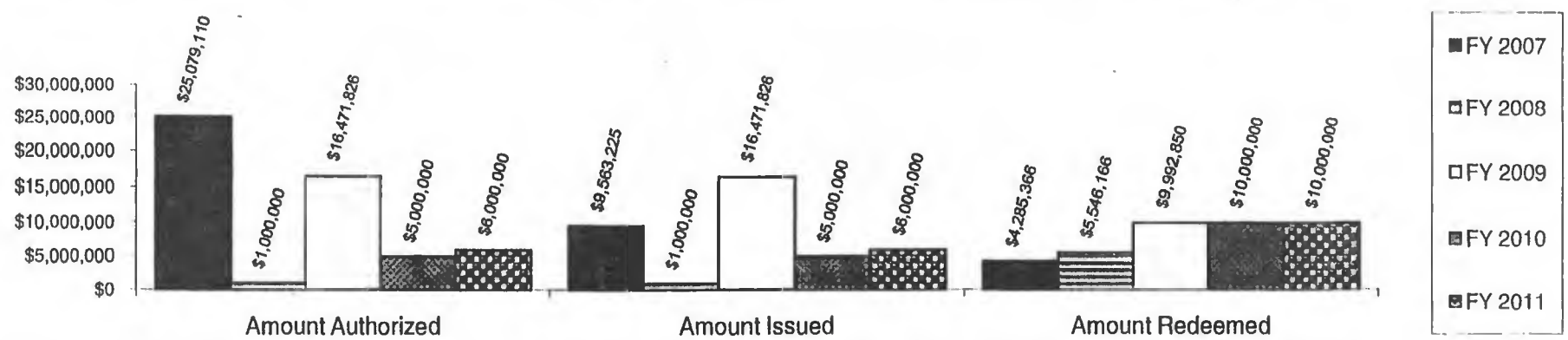
Explanation of Expiration of Authority: Program sunsets July 1, 2014

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current)	FY 2011 (budget year)
Certificates issued (#)	7	1	4	2	3
Projects (#)	7	1	4	2	3
Amount Authorized	$25,079,110	$1,000,000	$16,471,826	$5,000,000	$6,000,000
Amount Issued	$9,563,226	$1,000,000	$16,471,826	$5,000,000	$6,000,000
Amount Redeemed	$4,285,366	$5,546,166	$9,992,850	$10,000,000	$10,000,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Job Retention Training Program	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$1,470,359	$1,549,376
Indirect Fiscal Benefits	$1,281,977	$1,350,870
Total	$2,752,336	$2,900,246
COSTS		
Direct Fiscal Costs	$4,450,006	$15,993,867
Indirect Fiscal Costs	$0	$0
Total	$4,450,006	$15,993,867
BENEFIT: COST	**0.62**	**0.18**

Derivation of Benefits:
Investment: $180,153,606 in equipment spending in 2009.
Employment: (a) 7,327 jobs retained in specified industries in 2009-2013.
Other Assumptions: $6.132 million in increased personal income to 3,364 retained employees following equipment training; wage increase occurs in 2012-2013.
Incentives/Credits: $16,471,826 in Authorized JRTP tax credits; redeemed in 2009-2012. Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Note: The direct and indirect fiscal benefit to the state over 5 years generated by retaining these 7,327 jobs is $302,117,239.

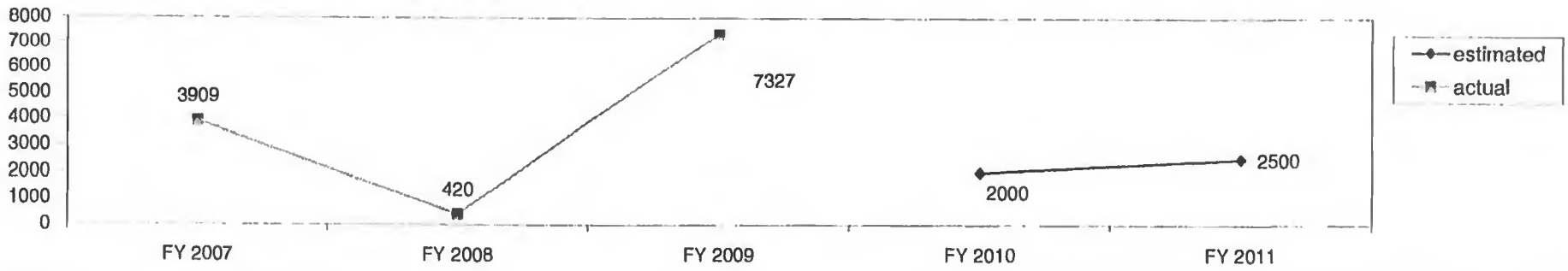
Other Benefits:

In FY 09, every dollar of authorized program tax credits returns:
$5.73 in new personal income totaling $25.51 million
$11.55 in new value-added/GSP totaling $51.38 million
$19.25 in new economic output totaling $85.67 million.

Over 5 years, every dollar of authorized program tax credits returns:
$2.88 in new personal income totaling $46.02 million
$3.80 in new value added/GSP totaling $60.85 million
$6.18 in new economic output totaling $98.85 million

PERFORMANCE MEASURE(S)

Permanent Jobs Retained

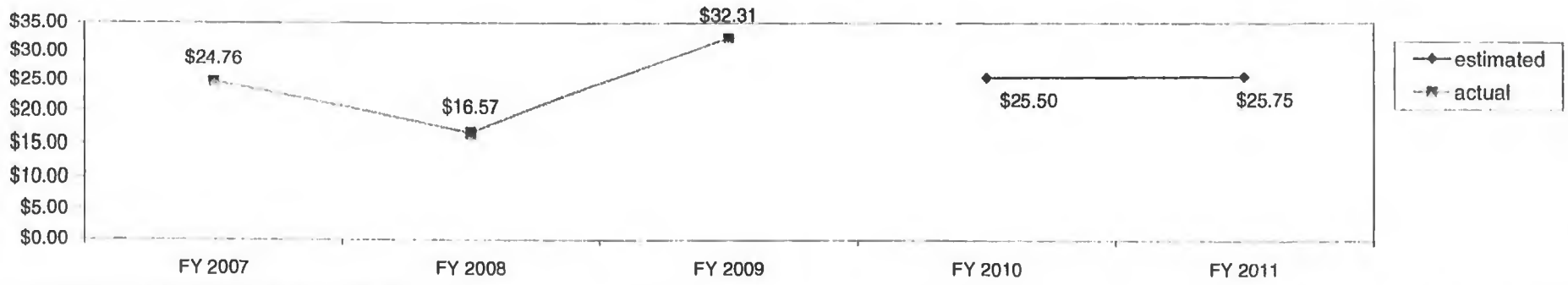


Comments on Performance Measure:

TAX CREDIT ANALYSIS

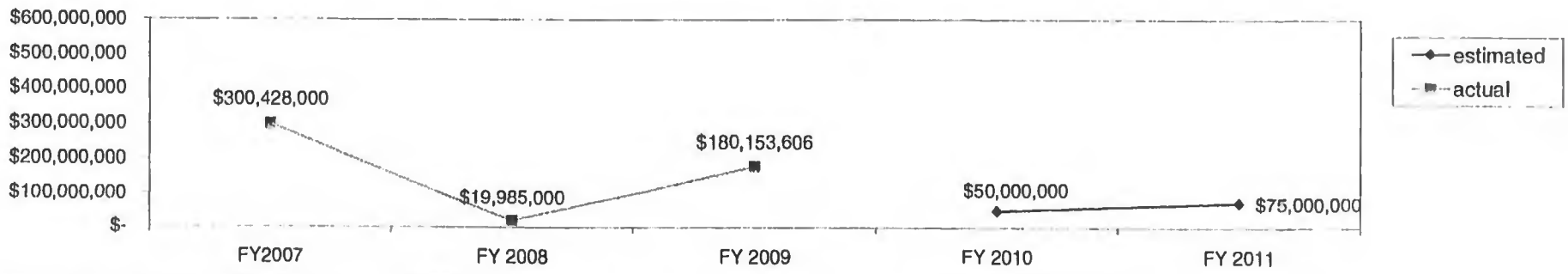
Program Name: Job Retention Training Program	Department: Economic Development	Date: October 2009

Average Wage



Comments on Performance Measure:

Capital Investment



Comments on Performance Measure:

DEVELOPMENT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To facilitate a business project in order to create new jobs.

The Development Tax Credit Program (DTC) offers state tax credits to taxpayers making contributions to a not-for-profit corporation (NFP) for projects approved by the Department of Economic Development (DED). The credits are for 50% of the contribution of cash or the value of certain types of property.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

Regulations: 4 CSR 85-2.015, 2.030 to 2.040

ELIGIBLE AREAS

Statewide, but the project must be located or qualify as a "blighted" or "conservation" area as defined in Tax Increment Financing (§99.805, RSMo), an enterprise zone (Ch. 135.200 et seq., RSMo), or an urban redevelopment area (Ch. 353, RSMo).

ELIGIBLE APPLICANTS

Generally, manufacturing, processing or assembly projects that propose wages above the average for the area and provide health benefits are prioritized.

Other types of projects may be considered for approval if tax credits remain near the end of the state fiscal year.

There must be a positive economic benefit to the state. This calculation includes other state incentives provided for the project, and new public costs necessary to support the project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

The DTC program may be used for the acquisition of land or buildings through the purchase from cash contributions or donation of real estate. The acquisition of new or used machinery and equipment is also eligible if it is to be placed in an existing building.

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The amount of tax credits available for a single project:

- Is limited to the lesser of $500,000, or $10,000 per full-time, permanent job created by the business within two years of execution of the lease; and
- Must be the least amount necessary to cause the project to occur.

Credits authorized under this program are limited to $6,000,000 per fiscal year.

APPLICATION/APPROVAL PROCEDURE

- Applications will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria, the need for this program to make a project feasible, a positive economic impact on the state and the availability of tax credits.
- The company cannot make a public announcement of the project prior to DED's contingent approval of an application.
- The not-for-profit (NFP) submits application documents to DED. If DED approves the request, a letter will be sent to the sponsor and company.

A DTC Agreement is executed between DED, the company and the not-for-profit. A lease agreement is executed between the company and the NFP. After the contribution is made, DED will issue tax credit certificates to the contributor.

REPORTING REQUIREMENTS

For three years following the year of the first issuance of tax credits, a Tax Credit Accountability Act Reporting form is sent out by the DED. It must be filled out and received back by June 30 to avoid penalities.

Revised January 2010

SPECIAL PROGRAM REQUIREMENTS

- The NFP must retain ownership of all properties acquired by the contribution for a minimum of five years. DED may allow a longer lease period depending on the needs of the project.
- The eventual disposition of properties acquired by the contribution will be no less than 75% of the fair market value of the facility, excluding the value of leasehold improvements.
- The amount of the lease payments will be determined by DED based on the following:
  - costs of the non-profit to operate and maintain the subject assets (if any); and
  - the amount of tax credits issued. In most cases, the NFP will provide DED the lease payments received in an amount to repay the tax credits plus interest.
- Only not-for-profit organizations authorized to operate in Missouri and headquartered in the geographic area of the proposed project are eligible recipients of DTC approved contributions. The business that will lease property from the NFP cannot have significant representation on the NFP's board.
- Ineligible NFP's include: churches and their denominational headquarters, units of government and any affiliated organization under their direct supervision, partisan organizations and public or tuition-based private schools.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

TAX CREDIT ANALYSIS

Program Name: Development	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type: Tax Credit _X_ Other (specify)____**	
Statutory Authority: 32.100 to 32.125, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax	

Program Description and Eligibility Requirements:

Donations must be made to a non-profit corporation; specified number of jobs must be created within 2 years and maintained for 5 years; application must have the local agency's endorsement; project must be located in a distressed or blighted area; and, the benefiting business must be a for-profit business.

Explanation of How Award Is Computed: Entitlement _____ Discretionary __X___

The tax credit is equal to 50% of a contribution made to a non-profit corporation. The non-profit uses the contributed funds to purchase assets that would be leased to an approved business.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_6 million____ None _____

Explanation of cap: Credits may not exceed $4 million for any one fiscal year, except that for fiscal years 2005, 2006 and 2007 credits shall not exceed $6 million per fiscal year. SB 1155 (2004). Effective August 28, 2008, the cap is $6 million.

Explanation of Expiration of Authority:

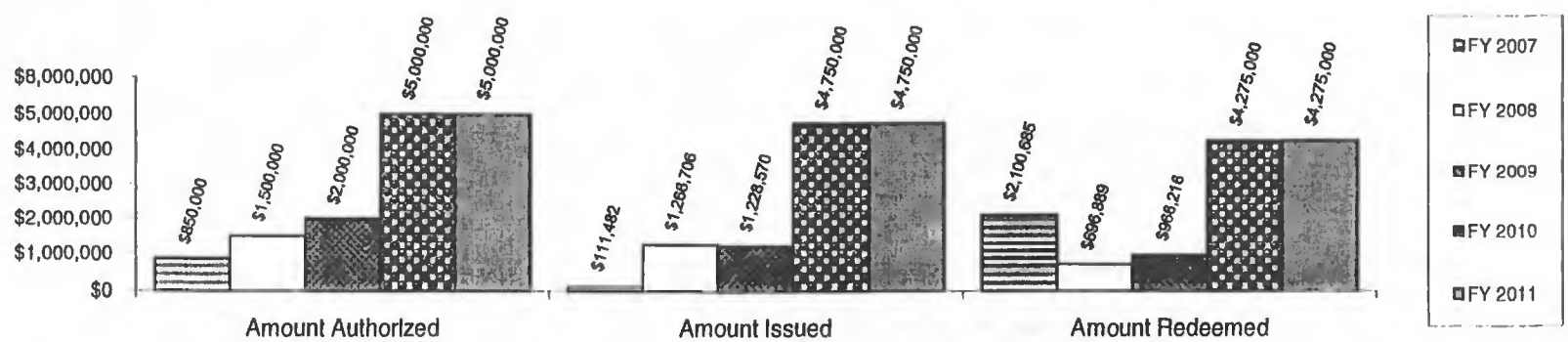
Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2	6	6	6	6
Projects (#)	2	4	1	4	4
Amount Authorized	$850,000	$1,500,000	$2,000,000	$5,000,000	$5,000,000
Amount Issued	$111,482	$1,266,706	$1,228,570	$4,750,000	$4,750,000
Amount Redeemed	$2,100,685	$696,889	$966,216	$4,275,000	$4,275,000
EST. Amount Outstanding	N/A	N/A	$393,344	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Development	Department: Economic Development	Date: October 2009

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$70,971	$101,062
Indirect Fiscal Benefits	$2,014	$2,868
Total	$72,985	$103,930
COSTS		
Direct Fiscal Costs	$2,000,000	$2,000,000
Indirect Fiscal Costs	$0	$0
Total	$2,000,000	$2,000,000
BENEFIT: COST	**0.04**	**0.05**

Derivation of Benefits:
Investment: (a) $4,000,000 in dureble equipment spending in 2009.
Employment: (a) n/a. NOTE: 3,600 jobs *retained* in Sec, Comm Contracts, Inv were not included in the impact.
Other Assumptions: (a) n/a.
Incentives/Credits: $2,000,000 in Authorized Development Tax Credits in 2009.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

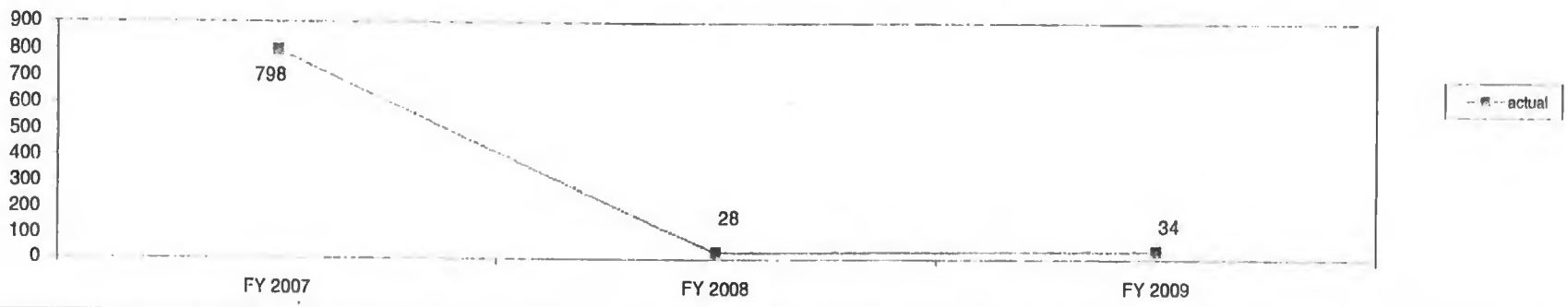
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$0.33 in new personal income totaling $0.66 million
$0.71 in new value-added/GSP totaling $1.41 million
$1.14 in new economic output totaling $2.28 million

Over 10 years, every dollar of authorized program tax credits returns:
$0.57 in new personal income totaling $1.14 million
$1.07 in new value-added/GSP totaling $2.15 million
$1.58 in new economic output totaling $3.16 million

PERFORMANCE MEASURE(S)

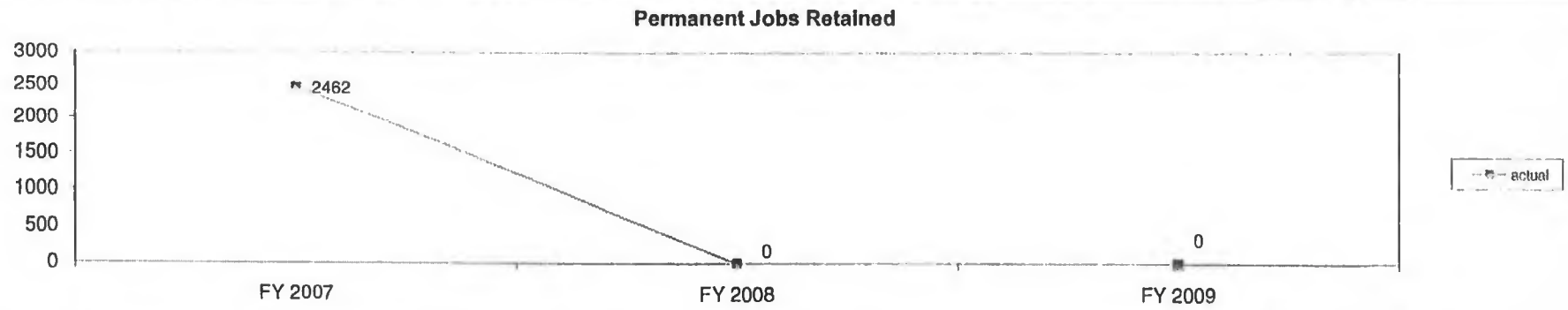
Permanent New Jobs Created



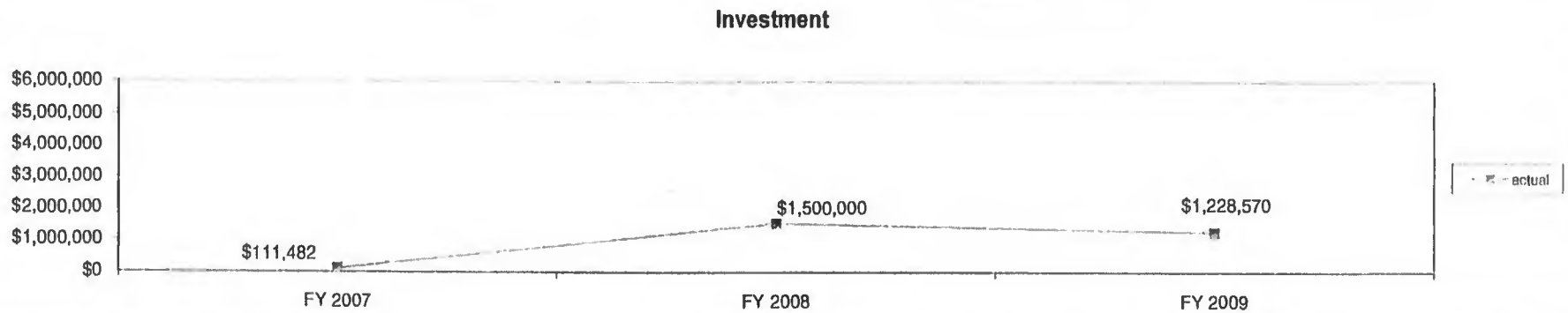
Comments on Performance Measure: During FY09 there were three companies within their 2-year job creation period and required to report. Of the 2 that reported during FY09, there was an increase of 34 jobs.

TAX CREDIT ANALYSIS

Program Name: Development	Department: Economic Development	Date: October 2009



Comments on Performance Measure: There were no projects within their 5-year retention period required to report during FY09.



Comments on Performance Measure:

DRY FIRE HYDRANT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provides tax credits for the installation of a dry fire hydrant system to provide fire protection and potential economic improvement for rural development of the state.

AUTHORIZATION

Section 320.093, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri individuals, firms, and corporations.

ELIGIBILITY CRITERIA

The standards to be met by the dry fire hydrant are listed in the Natural Resource Conservation Service Dry Fire Hydrant Standards. In addition, to be eligible for credits:

- Payments made by cash will not be eligible for the tax credit
- Each body of water or water storage structure, shall allow for the provision of two hundred fifty gallons per minute (250 gpm) of water for a continuous two–hour period during a fifty-year drought or freeze at a vertical lift of eighteen feet.
- Each dry hydrant shall be located within twenty-five feet of an all weather roadway (not dirt) and accessible to fire protection equipment.
- Dry hydrants must be located a reasonable distance from other dry or pressurized hydrants.
- The site shall provide measurable economic improvement potential for the rural area.

PROGRAM BENEFITS/ELIGIBLE USES

Tax credits shall be equal to fifty percent (50%) of the costs in actual expenditures for any new water storage construction, equipment, development and installation of the dry hydrant, including pipes, valves, hydrants and labor for each such installation of a dry hydrant or new water storage facility.

In-kind contributions are allowed; however, in-kind labor is not an allowable expense. In-kind contributions shall not exceed twenty-five percent (25%) of the total amount of contribution for which the credit is claimed.

Donation of land is a non-eligible expense.

FUNDING LIMITS

- The amount of tax credits that can be claimed cannot exceed $5,000 per project.
- The total amount of credits available per fiscal year is $500,000.

APPLICATION/APPROVAL PROCEDURE

A pre-application form is to be submitted to the State Fire Marshal's office notifying the State of the issuance of a permit for construction of the dry fire hydrant system. The State Fire Marshal's office will then notify the Department of Economic Development (DED), who will then mail to the applicant a tax credit claim form to be completed by the applicant.

The final authorization form is to be completed by the applicant after the installation and inspection of the dry fire hydrant system and submitted to DED along with expenditure verifications. DED will issue tax credits based upon availability of the credits at the time of receipt.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

- A permit shall be issued and the State Fire Marshal (or designee) shall conduct final inspection for construction and installation of any dry fire hydrant site prior to approval of credits.
- Any dry fire hydrants installed prior to August 28, 2007 shall not be eligible to receive credits for the installation.
- Tax credits cannot be refunded.
- Tax credits can be carried forward up to seven years.
- Tax credits are transferable upon approval by the Missouri Department of Economic Development and Missouri Department of Revenue and the issuance of appropriate forms.
- No new credits will be issued under this program after August 28, 2010.

Credits are subject to 2.5% issuance fee.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised March 2008

TAX CREDIT ANALYSIS

Program Name: Dry Fire Hydrant	**Department:** Economic Development	**Date:** October, 2009
Program Category: Community Development	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 320.093, RSMo	**Applicable Taxes:** Income Tax	

Program Description and Eligibility Requirements:

Dry Fire Hydrant Program is a tax credit program designed for any person, firm or corporation who purchases a dry fire hydrant, as defined in RSMo 320.273, or provides an acceptable means of water storage for such dry fire hydrant including a pond, tank or other storage facility with the primary purpose of fire protection within the State of Missouri.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____

The tax credit, not to exceed $5,000, would be equal to 50% of the cost in actual expenditure for any new water storage construction, equipment, development and installation of the dry fire hydrant. The amount of the tax credit claimed for in-kind contributions shall not exceed 25% of the total amount of the contribution for which the tax credit is claimed.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $500,000_____ None _____

Explanation of cap:

Explanation of Expiration of Authority: 320.093 -- Sunset August 28, 2003, reauthorized beginning August 28, 2007

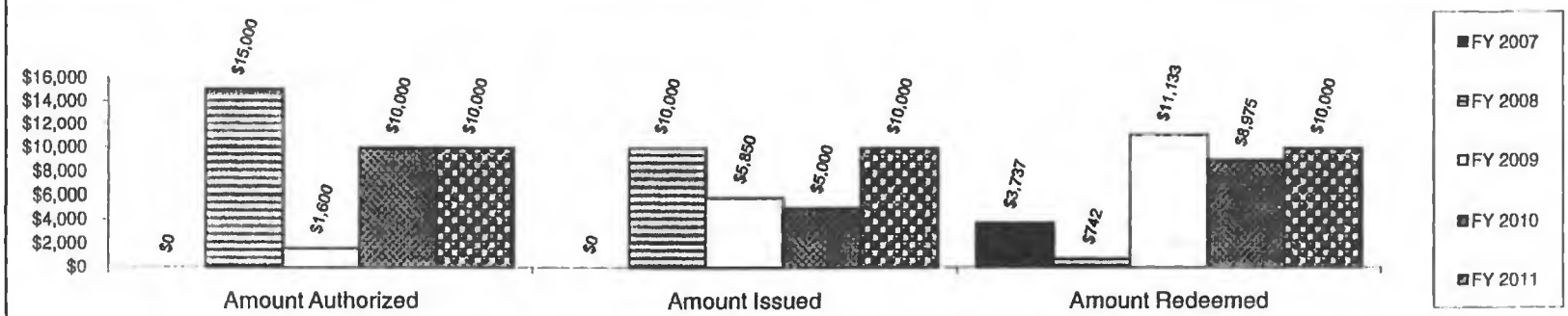
Specific Provisions: (if applicable)

Carry forward __7___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	2	2	2	2
Projects (#)	0	3	0	2	2
Amount Authorized	$0	$15,000	$1,600	$10,000	$10,000
Amount Issued	$0	$10,000	$5,850	$5,000	$10,000
Amount Redeemed	$3,737	$742	$11,133	$8,975	$10,000
EST. Amount Outstanding	N/A	N/A	$3,975	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Dry Fire Hydrant	Department: Economic Development	Date: October, 2009

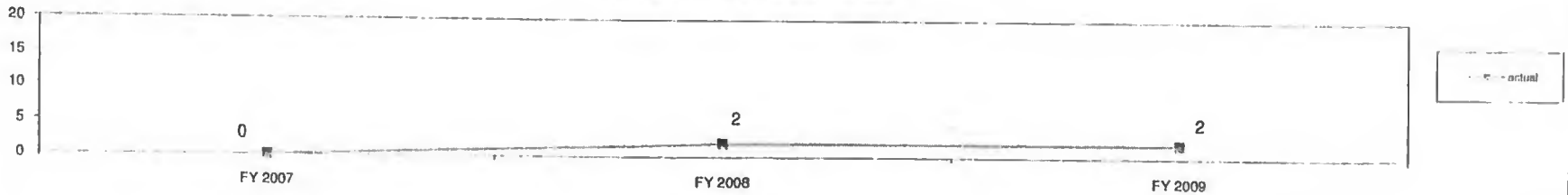
Comments on Historical and Projected Information:

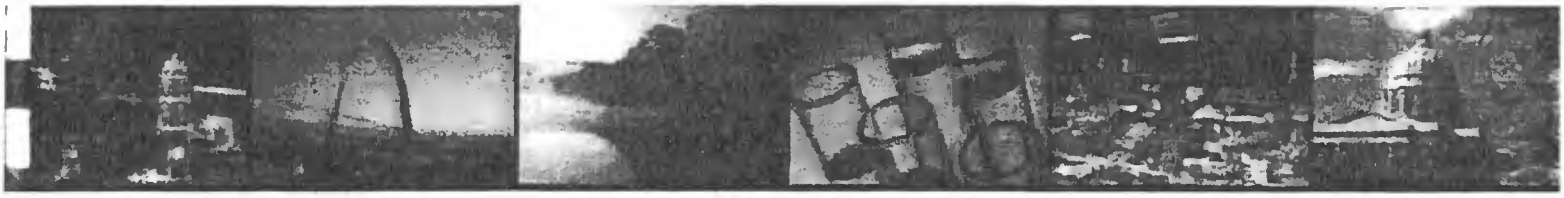
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No authorizations in FY2009.





ENHANCED ENTERPRISE ZONE TAX BENEFIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone.

AUTHORIZATION

Sections 135.950 to 135.973, RSMo

ELIGIBLE AREAS

Enhanced Enterprise Zones are specified geographic areas designated by local governments and certified by the Department of Economic Development (DED). Zone designation is based on certain demographic criteria, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development.

ELIGIBLE APPLICANTS

An eligible business must be located in a Missouri Enhanced Enterprise Zone (EEZ). Individual business eligibility will be determined by the zone, based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Headquarters or administrative offices of an otherwise excluded business may qualify if the offices serve a multi-state territory. See application for complete information.

Ineligible Applicants:
Gambling establishments (NAICS group 7132),
Retail trade (NAICS sectors 44 & 45),
Educational services (NAICS sector 61),
Religious organizations (NAICS group 8131),
Public administrations (NAICS sector 92) and
Food and drinking places (NAICS subsector 722) are prohibited by statute from receiving the state tax credits.

ELIGIBILITY CRITERIA

The Enhanced Enterprise Zone program is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises. Tax credits may be provided each year for five tax years after the project commences operations.

To receive tax credits for any of the years, the facility must create and maintain the minimum:

- New or expanded business facility – 2 new employees and $100,000 new investment;
- Replacement business facility – 2 new employees and $1,000,000 new investment
- Health insurance at all times, of which at least 50% is paid by the employer.

Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to Ch. 143 – Income tax, excluding withholding tax

Tax credits can only be applied to tax liability for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits.

FUNDING LIMITS

Tax credits will be an amount authorized by DED, based on the state economic benefit, supported by the number of new jobs, wages and new capital investment that the project will create.

Tax credits issued under this program are limited to $24,000,000 annually, effective August 28, 2008.

APPLICATION/APPROVAL PROCEDURE

DED must first offer program benefits to the business in the form of a formal proposal. The company must return the accepted proposal within 90 days of the proposal date.

The company must submit the Notice of Intent (NOI), (Application & guidelines, pages 7-9), and be notified of approval before any new construction, and/or purchase of machinery and equipment can be eligible as new investment. NOIs will be accepted by DED at any time of the year and will be approved on an individual, case-by-case basis, based on compliance with all program criteria.

Revised December 2009

REPORTING REQUIREMENTS

Annual Application for Tax Credits –

The facility must file the Annual Application for Tax Credits and supporting documents each year for calculation of the facility's state tax benefits. See page 10 of the application for a list of requirements. The deadline for submitting the Annual Application for Tax Credits is during the tax period immediately after the tax period for which the credits are being requested.

SB 1099 Reporting –

The "Tax Credit Accountability Act" reporting form must be returned for this program to DED by June 30 of each year. This form can be found on our website in the download box on the front page of this section.

SPECIAL PROGRAM REQUIREMENTS

Applicants must be eligible for and receive at least ten years' local property tax abatement at 50% pursuant to the local enhanced enterprise zone plan.

Projects relocating employees from one Missouri location to another Missouri location must obtain the endorsement of the governing body of the community from which the jobs are being relocated and include this endorsement with the Notice of Intent.

A business cannot earn tax credits under this program if earning Enterprise Zone, Business Facility, Quality Jobs, Rebuilding Communities or Brownfield Jobs and Investment tax credits for the same project for the same tax period.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type: Tax Credit**__X__ **Other (specify)**____	
Statutory Authority: 135.950 to 135.973, RSMo	**Applicable Taxes:** Income tax	

Program Description and Eligibility Requirements:

Tax credits to new or expanding businesses in enhanced enterprise zones. At least two new jobs must be created or maintained and at least $100,000 of new investment within the zone. Business eligibility determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Businesses also qualify for local abatement.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

Tax credits shall be the lesser of a formula amount based on number of jobs created, number of employees who are residents of the zone, number of employees paid wages above the county average wage and amount of new capital investment OR an amount authorized by DED that is limited to the projected state economic benefit. The credits may be provided each year for up to ten tax years after the project commences operations.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $24 million None _____

Explanation of Cap: Annual cap increased from $4 million to $7 million beginning January 1, 2007. Effective December 2007, the annual cap increased again from $7 million to $14 million. Effective August 28, 2008, the annual cap increased to $24 million.

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable __X___ Additional Federal Deductions Available _____

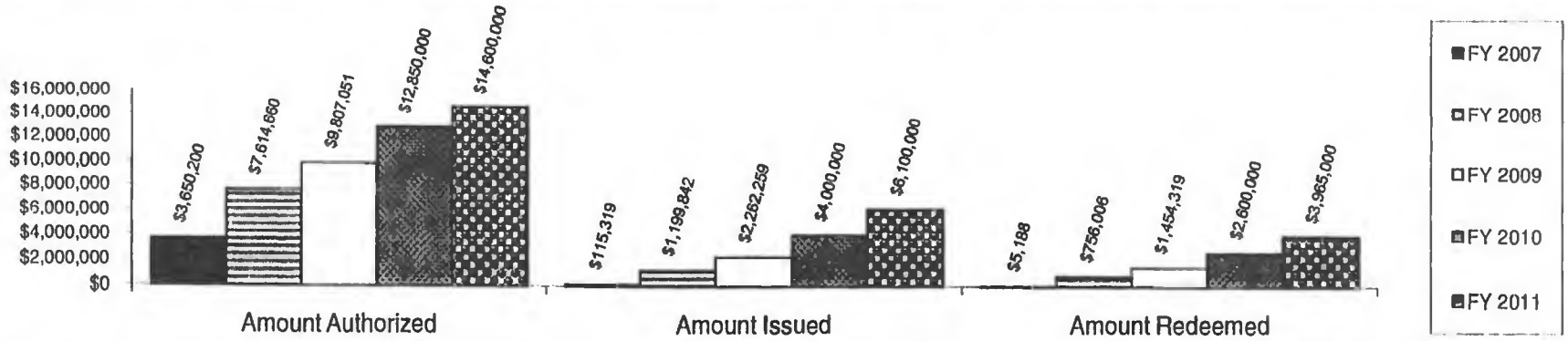
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	4	18	31	50	65
Projects (#)	4	38	30	55	75
Amount Authorized	$3,650,200	$7,614,660	$9,807,051	$12,850,000	$14,600,000
Amount Issued	$115,319	$1,199,842	$2,262,259	$4,000,000	$6,100,000
Amount Redeemed	$5,188	$756,006	$1,454,319	$2,600,000	$3,965,000
EST. Amount Outstanding	N/A	N/A	$1,251,777	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone	Department: Economic Development	Date: October 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: $17,940,142 authorized in FY2007 over 5 years; $21,548,155 authorized in FY2008 over 5 years; $9,335,998 authorized in FY 2009 over 5 years going forward.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$1,598,494	$21,172,391
Indirect Fiscal Benefits	$1,482,377	$19,634,391
Total	$3,080,871	$40,808,782
COSTS		
Direct Fiscal Costs	$1,867,200	$8,860,873
Indirect Fiscal Costs	$0	$0
Total	$1,867,200	$8,860,873
BENEFIT: COST	**1.65**	**4.61**

Derivation of Benefits:
Investment: (a) $138,805,050 in non-residential investment spending in 2009-2010; (b) $169,650,616 in durable equipment spending in 2009-2010.
Employment: (a) 939 jobs in specified industries (0 displaced) between 2010-2018.
Other Assumptions: (a) n/a.
Incentives/Credits: $9,335,998 in Authorized EEZ Tax Credits, redeemed between 2009-2013. The multi-year fiscal Benefit-Cost Ratio is 4.05 when other program incentives are included.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:

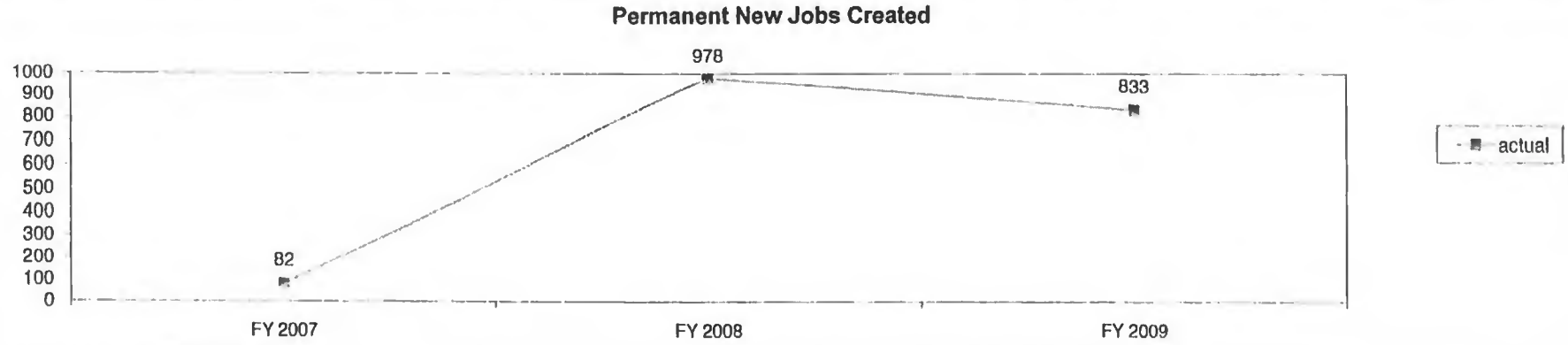
In FY-2009, every dollar of authorized program tax credits returns:
$24.04 in new personal income totaling $44.89 million
$40.65 in new value-added/GSP totaling $75.89 million
$69.50 in new economic output totaling $129.78 million

Over 10 years, every dollar of authorized program tax credits returns:
$104.54 in new personal income totaling $926.31 million
$197.06 in new value-added/GSP totaling $1,746.15 million
$353.40 in new economic output totaling $3,131.48 million

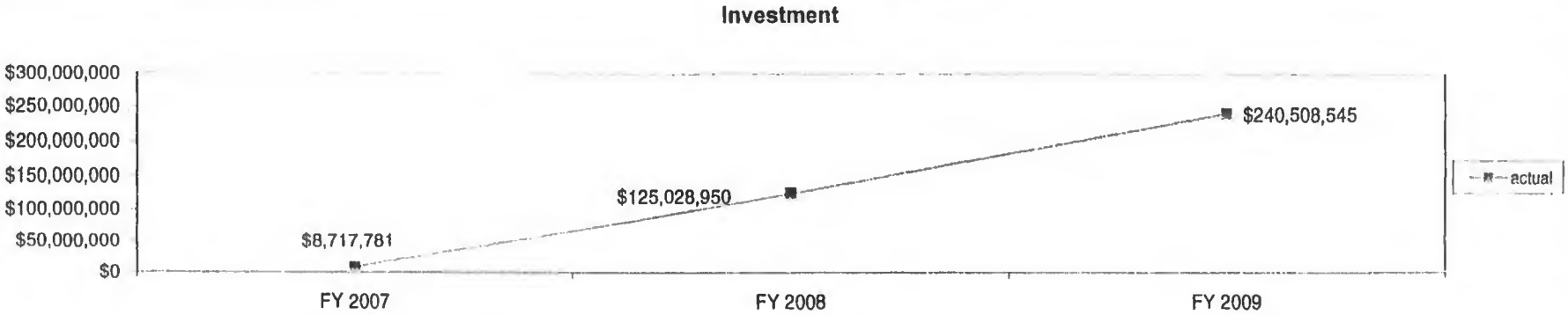
TAX CREDIT ANALYSIS

Program Name: Enhanced Enterprise Zone	Department: Economic Development	Date: October 2009

PERFORMANCE MEASURE(S)



Comments on Performance Measure:



Comments on Performance Measure:

ENTERPRISE ZONE TAX BENEFIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

NOTICE

Pursuant to SB 1155 (2004), the Enterprise Zone tax benefit program is being phased out of existence.

- ✓ Only a facility that has commenced operations or put its development into use on or before December 31, 2004, can be eligible for the state tax incentives under the program.
- ✓ Facilities that do not commence operations until January 1, 2005, or later, will not be eligible to receive the state tax incentives under the program.

  Remember that Form 135.258, the pre-application ("Letter of Intent") for the facility must be postmarked no later than 15 days before commencement of operations. For a business commencing operations ON December 31, 2004, the form must be postmarked no later than December 16, 2004. Forms postmarked after that date will be ineligible for the state incentives portion of the program without regard to the date of commencement of operations.
- ✓ Facilities already in the program as of December 31, 2004, will continue to receive the state tax incentives under this program for up to ten years as provided in the law. These facilities are considered to be "grandfathered" into the program.

Enterprise zone real property local tax abatement is not affected by the phase-out of the state incentive program.

PURPOSE

Provide tax incentives to facilitate the expansion of new or existing businesses in one of Missouri's many enterprise zones.

AUTHORIZATION

Sections 135.200 to 135.270, RSMo

HOW THE PROGRAM WORKS

Local property tax abatement, a state income tax exemption and state income tax credits may be provided to a business based on various factors:

- ✓ the number of new jobs created
- ✓ the number of enterprise zone residents employed
- ✓ the number of "difficult to employ" people employed
- ✓ zone residents or difficult to employ employees receiving training
- ✓ the amount of new investment at the qualifying facility

Being Phased Out

The credits are provided each year for up to ten years after the project commences operations unless the life of the enterprise zone expires before that time.

ELIGIBLE AREAS

The eligible project must be located in one of Missouri's "enterprise zones." Enterprise zones are specified geographic areas as certified by the Department of Economic Development (DED) based on demographic eligibility and approval of a request by the local governments. The number of zones that may be certified is limited by law.

A list of certified enterprise zones can be obtained from the department or via its web site. To determine whether a particular location is in an enterprise zone, contact the local zone administrator for that zone.

ELIGIBLE APPLICANTS

Facility eligibility is determined by its primary Standard Industrial Classification (SIC) or North American Industrial Classification System (NAICS) code, and includes manufacturing, warehousing, wholesale distribution, mining, insurance carriers, research and development,

1/06

recycling operations, computer-related services and certain office activities.

To receive credits in any of the ten years, the facility must create at least 2 new jobs and make $100,000 in new investment ($1,000,000 for "replacement facilities") in that year as compared to the base year (the year prior to the commencement of operations at the facility).

The investment credits are based on the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

Eligible Use of Tax Credits

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 148 – Insurance Premium Tax
- ✓ Sec. 375.916 – Insurance Co. Retaliatory Tax

This credit has no special attributes and can only be applied to tax liability for the year it was earned, unless it was issued for a new facility, for which there may be up to a $75,000 refund of state income taxes in the first two years of eligibility.

Application Procedure

The business must submit a form letter of intent (pre-application) to the Department of Economic Development (DED) at least 15 days prior to the commencement of facility operations; otherwise, the project is ineligible for the tax credits. DED must determine eligibility of the business within 15 days of receipt of the letter of intent form. Failure to meet this requirement precludes participation in the program for the base year sought.

The business must file an application for tax credits for its first year of operations by the end of the tax year immediately following the tax year during which operations were commenced. Failure to timely file the application for credits for the first year of operations will result in a denial of the application and precludes participation in the program for the base year sought.

Funding Limits

A company can receive:

- ✓ Up to a 50% state income tax exemption
- ✓ A $400 credit for each new job
- ✓ A $400 credit for each employee who is an enterprise zone resident
- ✓ A $400 credit for each employee who was a "difficult to employ" person (receiving welfare or unemployed for a specified period of time)
- ✓ Up to $400 credit per employee trained who was a zone resident or "difficult to employ"
- ✓ A credit equal to $5,500 for the first $100,000 of new capital investment at the facility and 2% of new capital investment amounts above $100,000 at the facility
- ✓ 50% local property tax abatement on improvements

Contact

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Business and Community Services
Finance Management
301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102
Phone: 573-751-4539 Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

Additional Resources

Go to the department's home page at www.missouridevelopment.org to obtain guidelines and forms for this program as well as a wealth of information regarding Missouri's many other economic development programs and policies.

12/05

TAX CREDIT ANALYSIS

Program Name: Enterprise Zone Benefits	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.200 to 135.270, 135.263, RSMo	**Applicable Taxes:** Income tax, insurance premium tax, insurance company retaliatory tax	

Program Description and Eligibility Requirements:

Tax credits, exemptions and refunds given to taxpayers who establish new facilities or expand existing ones in state designated enterprise zones. At least two new jobs must be created or maintained and at least $100,000 of new investment within the enterprise zone.

Explanation of How Award Is Computed: Entitlement _X_ Discretionary _____

Tax credits of up to $1,200 per new job created, training credit up to $400, investment credit of $23,500 per $1 million of new investment, income exemptions of 50%, refunds up to $75,000, and a local real property tax abatement.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap:

Explanation of Expiration of Authority: No revenue-producing enterprise shall receive the state tax exemption, state tax credits, or state tax refund as provided in sections 135.000 to 135.283 for facilities commencing operations on or after January 1, 2005. SB 1155 (2004) Local real property tax abatement is not affected.

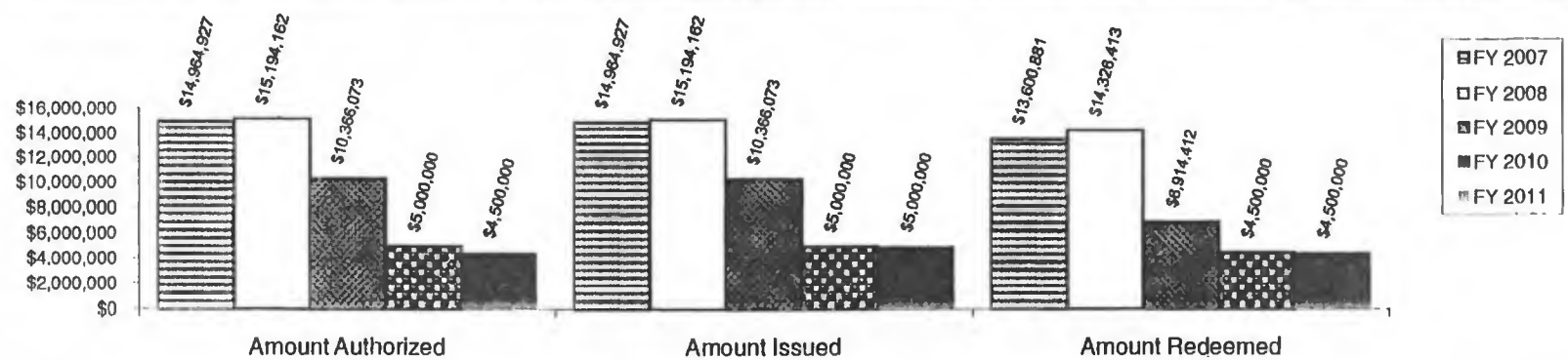
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: Refundable provision is limited in application.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	73	56	24	21	18
Projects (#)	73	56	24	21	18
Amount Authorized	$14,964,927	$15,194,162	$10,368,073	$5,000,000	$4,500,000
Amount Issued	$14,984,927	$15,194,182	$10,366,073	$5,000,000	$5,000,000
Amount Redeemed	$13,600,881	$14,328,413	$6,914,412	$4,500,000	$4,500,000
EST. Amount Outstanding	N/A	N/A	$3,451,881	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Enterprise Zone Benefits	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information: The Amount Redeemed includes refunds of $67,725, $55,490 and $15,209 for FY 07, FY 08 and FY 09 respectively, and income modifications of $6,646,873, $8,223,972 and $3,256,808, for FY 07, FY 08 and FY 09, respectively. Tax savings on the income modifcations are estimated at 6%.

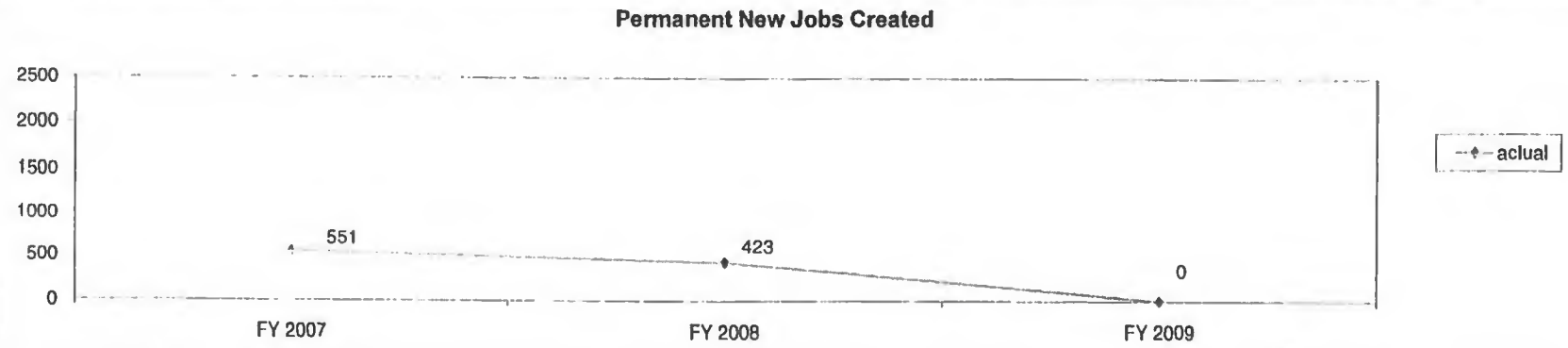
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No new projects in FY 09.

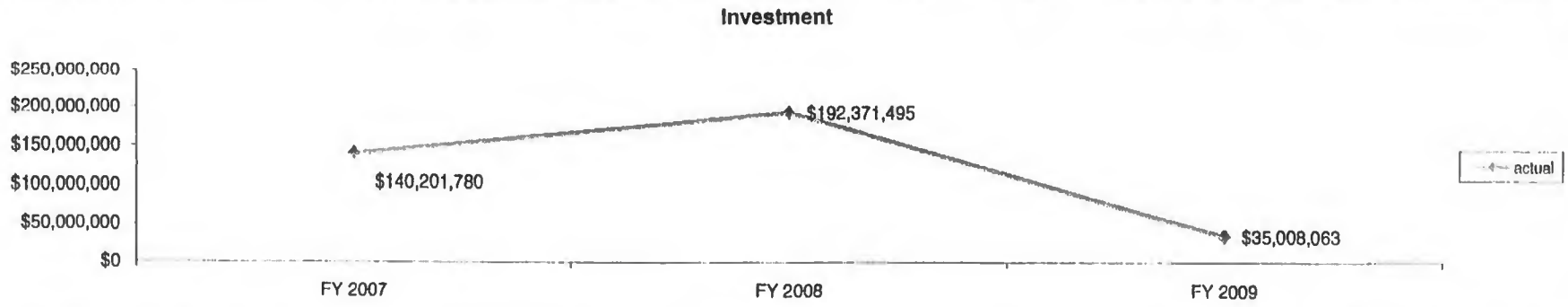
PERFORMANCE MEASURE(S)



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Enterprise Zone Benefits	Department: Economic Development	Date: October 2009



Comments on Performance Measure:

FAMILY DEVELOPMENT ACCOUNT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

This program promotes self-sufficiency for low-income Missourians through a matched savings program.

AUTHORIZATION

Sections 208.750 to 208.775, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

A community-based organization formed under Chapter 352, RSMo or any non-profit corporation formed under Chapter 355, RSMo.

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) issues state tax credits to an eligible taxpayer who donates money to an organization approved to administer a Family Development Account (FDA) project.

Organizations approved to administer a Family Development Account project recruit low-income Missourians to participate in a matched savings program to help pay for:

- Education at an accredited institution of higher learning;
- Job training at an accredited or licensed training program;
- Purchase of a primary residence;
- Major repairs or improvements to a primary residence; or
- Start-up capitalization of a small business.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

FUNDING LIMITS

- The total tax credits available for any fiscal year are $300,000.
- An organization applying for one or two years may request up to $100,000 in tax credits.
- The tax credit is for 50% of the amount of the contribution, not to exceed $25,000 (a $50,000 contribution) per contributor.

APPLICATION/APPROVAL PROCEDURE

Applications from eligible organizations may be submitted to the FDA program at any time. Applications will be reviewed in the order they are received. Every effort is made to notify organizations of a tax credit award within 60 days from receipt of the application.

REPORTING REQUIREMENTS

Quarterly reports, final report, final audit for projects using $25,000 or more in tax credits, and 1099 reporting.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

Revised June 2009

TAX CREDIT ANALYSIS

Program Name: Family Development Account	**Department:** Economic Development	**Date:** October 2009
Program Category: Community Development	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 208.750 - 208.775, RSMo	**Applicable Taxes:** Income, Corporate franchise, Bank tax, Insurance premium tax; Other financial institutions tax, Express company tax	

Program Description and Eligibility Requirements:

Promotes self-sufficiency through asset development for low-income persons through a matched savings program. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved FDA projects.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

Tax credits are provided to a contributor (based on 50% of the contribution) that donates to an approved organization administering the Family Development Account project. The matched savings fund can be used by the low-income persons for education, job training, purchase or rehabilitation of primary residence, or start-up capital for small business.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_300,000_____ None _____

Explanation of cap:
$300,000 in tax credits are awarded each fiscal year on an open cycle.

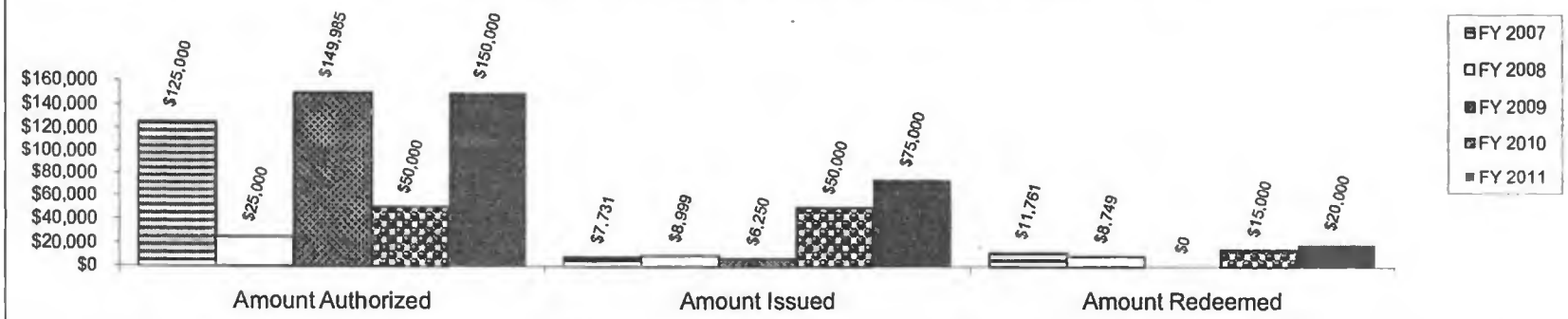
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2	3	4	3	3
Projects (#)	1	0	2	1	2
Amount Authorized	$125,000	$25,000	$149,985	$50,000	$150,000
Amount Issued	$7,731	$8,999	$6,250	$50,000	$75,000
Amount Redeemed	$11,761	$8,749	$0	$15,000	$20,000
EST. Amount Outstanding	N/A	N/A	$6,500	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Family Development Account	Department: Economic Development	Date: October 2009

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$0	$0
Indirect Fiscal Benefits	$900	$2,984
Total	$900	$2,984
COSTS		
Direct Fiscal Costs	$49,995	$145,690
Indirect Fiscal Costs	$0	$0
Total	$49,995	$145,690
BENEFIT: COST	**0.02**	**0.02**

Derivation of Benefits:
Investment: (a) n/a.
Employment: (a) n/a.
Other Assumptions: (a) $149,985 in transfer payments spread over years 2009-2011.
Incentives/Credits: $149,985 in Authorized Family Development Account Tax Credits in 2009; redeemed between 2009-2011.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (reml-fiscal-95-jul09).

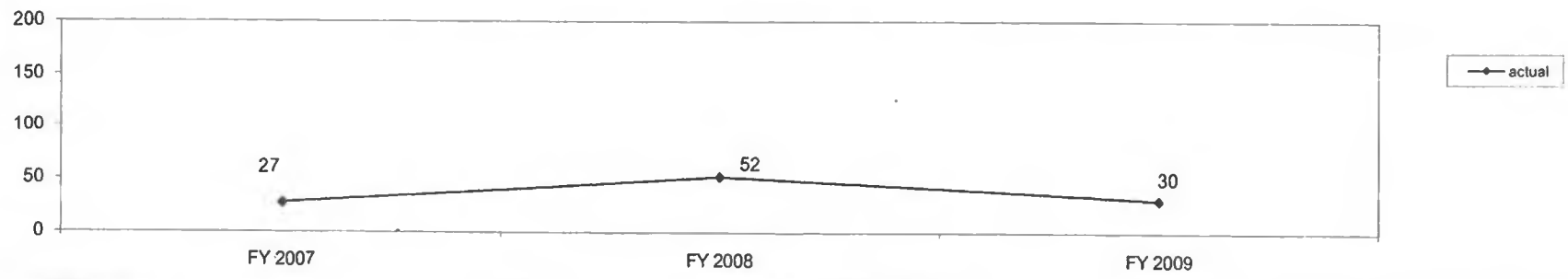
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$1.28 in new personal income totaling $0.06 million
$0.70 in new value-added/GSP totaling $0.03 million
$1.03 in new economic output totaling $0.05 million

Over 5 years, every dollar of authorized program tax credits returns:
$1.35 in new personal income totaling $0.20 million
$0.77 in new value-added/GSP totaling $0.11 million
$1.11 in new economic output totaling $0.16 million

PERFORMANCE MEASURE(S)

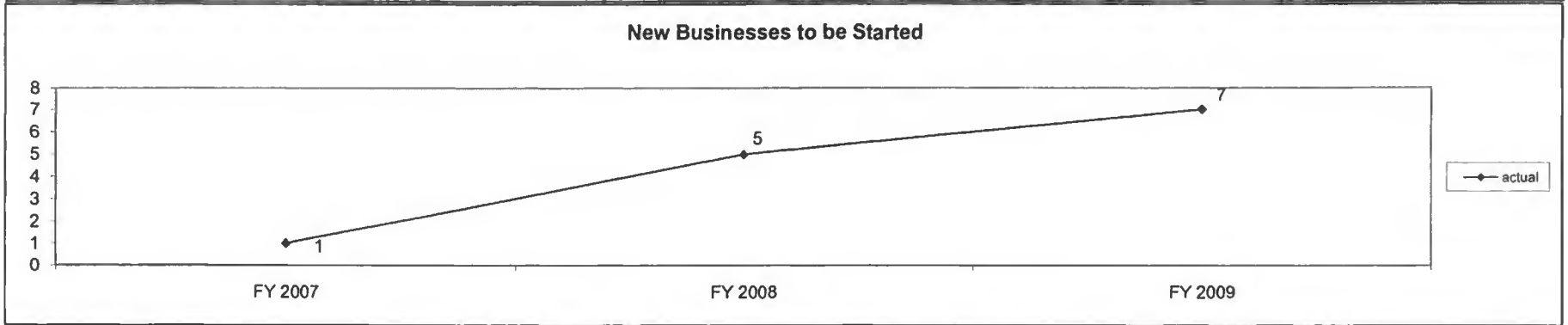
Purchase of New/Rehabbed Housing



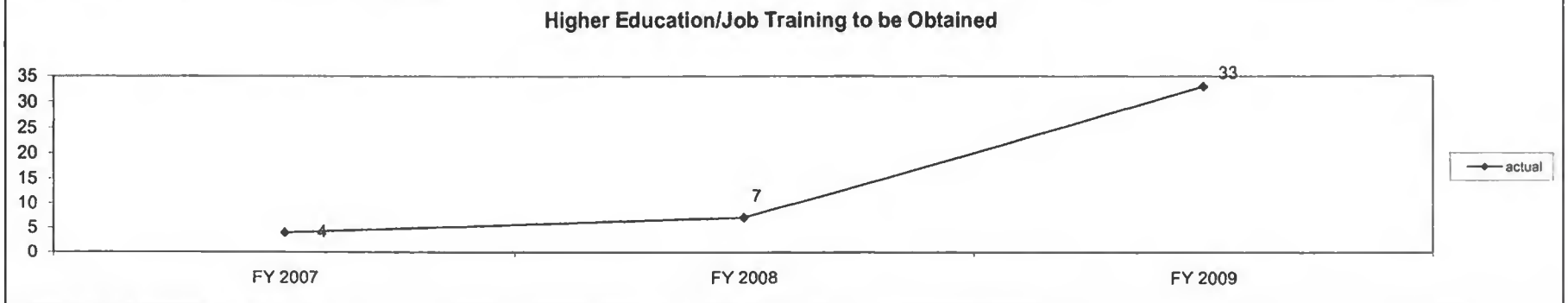
Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to save to buy a primary residence or rehab a primary residence. These are actual numbers of participants that have met their goals.

TAX CREDIT ANALYSIS

Program Name: Family Development Account	Department: Economic Development	Date: October 2009



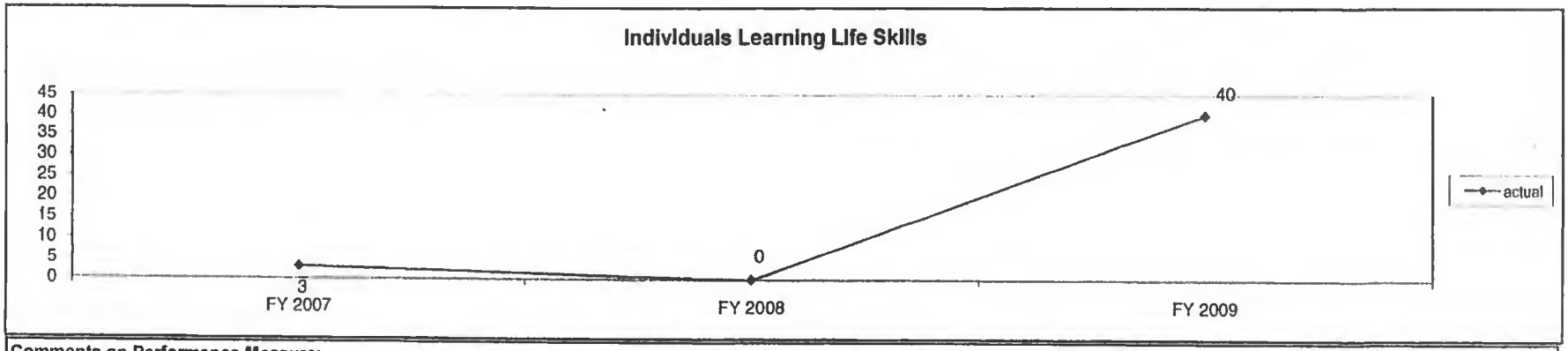
Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to start a new business. These are actual numbers of participants that have met their goals.



Comments on Performance Measure:
FDA is a matched savings program. Enrollees have 2-5 years to save to go to college or participate in an accredited job training program. These are actual numbers of participants that have met their goals.

TAX CREDIT ANALYSIS

Program Name: Family Development Account	Department: Economic Development	Date: October 2009



Comments on Performance Measure:
FDA is a matched savings program. As a requirement of the program, all enrollees must attend financial literacy courses. These are actual numbers of participants that have met their goals.

FILM PRODUCTION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

State tax credits are issued to a qualified film production company for up to 35% of the amount expended in Missouri for production or production-related activities to facilitate film production in Missouri.

AUTHORIZATION

Sections 135.750, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any film production company with an expected in-state expenditure budget of at least $100,000 for films over 30 minutes in length, and at least $50,000 for films under 30 minutes in length.

ELIGIBILITY CRITERIA

A film production company claiming the credit must first apply to the Department of Economic Development. A particular film will be eligible to receive the tax credit based on the amount of funds still withstanding for that particular year. Prior to the approval, the department will also look at the economic impact in determining whether the particular project would be a good fit for the tax credit.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable

Only those Missouri expenditures necessary for the production of the film are eligible. Such expenditures may include, but are not limited to, the costs of labor (Missouri residents only), services, materials, equipment rental, lodging, food, location fees and property rental.

FUNDING LIMITS

The entire film production tax credit program is capped at $4.5 million.

APPLICATION/APPROVAL PROCEDURE

Due to a finite amount of tax credits available, DED has established a procedure whereby tax credits may be set aside for a given film project by the submission of an application that provides estimates for the company's Missouri expenditures on the project. Based upon these estimates and any other relevant information, DED may reserve a given amount of tax credits for the project (for a given period of time). If it appears at any time that a project may be significantly delayed, then DED may review the project and, if warranted, reclaim those reserved credits and apply them elsewhere.

In the application form, DED will ask for estimates on the amount of money to be spent in Missouri, as well as projected dates for establishing the production office and the first day of principal photography. These dates will be used in determining the length of time for which tax credits may be reserved for the project, as well as the likelihood that the project will actually be produced in Missouri.

REPORTING REQUIREMENTS

Certain tax credit recipients are required to annually report to the DED information pertaining to the project that received the tax credits. The statute requires that a full year pass after the issuance of the tax credits before SB1099 reporting requirements must be met.

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits, including the following information:

- Category of business by size
- Address of the business headquarters
- Addresses of all offices located within this state
- Number of employees at the time of the annual update
- Updated estimate of the number of employees projected to increase as a result of the completion of the project
- The estimated or actual project cost

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI

DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program	**Department:** Economic Development	**Date:** October, 2009
Program Category: Business Recruitment	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.750, RSMo	**Applicable Taxes:** Income tax, Bank tax, Insurance Premium tax, Other financial institutions	

Program Description and Eligibility Requirements:
Provides a tax credit for in-state expenditures for film production projects. Prior to CY 2008, the film had to have an expected in-state expenditure budget in excess of $300,000 to be eligible. After Jan. 1, 2008, films under 30 minutes in length must have an in-state budget in excess of $50,000; films over 30 minutes in length must have an in-state budget in excess of $100,000.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

For years prior to 2008, the tax credit is equal to 50% of the investment in production or production related activities, but may not exceed $1,000,000 per taxpayer, or $1,500,000 for all taxpayers. Starting in 2008, the tax credit is up to 35% of qualified expenditures, but may not exceed $4.5 million annually for all projects.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_4,500,000_____ None _____

Explanation of cap:
The annual cap is allocated each calendar year to film projects based on pre-applications submitted to DED. Effective January 1, 2008 the annual cap increased from $1,500,000 to $4,500,000.

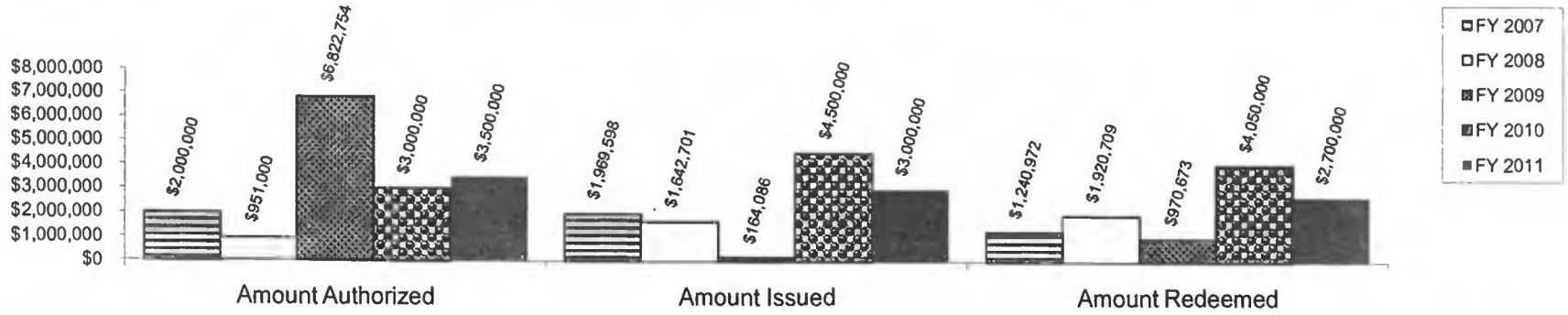
Explanation of Expiration of Authority: This program sunsets in 2013 unless reauthorized by the general assembly.

Specific Provisions: (if applicable)
Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	6	7	5	13	10
Projects (#)	6	5	8	10	10
Amount Authorized	$2,000,000	$951,000	$6,822,754	$3,000,000	$3,500,000
Amount Issued	$1,969,598	$1,642,701	$164,086	$4,500,000	$3,000,000
Amount Redeemed	$1,240,972	$1,920,709	$970,673	$4,050,000	$2,700,000
EST. Amount Outstanding	N/A	N/A	$89,890	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Film Tax Credit Program	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$691,598	$687,764
Indirect Fiscal Benefits	$47,309	$47,047
Total	$738,907	$734,811
COSTS		
Direct Fiscal Costs	$2,274,251	$6,639,652
Indirect Fiscal Costs	$0	
Total	$2,274,251	$6,639,652
BENEFIT: COST	**0.32**	**0.11**

Derivation of Benefits:

Employment: (a) Film production employment included in industry spending below.
Other Assumptions: (a) $20,753,617 in Film Production spending; percentages applied to specific industries (motion pictures, rentals, transportation, accommodation, food, insurance and prof/technical) based on actual Missouri expenditures from films authorized in 2009.
Incentives/Credits: $6,822,754 Authorized Film Tax Credits in 2009; redeemed between 2009-2011.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

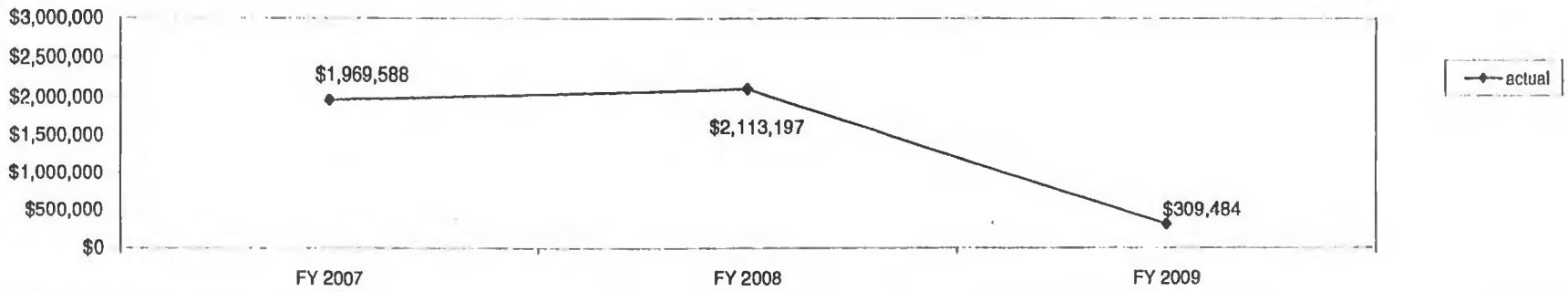
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$3.63 in new personal income totaling $8.26 million
$7.74 in new value-added/GSP totaling $17.60 million
$14.22 in new economic output totaling $32.34 million

Over 10 years, every dollar of authorized program tax credits returns:
$1.45 in new personal income totaling $9.63 million
$2.74 in new value-added/GSP totaling $18.18 million
$4.99 in new economic output totaling $33.11 million

PERFORMANCE MEASURE(S)

Dollars Expended in Missouri on Film Production



Comments on Performance Measure:
Audited figures.

HISTORIC PRESERVATION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide an incentive for the redevelopment of commercial and residential historic structures in Missouri.

AUTHORIZATION

Sections 253.545 to 253.561, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Any taxpayer is eligible to participate in this program. Not-for-profit entities and government entities are ineligible.

PROGRAM BENEFITS/ELIGIBLE USES

The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 10 years
- Sellable or transferable

FUNDING LIMITS

- Effective 1/1/2010, there is a program cap of $70 million for projects receiving tax credits over $275,000.
- Effective 7/1/2010, the cap is $140 million for projects receiving tax credits over $275,000.
- Owner occupied residential has a project cap of $250,000 and projects receiving less than $275,000 do not fall under the program cap.

APPLICATION/APPROVAL PROCEDURE

An application is submitted to the Missouri Department of Economic Development (DED), which will then be submitted to the State Historic Preservation Office to determine the eligibility of the property and proposed rehabilitation, based on the standards of the U.S. Department of the Interior. There are no application deadlines, and the program is non-competitive.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

An eligible property must be:

- listed individually on the National Register of Historic Places;
- certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register; or
- of a local historic district that has been certified by the U.S. Department of the Interior.

The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property (acquisition cost).

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Development Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

Revised January 2010

SMALL BUSINESS INCUBATOR TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To generate private funds to be used to establish a "protective business environment" (incubator) in which a number of small businesses can collectively operate, fostering growth and development during a business' start-up period.

AUTHORIZATION

Section 620.495, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri taxpayers who make a contribution to an approved incubator sponsor in Missouri

PROGRAM BENEFITS/ELIGIBLES

This 50% tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

This credit's special attributes:

- Carry forward 5 years
- Sellable or transferable (75¢ minimum)

FUNDING LIMITS

The overall maximum amount of tax credits that can be authorized under this program in any one calendar year is $500,000.

APPLICATION/APPROVAL PROCEDURE

SPONSOR -

An incubator sponsor must apply to the Department of Economic Development for designation as an approved incubator. DED reviews and approves applications based on the following criteria:

- Ability of the sponsor to carry out the provisions of §620.495, RSMo;
- Economic impact of the incubator on the community;
- Conformance with area-wide and local economic development plans, If they exist; and
- Location of the incubator (encouraging geographic distribution of incubators throughout the state).

CONTRIBUTOR -

Any taxpayer, including non-for-profit corporations, except those that benefit directly from General Revenue such as public universities, may be a contributor. Applications can be submitted to DED year-round, but decisions will be made on a first-come basis, based on the annual amount of tax credits allocated to an approved incubator.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program	**Department:** Economic Development	**Date:** October 2009
Program Category: Entrepreneurial	**Type: Tax Credit_X___ Other (specify)____**	
Statutory Authority: 620.495, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
A taxpayer who makes a contribution to an approved incubator sponsor or fund can claim a state tax credit for a percentage of such contribution.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

The tax credit is equal to 50% of the contribution.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_500,000_____ None _____

Explanation of cap: The $500,000 annual cap is allocated each calendar year to approved incubators requesting funds based on need, competition and the appropriate use of contributions.

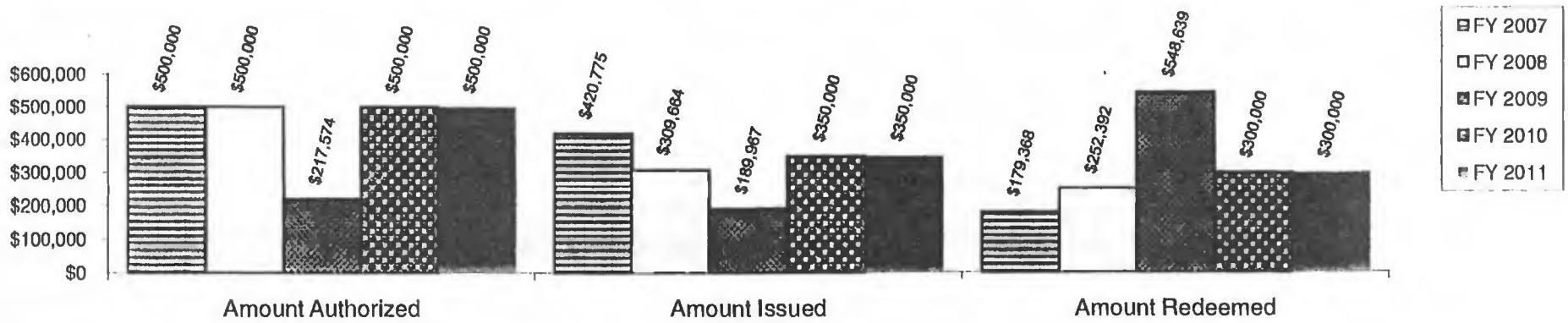
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions: 75 cents minimum sale price

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	29	34	28	30	30
Projects (#)	5	5	3	5	5
Amount Authorized	$500,000	$500,000	$217,574	$500,000	$500,000
Amount Issued	$420,775	$309,664	$189,967	$350,000	$350,000
Amount Redeemed	$179,368	$252,392	$548,639	$300,000	$300,000
EST. Amount Outstanding	N/A	N/A	$58,903	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Small Business Incubator Tax Credit Program | **Department:** Economic Development | **Date:** October 2009

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$11,297	$70,707
Indirect Fiscal Benefits	$12,881	$80,620
Total	$24,178	$151,327
COSTS		
Direct Fiscal Costs	$36,262	$204,097
Indirect Fiscal Costs	$0	$0
Total	$36,262	$204,097
BENEFIT: COST	**0.67**	**0.74**

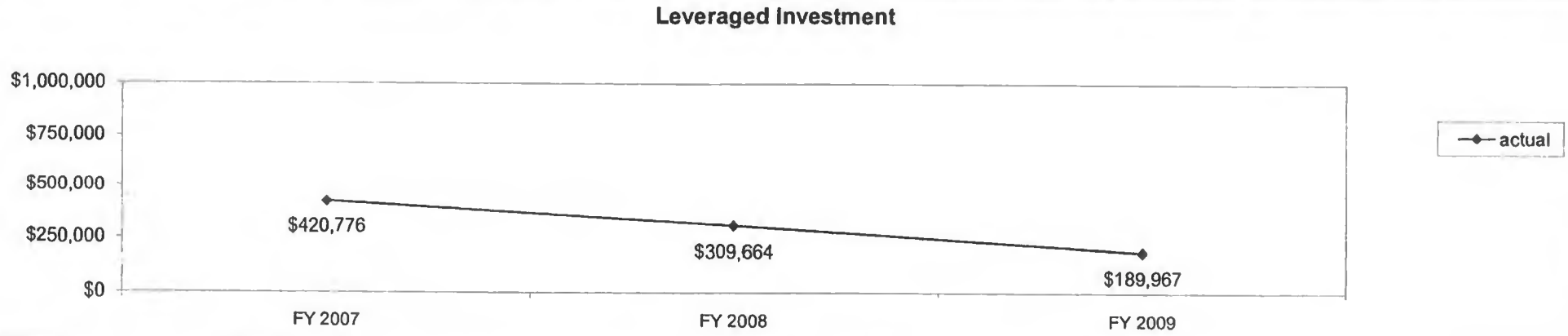
Derivation of Benefits:
Investment: (a) $435,148 in non-residential investment spending in 2009.
Employment: (a) 3 jobs in Prof Technical Services (0 displaced) at average wages in 2009-2018.
Other Assumptions: (a) n/a.
Incentives/Credits: $217,574 in Authorized Incubator Tax Credits, redeemed between 2009-2014.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:

in FY-2009, every dollar of authorized program tax credits returns:
$12.62 in new personal income totaling $0.46 million
$21.26 in new value-added/GSP totaling $0.77 million
$31.38 in new economic output totaling $1.14 million

Over 10 years, every dollar of authorized program tax credits returns:
$17.64 in new personal income totaling $3.60 million
$26.62 in new value-added/GSP totaling $5.43 million
$37.23 in new economic output totaling $7.60 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure: In FY2006, contribution amounts included the associated tax credits. In FY 2007 and forward, the amounts are net of tax credit issuances.

LAND ASSEMBLAGE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Support redevelopment of blighted areas into productive use.

AUTHORIZATION

Section 99.1205, RSMo. (HB1, Special Session, 2007).

ELIGIBLE AREAS

- An area of at least 75 acres;
- At least 80% must be within a Distressed Area (applicable to other DED programs) or a federal "Qualified Census Tract" (26 U.S.C. Section 42);
- The redeveloper must acquire at least 50 acres of the area;
- The average parcels per acre must be four or more; and
- Less than five percent of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences.

ELIGIBLE APPLICANTS

Redeveloper, which is a person, firm, partnership, trust, limited liability company, or corporation.

ELIGIBILITY CRITERIA

The redeveloper must have incurred acquisition cost for at least 50 acres of eligible parcels, have been appointed the redeveloper of the area by a city or county, have entered into a redevelopment agreement, and have been approved for redevelopment incentives for the area.

PROGRAM BENEFITS/ELIGIBLE USES

State tax credits are provided to the redeveloper based on 50% of the acquisition costs and 100% of the interest costs incurred for a period of five years after the acquisition of an eligible parcel. Maintenance costs (boarding up and securing vacant structures, costs of removing trash, and costs of cutting grass and weeds) may also be included as acquisition costs.

FUNDING LIMITS

- Maximum aggregate amount of tax credits for all projects: $95 million.
- Maximum annual amount of tax credits, all projects (by one or more redevelopers): $20 million. If the amount to be issued to more than one redeveloper exceeds $20 million/year, the amount will be pro-rated between the redevelopers. Any amount of tax credits that exceeds the $20 million annual cap shall be carried forward for the benefit of the redevelopers to subsequent years.

APPLICATION/APPROVAL PROCEDURE

A redeveloper may submit an application to the Department of Economic Development (DED). The redeveloper must identify the boundaries of the eligible project area in the application. The department shall verify that the municipal authority held the requisite hearings and gave the requisite notices for such hearings in accordance with the applicable economic incentive act and municipal ordinances.

REPORTING REQUIREMENTS

Redevelopers must submit satisfactory evidence of all acquisition, maintenance, and interest costs to DED annually prior to November 15. If maintenance costs are to be included, DED must post on its website the type and amount of such costs.

SPECIAL PROGRAM REQUIREMENTS

- No tax credits shall be authorized after August 28, 2013. Any tax credits which have been authorized on or before August 28, 2013, but not issued, may be issued, subject to the limitations provided under this subsection, until all such authorized tax credits have been issued.
- Tax credits may be applied against the taxes imposed under chapters 143, 147, and 148, RSMo, except for sections 143.191 to 143.265, RSMo., or any unused portion may be carried forward for credit against the taxes imposed under chapters 143, 147, and 148, RSMo, for the succeeding six years, or until the full credit is used, whichever occurs first. The applicant shall not be entitled to a tax credit for taxes imposed under sections 143.191 to 143.265.
- Unused tax credits may be sold, assigned, or transferred. Such transfer must be submitted to DED on Form MO-TF.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Distressed Areas Land Assemblage	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

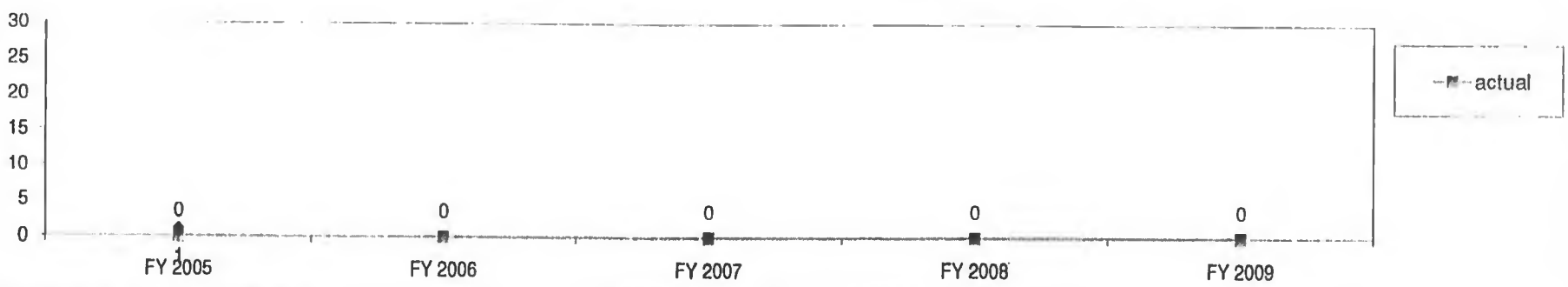
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No authorizations in 2009.

Other Benefits:

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

LOW INCOME HOUSING TAX CREDIT PROGRAM

MISSOURI HOUSING DEVELOPMENT COMMISSION

PURPOSE

An incentive for the new construction or rehabilitation of rental housing affordable to low and moderate income families in Missouri.

AUTHORIZATION

Sections 135.350 to 135.363, RSMo

HOW THE PROGRAM WORKS

This program leverages equity investments from the private sector for the development of rental housing, thereby reducing rents to affordable levels for low and moderate income families. It is based upon the federal low-income housing tax credit program and provides a state tax credit for ten years to qualified owners and investors in affordable rental housing developments equal to approximately 9% of the eligible development costs. Developments financed with tax-exempt bonds are eligible to apply for state tax credit for approximately 4% of the eligible development costs.

The state low-income housing tax credit may be allocated to a qualified project in an amount up to 100% of the federal tax credit allocated to the project. The total amount of federal 9% credits available is capped annually at an amount set by the IRS and based on the population of the state, which results in a cap for the state 9% credits at the same amount. There is also a $6 million statutory annual cap on authorizations of state 4% credits.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Developers (private and not-for-profit) are eligible to apply for tax credit.

ELIGIBLE USE OF TAX CREDITS

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax
- ✓ Ch. 147-Corporation Franchise tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institutions Tax
- ✓ Ch. 153-Express Company Tax

This credit's special attributes:

- ✓ 10-year credit
- ✓ Carryback 3 years
- ✓ Carryforward 5 years
- ✓ Sellable or transferable within an ownership structure

APPLICATION PROCEDURE

Each summer a notice of funding availability is issued announcing an application deadline for both 9% and 4% projects scheduled in the fall. The process to determine the allocation of tax credits is competitive. MHDC staff reviews all proposals to determine the financial feasibility and the demand for affordable rental housing in the community. Staff makes its recommendations to the Commission from the fall application round in the winter. A second application round is held for 4% projects in the spring, which follows the same competitive evaluation process, with staff recommendations and Commission approvals made before the end of the fiscal year.

SPECIAL PROGRAM REQUIREMENTS

An eligible proposal must:

- ✓ Create rental units for households having incomes below 60% of the area median family income;
- ✓ Maintain the affordability of the rental units by restricting rents for up to 30 years:

12/09

- ✓ Assist in the production of financially viable, market appropriate housing in areas of greatest housing need in the State;
- ✓ Be sponsored by an entity with prior successful housing experience and the ability to proceed in an expeditious manner.

An approved proposal must meet program standards including on-going compliance reviews concerning:

- ✓ Resident household eligibility;
- ✓ Rent restrictions;
- ✓ Occupancy standards;
- ✓ Physical property condition.

CONTACT

Missouri Housing Development Commission
3435 Broadway
Kansas City, MO 64111-2403
Phone: 816-759-6824 Fax: 816-759-6828
E-mail: kwatts@mhdc.com

ADDITIONAL RESOURCES

Go to the MHDC home page at www.mhdc.com and choose the Rental Production link to obtain guidelines and forms for the Low Income Housing Tax Credit Program.

12/09

TAX CREDIT ANALYSIS

Program Name: Missouri Low Income Housing Tax Credit Program	**Department:** Missouri Housing Development Commission **Date:** Nov 2009 REVISED
Program Category: Housing	**Type:** Tax Credit X Other (specify)____
Statutory Authority: Sections 135.350 - 135.363, RSMo	**Applicable Taxes:** Income Tax; Corporate Franchise Tax; Insurance Company Annual Tax on Gross Premium Receipts; Other Financial Institutions Tax; Express Company Annual Tax on Gross Premium Receipts

Program Description and Eligibility Requirements:
The Missouri Low Income Housing Tax Credit Program (LIHTC) is a ten-year state tax credit to qualified owners and investors in affordable rental housing. The LIHTC generates equity investments from the private sector for the development of new or rehabilitated rental housing in order to lower rents to affordable levels for qualified low-income families. A qualified development is one that rents at least 20% of its units to families earning 50% of the median family income or at least 40% of its units to families earning 60% of median family income, adjusted for family size. The development must: meet a demonstrated need for affordable rental housing in the community; be economically feasible; leverage tax credits with other financing; demonstrate local support; and provide affordable rental housing for qualified low-income Missourians for an extended period of time, typically 30 years.

Explanation of How Award is Computed: Entitlement ___ Discretionary X

The amount of the Missouri LIHTC allocated to a given housing development is directly related to the percentage of low-income housing units made available to qualified low-income families and the acquisition, construction or rehabilitation expenditures, less land and non-depreciable costs, to create the development. There are two types of Missouri LIHTC: 9% and 4%. Developments compete annually for the 9% Missouri LIHTC, which enables them to receive tax credits equal to 9% of the total eligible development costs. Developments receiving an allocation of tax-exempt bond-financing from the Dept. of Economic Development may apply to receive the 4% Missouri LIHTC in an amount equal to roughly 4% of the total eligible development costs. The maximum amount of Missouri LIHTC that may be issued for any development is 100% of the federal LIHTC issued for the development.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual 100% of federal LIHTC for 9% and $6 million for 4% None _____

Explanation of cap: The 9% Missouri LIHTC issued through the competitive application cycle is capped at 100% of the federal LIHTC or approx. $2.00 per capita for 2009. Per HB 191 (2009), the annual amount of new 4% Missouri LIHTC to be authorized is capped at $6 million.

Explanation of Expiration of Authority: N/A

Specific Provisions: (if applicable)
Carry forward 5 years Carry Back 3 years Refundable No Seliable/Assignable Yes Additional Federal Deductions Available Yes

Comments on Specific Provisions:

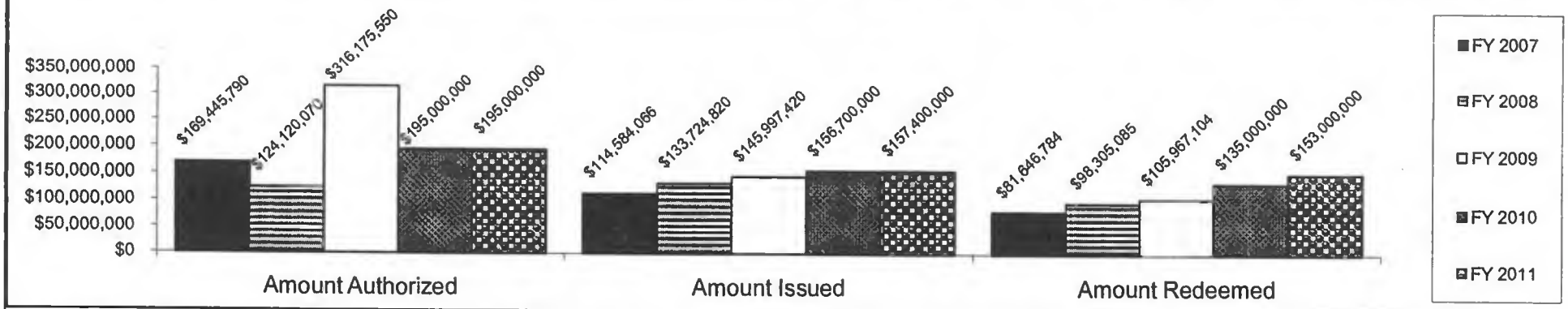
	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	542	480	417	338	231
Projects (#)	54	59	57	38	26
Amount Authorized (10 yr)	$169,445,790	$124,120,070	$316,175,550*	$195,000,000	$195,000,000
Amount Issued (10 yr)	$114,584,066	$133,724,820	$145,997,420	$156,700,000	$157,400,000
Amount Redeemed	$81,646,784	$98,305,085	$105,967,104	$135,000,000	$153,000,000
EST. Amount Outstanding	N/A	N/A	$255,822,968**	N/A	N/A

*MHDC's administrative process historically resulted in the authorization of credits one fiscal year after commission approval. In FY09, MHDC changed its procedures to align authorizations with the fiscal year in which credits are approved. The FY09 authorized amount accounts for credits approved in both FY08 and FY09 as MHDC transitions from the old process to the new. For FY10 and forward, estimated authorizations reflect projects granted inital commission approval and authorization within the same year. **Because of the way tax credits are tracked and reported, redeemed credits cannot be tied to a particular year out of the 10-year credit stream. This makes it impossible to account for expired credits and the effect of the carry forward and carry back period. The figure provided is considered the maximum potential outstanding amount.

TAX CREDIT ANALYSIS

Program Name: Missouri Low Income Housing Tax Credit Program	**Department:** Missouri Housing Development Commission	**Date:** Nov 2009 REVISED

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: (See note on previous page regarding FY09 Amount Authorized.) Historically, the amount of authorized and issued LIHTC has fluctuated based upon the number and size of developments receiving an allocation of tax-exempt bond financing from the Department of Economic Development and therefore receiving 4% LIHTC. HB 191 (2009) capped the number of new annual 4% LIHTC authorizations at $6 million and projections for FY10 and FY11 reflect the new cap. The projections of redeemed credits for FY 10 and FY 11 are an estimate based on the amount of credits issued and the historical trend of credits redeemed. This projection cannot precisely account for carry forward and carry back provisions nor the individual credit holder's decision on when to claim a particular credit.

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (15 years)
BENEFITS		
Direct Fiscal Benefits	$4,479,288	$18,540,074
Indirect Fiscal Benefits	$3,490,424	$14,447,098
Total	$7,969,712	$32,987,172
COSTS		
Direct Fiscal Costs	$0	$270,497,524
Indirect Fiscal Costs	$0	$0
Total	$0	$270,497,524
BENEFIT: COST	**NA**	**0.12**

Derivation of Benefits:
Investment: (a) $654,933,504 in residential construction and development costs between 2009-2010.
Employment: (a) 126 FTE employees (0 displaced) in Rental/Leasing and Repair/Maintenance industries in 2011-2023; (b) $997,516 annual maintenance contracting between 2011-2023
Other Assumptions: (a) 4,098 low income households with reductions of household expenditures by $9,638,496 per annum ($196 monthly per unit) between 2011-2023.
Incentives/Credits: $313,806,610 in Authorized LIHTC between 2009-2021, which is net of any additional credits approved for previously authorized developments for which the incentives have already been counted in previous years' cost analysis. The multi-year fiscal Benefit-Cost Ratio is .10 when other program incentives are included.
Impacts occur in the Statewide Region. Assumptions provided by MHDC. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits: The Missouri LIHTC increases the availability of rental housing that is affordable to low-income families and seniors. It also reduces blight and improves communities through the new construction and rehabilitation of affordable rental housing in Missouri. The additional project equity raised by the state LIHTC allows more projects to be built and makes project rents more affordable. **In 41 out of 78 projects authorized in FY09, the projects would not be feasible as Low Income Housing Tax Credit units without the state tax credit equity, resulting in a loss of 1,931 affordable rental units in the state. In the 35 remaining projects, the rents would increase an average of $288/month without the state tax credit equity.** The reduced rents brought about by the state tax credit increases households' disposable income and allows low-income families and seniors to meet more of their other basic necessities such as food, clothing, education and health care. The Missouri LIHTC increases the quality of construction and provides additional amenities in developments such as community rooms for seniors and learning centers for children living in affordable multi-family housing developments in Missouri. The subsidy provided by the Missouri LIHTC also makes it economically feasible to develop new or rehabilitated affordable rental housing in many very low-income rural communities in Missouri. Lastly, the Missouri LIHTC helps preserve affordable rental housing that is in danger of being lost from the affordable housing stock and it leverages millions of dollars of federal rental assistance for many low-income families and seniors in Missouri.

TAX CREDIT ANALYSIS

Program Name: Missouri Low Income Housing Tax Credit Program | **Department:** Missouri Housing Development Commission | **Date:** Nov 2009 REVISED

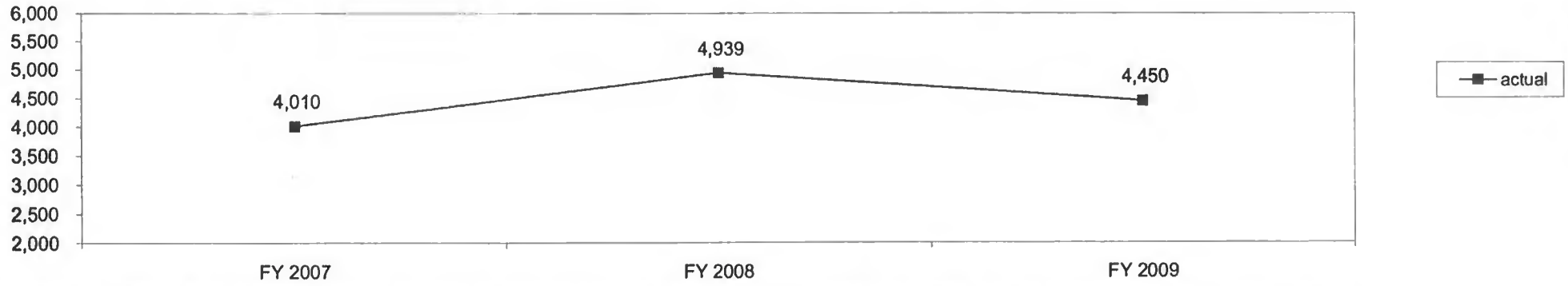
Other Benefits (cont'd):

In FY-2009, every dollar of authorized program tax credits returns
N/A in new personal income totaling $140.10 million
N/A in new value-added/GSP totaling $217.10 million
N/A in new economic output totaling $381.27 million

Over 15 YEARS, every dollar of authorized program tax credits returns
$2.78 in new personal income totaling $751.11 million
$4.53 in new value-added/GSP totaling $1,226.65 million
$6.75 in new economic output totaling $1,825.69 million

PERFORMANCE MEASURE(S)

Number of Housing Units Produced or Preserved



Comments on Performance Measure: This performance measure is the total number of LIHTC housing units placed in service each year from FY 2007-FY2009.

BOND GUARANTEE

MISSOURI DEVELOPMENT FINANCE BOARD

PURPOSE

In the event of default, purchasers of bonds will receive tax credits for the amount of principle and interest due on the date of default.

AUTHORIZATION

Sections 100.297, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

Investors in bonds authorized for credits, financial institutions or guarantors executing a credit facility as security for bonds.

PROGRAM BENEFITS/ELIGIBLE USES

The Board may authorize a State income tax credit to the owner of revenue bonds issued by the Board in the amount equal to the unpaid principal of and unpaid interest on such bonds in the taxable year of such owner following the calendar year of the default.

This tax credit can be applied to:

- ✓ Ch. 143 – Income tax, (excluding withholding tax)
- ✓ Ch. 147 – Corporate Franchise Tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institution Tax

This credit's special attributes:

- ✓ Carry forward 10 years
- ✓ Assignable or transferable

APPLICATION/APPROVAL PROCEDURE

Before issuing the bonds, the Board must determine that: (1) the availability of a tax credit is a material inducement to the undertaking of the project in the State and to the sale of the bonds; and (2) the loan with respect to the project is adequately secured by security satisfactory to the Board.

Any portion of the tax credit to which any owner of a bond is entitled that exceeds the total income tax liability of such owner may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

CONTACT

Missouri Development Finance Board
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102
Phone: 573-751-8479 Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov
Web: www.mdfb.org

MDFB
MISSOURI DEVELOPMENT FINANCE BOARD

09/08

TAX CREDIT ANALYSIS

Program Name: MDFB Bond Guarantee	**Department:** Economic Development	**Date:** October 2009
Program Category: Redevelopment	**Type:** Tax Credit _X__ Other (specify)____	
Statutory Authority: 100.297, RSMo	**Applicable Taxes:** Income Tax, excluding withholding tax; Corporate Franchise Tax, Bank Tax; Insurance Premium Tax; Other Financial Institutions Tax	

Program Description and Eligibility Requirements:
The Tax Credit Bond Enhancement Program provides a tax credit enhancement on behalf of Public Entities for certain bonds. This program uses the Board's bond tax credits as collateral.

Explanation of How Award Is Computed: Entitlement _____ Discretionary _X_

Typically we do not need to issue these credits. They are provided as additional security for the bonds. Tax credits are computed based on inability to meet debt service on bonds after all other resources are utilized and all compliance requirements are met on an annual basis. The credit is issued for the shortfall in an annual debt service payment.

Program Cap: Cumulative $50 million (remainder of cumulative cap) $48,812,870 Annual $_____ None _____

Explanation of cap:
A cumulative cap of $50,000,000 the remainder $48,812,870 that may continue to be utilized as bond enhancements expire.

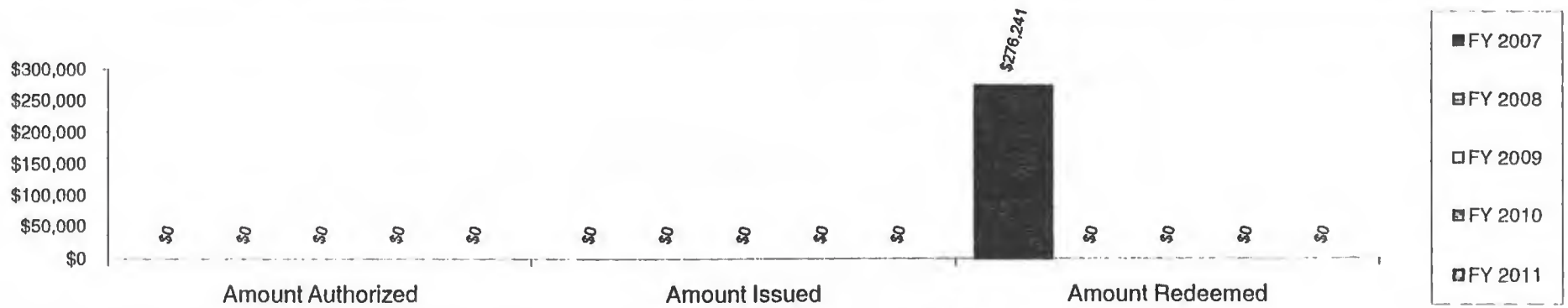
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward __10__ years Carry Back _____ years Refundable _____ Sellable/Assignable__Yes__ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$276,241	0	$0	$0	$0
EST. Amount Outstanding	N/A	$0	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: MDFB Bond Guarantee	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (Indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	
COSTS		
Direct Fiscal Costs	$0	
Indirect Fiscal Costs		
Total	$0	
BENEFIT: COST		

Derivation of Benefits:

No economic activity in FY 2009. Any redemptions can be attributed to a Tax Credit Bond Enhancement issued for the Uptown Theater. The Uptown Theater is a project that dates back to FYE 1998. The intial Tax Credit Bond Enhancement was $8,500,000. The project was underperforming and the Board and the City of Kansas City agreed to settle in the amount of $1,187,130. The $870,275 was the final settlement amount. It is unusual for MDFB to issue tax credits under this program.

Other Benefits:

INFRASTRUCTURE TAX CREDIT PROGRAM

(ALSO KNOWN AS THE CONTRIBUTION TAX CREDIT PROGRAM)

PURPOSE
Assist in the funding of capital improvement costs for qualified public facilities and public infrastructure projects within the state of Missouri.

AUTHORIZATION
Sections 100.286(6), RSMo

ELIGIBLE AREAS
Statewide.

ELIGIBLE APPLICANTS
Public Entities in Missouri

ELIGIBILITY CRITERIA
The Board will only consider applications submitted by a Public Entity and, in the case of any Public Entity created on behalf of and for the benefit of another governmental entity, the written approval of the application by such entity.

PROGRAM BENEFITS/ELIGIBLE USES
The Missouri Development Finance Board (MDFB) is authorized to grant a tax credit equal to 50% of contributions to any taxpayer. The contributed funds are granted to local governments, state agencies or used by the MDFB to finance infrastructure improvements needed to facilitate an approved project.

"Infrastructure facilities" means the highways, streets, bridges, water supply and distribution systems; mass transportation facilities and equipment; telecommunication facilities, jails and prisons; sewers and sewage treatment facilities; wastewater treatment facilities; airports, railroads, reservoirs, dams and waterways in this state; acquisition of blighted real estate and the improvements thereon; demolition of existing structures and preparation of sites in anticipation of development; public facilities and any other improvements provided by any form of government or development agency.

This tax credit can be applied to:
- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch 147 – Corporate franchise tax
- ✓ Ch. 148 –
- ✓ Bank Tax
- ✓ Insurance Premium Tax

This credit's special attributes:
- ✓ Carry-forward 5 years
- ✓ Sellable or transferable
- ✓ All credits must be redeemed within 10 years

INELIGIBLE PROJECTS
By policy, the Board will not consider applications under this program for health and/or medical facilities, including nursing or retirement facilities or combination thereof, or for private or public educational facilities.

FUNDING LIMITS
The amount of credits issued cannot exceed the greater of $10 million authorized or approved annually. The limitation on tax credit authorization and approval may be exceeded only upon mutual agreement, evidenced by a signed and properly notarized letter, by the commissioner of the office of administration, the director of the department of economic development, and the director of the department of revenue; however, that in no case shall more than $25 million dollars in tax credits be authorized or approved during such year.

APPLICATION/APPROVAL PROCEDURE
Applications are submitted to the MDFB for staff review and recommendation to the Board.

SPECIAL PROGRAM REQUIREMENTS
Discretionary program and credits. The board assesses a 4% fee on all contributions.

CONTACT
Missouri Development Finance Board
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, MO 65102
Phone: 573-751-8479
Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov
Web: www.mdfb.org

MDFB
MISSOURI DEVELOPMENT FINANCE BOARD

09/08

TAX CREDIT ANALYSIS

Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit	**Department: Economic Development**	**Date:** October 2009 Revised
Program Category: Redevelopment	**Type:** Tax Credit__X _ Other (specify)____	
Statutory Authority: 100.286, RSMo	**Applicable Taxes:** Income Tax, excluding withholding tax; Corporate Franchise Tax, Bank	

Program Description and Eligibility Requirements:

Through this program the Missouri Development Finance Board is authorized to grant tax credits equal to fifty percent of contributions. Contributions are used to pay the cost of infrastructure construction.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___

Tax Credit is 50% of contribution received from taxpayer for specific approved project.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual (See Below) _____ None _____

Explanation of cap:

Prior to July 4, 2009, the Board was authorized to issue a maximum of $10 million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years in tax credits during any calendar year. For calendar 2009, the three year average was calculated at $24,658,745. The statutory limit could be exceeded with the consent of the Directors of Dept of Economic Development, Dept of Revenue, and the Commissioner of Administration. (For FY2009 and previous years, all projects were authorized under this provision.)

Per statute, after July 4, 2009 the Board is authorized to issue a maximum of $10 million in tax credits during any calendar year. The statutory limit can be increased an additional $15 million with the consent of the Directors of Dept of Economic Development, Dept of Revenue, and the Commissioner of Administration. Maximum amount of credits not to exceed $25 million.

Explanation of Expiration of Authority: N/A

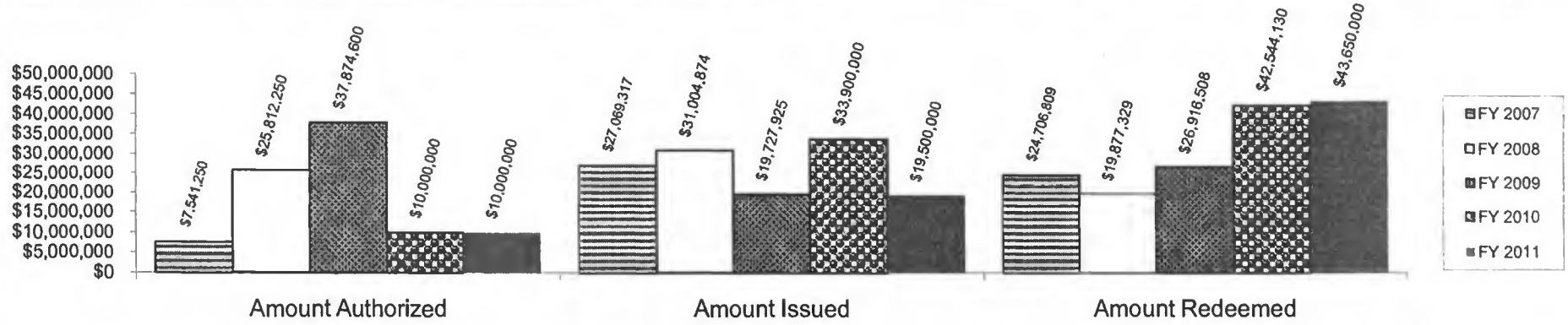
Specific Provisions: (if applicable)

Carry forward ___5__ years Carry Back _____ years Refundable _____ Sellable/Assignable __yes___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Certificates Issued (#)	461	371	83	150	150
Projects (#)	6	12	14	8	5
Amount Authorized	$7,541,250	$25,812,250	$37,874,600	10,000,000	10,000,000
Amount Issued	$27,069,317	$31,004,874	$19,727,925	33,900,000	19,500,000
Amount Redeemed	$24,706,809	$19,877,329	$26,916,508	42,544,130	43,650,000
EST. Amount Outstanding	N/A	N/A	$25,594,130	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: In the current year, the Board authorized 8 projects that will span 4 calendar years. 7 projects were authorized under the cap for a total authorization of $12,874,600 to span 4 calendar years. 1 project was authorized credits above the cap. The total authorization above the cap of $25,000,000 will span 2 calendar years.

TAX CREDIT ANALYSIS

Program Name: MDFB Infrastructure Development Fund Contribution Tax Credit	Department: Economic Development	Date: October 2009 Revised

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

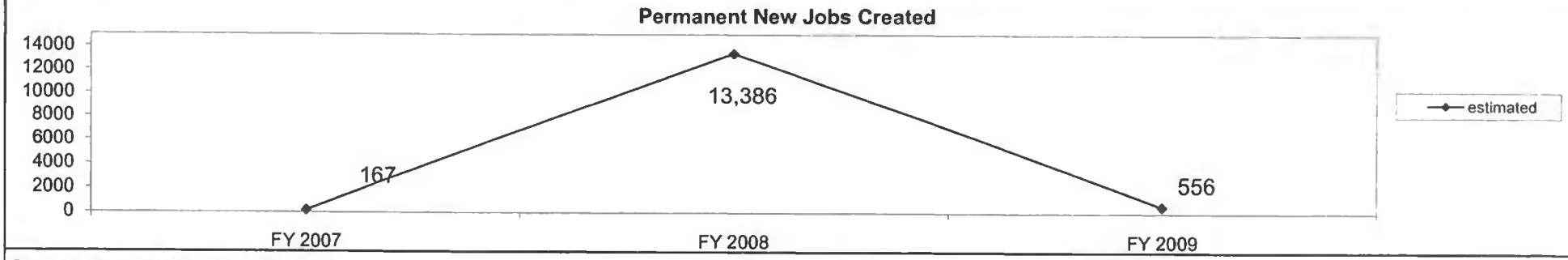
	FY 2009 ACTUAL	Other Fiscal Period (15 years)
BENEFITS		
Direct Fiscal Benefits	$1,387,206	$11,790,505
Indirect Fiscal Benefits	$1,611,048	$13,693,045
Total	$2,998,254	$25,483,550
COSTS		
Direct Fiscal Costs	$10,074,600	$36,788,447
Indirect Fiscal Costs	$0	$0
Total	$10,074,600	$36,788,447
BENEFIT: COST	**0.30**	**0.69**

Derivation of Benefits:
Investment: (a) $374,099,744 in Construction Spending between 2009-2011, $10,749,658 in Durable Equipment Spending between 2009-2011, $5,898,386 in Land and Engineering Design Costs between 2009-2011.
Employment: (a) 556 jobs: 426 new jobs in Professional/ Technical Services, Retail, Repair/Maintenance, Performing Arts, Administrative Support and Educational Services (130 displaced) between 2012-2023.
Other Assumptions: (a) n/a.
Incentives/Credits: (a) $37,874,600 in Authorized Contribution Tax Credits , Redeemed between 2009-2011.
Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

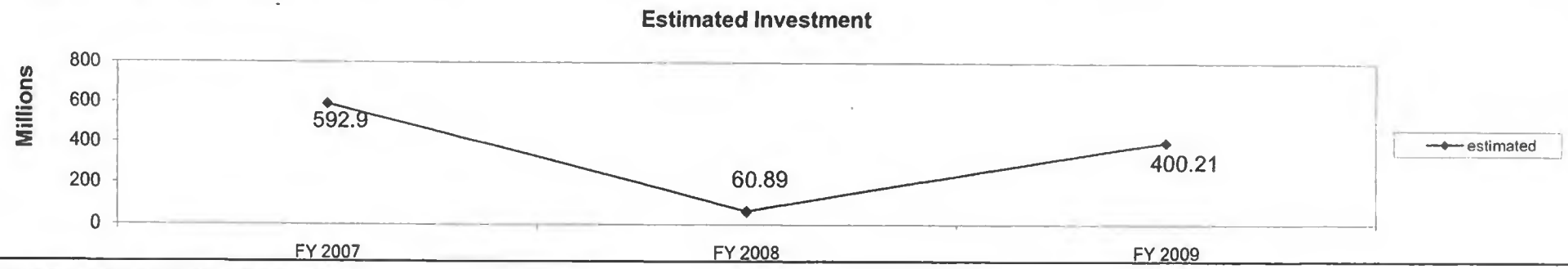
Other Benefits:
In FY-2009, every dollar of authorized program tax credits returns
$5.96 in new personal income totaling $60.03 million
$9.19 in new value-added/GSP totaling $92.62 million
$15.85 in new economic output totaling $159.72 million

Over 15 YEARS, every dollar of authorized program tax credits returns
$21.38 in new personal income totaling $786.50 million
$32.31 in new value-added/GSP totaling $1,188.53 million
$48.05 in new economic output totaling $1,767.69 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure:



Comments on Performance Measure:

NEIGHBORHOOD ASSISTANCE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide assistance to community-based organizations that enables them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

AUTHORIZATION

Sections 32.100 to 32.125, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Not-for-profit corporations organized under Chapter 355, RSMo;
- Organizations holding a 501(c)(3) ruling from the IRS; and
- Missouri businesses

ELIGIBLE DONORS

Businesses only - individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income are also eligible, as well as a shareholder in an S-corporation, a partner in a Partnership or a member of a Limited Liability Corporation.

ELIGIBILITY CRITERIA

The Department of Economic Development (DED) will issue 50% or 70% tax credits to an eligible taxpayer who makes a qualified contribution to an approved Neighborhood Assistance Program (NAP) project.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit's special attributes:

- Carry forward 5 years

FUNDING LIMITS

The maximum amount of tax credits available is $16 million per fiscal year. The tax credits are allocated at the discretion of DED and are subject to change:

- $10 million in 50% credits
- $ 6 million in 70% credits (reserved for projects in certain lower population or unincorporated areas).

Applicant organizations may request a maximum of $250,000 in 50% tax credits per project or $350,000 in 70% tax credits per project if the organization is located in a qualifying rural area.

APPLICATION/APPROVAL PROCEDURE

There is no deadline for applying. Applications are reviewed as received until funding is depleted.

NAP staff is available to provide technical assistance to organizations making application to the program.

REPORTING REQUIREMENTS

Quarterly reports, final report, final audit for projects using $25,000 or more in tax credits, and 1099 reporting.

SPECIAL PROGRAM REQUIREMENTS

Preference is given to projects addressing specified program outcomes. The NAP also seeks projects located in distressed communities and in target communities as determined by the department.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI

Department of Economic Development

Revised July 2009

TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program	**Department:** Economic Development	**Date:** October, 2009
Program Category: Community Development	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 32.100 - 32.125, RSMo	**Applicable Taxes:** Income tax, Corporate frenchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express company tax	

Program Description and Eligibility Requirements:

Provides assistance to community-based organizations that enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

Explanation of How Award Is Computed: Entitlement _____ Discretionary __X___

Applications are reviewed on a competitive basis and awards made to nonprofits or Missouri businesses for 50% or 70% of the approved budget.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_16 million_____ None _____

Explanation of cap: Effective August 28, 2008, cap was reduced from $18 million to $16 million.

Explanation of Expiration of Authority:

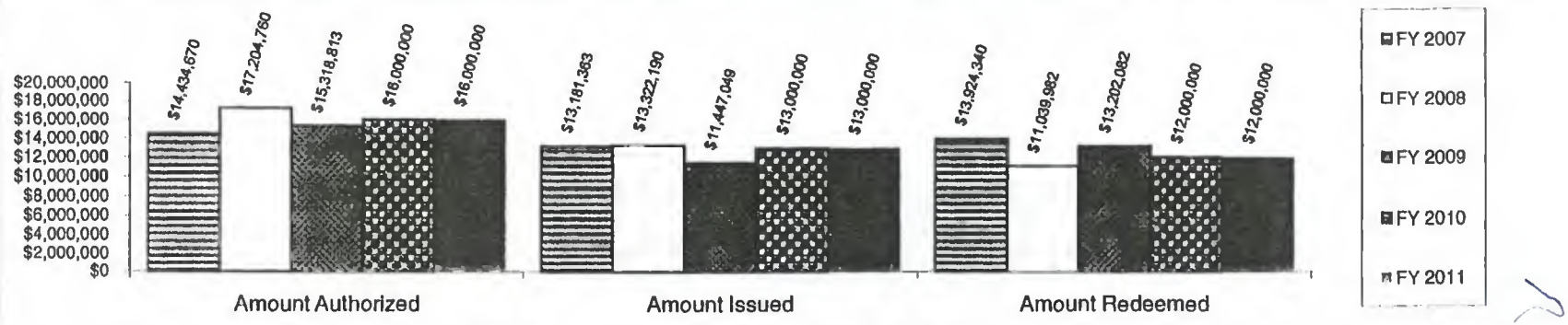
Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2,623	2,570	2,196	2,300	2,300
Projects (#)	90	101	90	95	95
Amount Authorized	$14,434,670	$17,204,760	$15,318,813	$16,000,000	$16,000,000
Amount Issued	$13,181,363	$13,322,190	$11,447,049	$13,000,000	$13,000,000
Amount Redeemed	$13,924,340	$11,039,982	$13,202,082	$12,000,000	$12,000,000
EST. Amount Outstanding	N/A	N/A	$10,152,019	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Neighborhood Assistance Program	Department: Economic Development	Date: October, 2009

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$294,832	$1,431,097
Indirect Fiscal Benefits	$2,563,004	$12,440,672
Total	$2,857,836	$13,871,769
COSTS		
Direct Fiscal Costs	$2,553,136	$14,369,930
Indirect Fiscal Costs	$0	
Total	$2,553,136	$14,369,930
BENEFIT: COST	1.12	0.97

Derivation of Benefits:
Investment: (a) $13,650,089 Construction demand in 2009.
Employment: (a) n/a.
Other Assumptions: (a) 560 new HS/GED/Assoc Degree graduates earning an additional $3,360,000 in disposable personal income between 2009-2018; (b) 6,943 jobless participants obtained assistance and found jobs earning an additional $111,088,000 in disposable personal income between 2009-2018.
Incentives/Credits: $15,316,613 in Authorized NAP Credits redeemed between 2009-2014. The multi-year fiscal Benefit-Cost Ratio is .66 when other program incentives are included.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

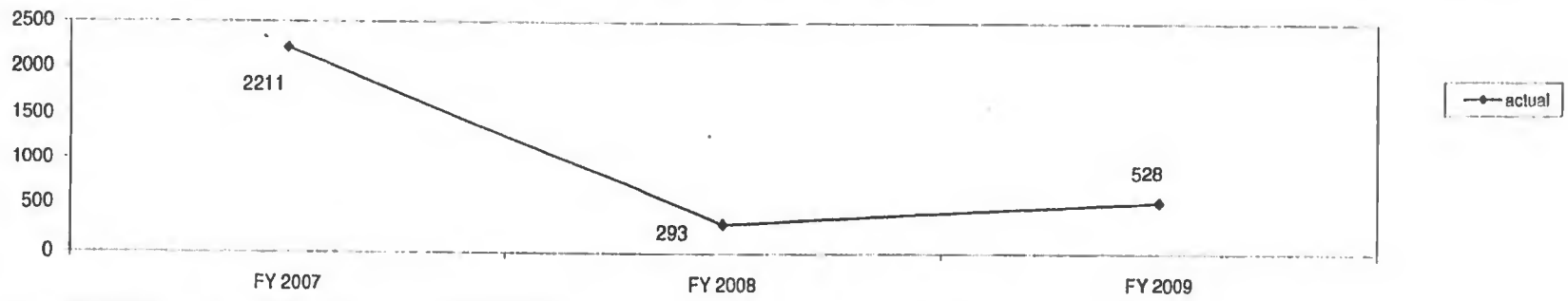
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$61.22 in new personal income totaling $156.30 million
$33.04 in new value-added/GSP totaling $84.36 million
$53.33 in new economic output totaling $136.15 million

Over 10 years, every dollar of authorized program tax credits returns:
$101.57 in new personal income totaling $1,459.55 million
$51.85 in new value-added/GSP totaling $745.13 million
$79.90 in new economic output totaling $1,148.11 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created

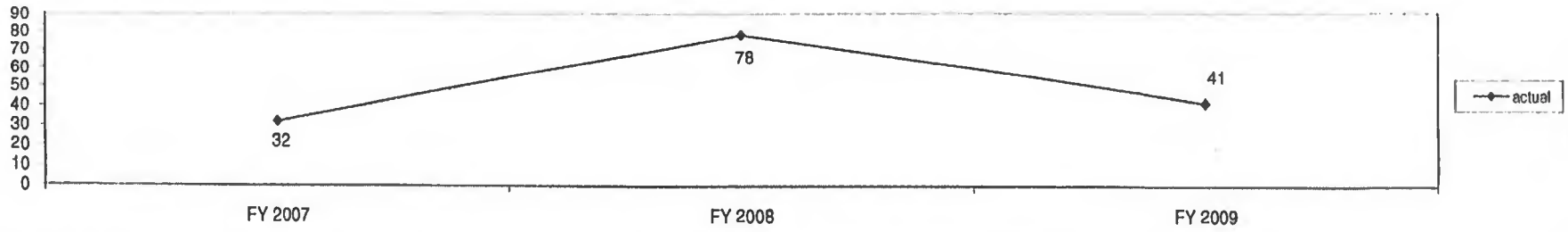


Comments on Performance Measure:
Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

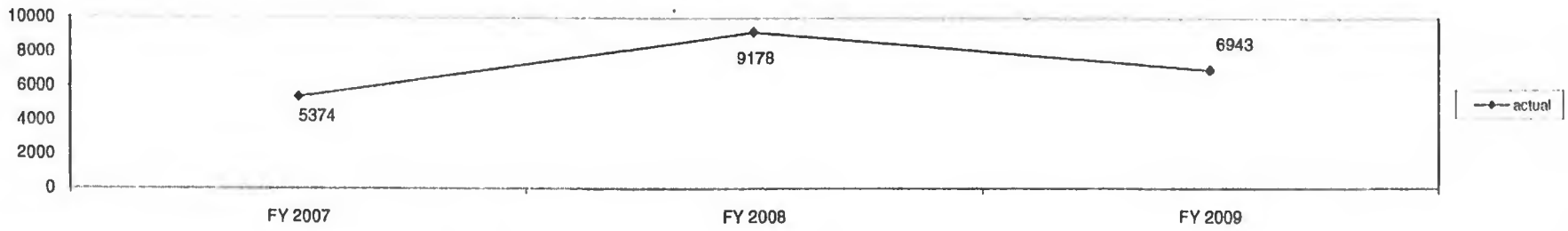
Program Name: Neighborhood Assistance Program	Department: Economic Development	Date: October, 2009

New/Renovated Facilities



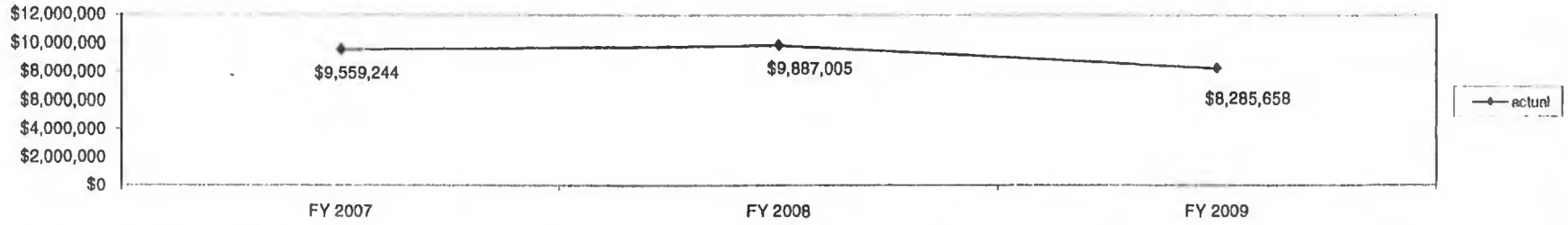
Comments on Performance Measure:

Individuals Learning Life Skills



Comments on Performance Measure:
Includes individuals earning GEDs, job training and other skills necessary to become productive citizens.

Amount Leveraged



Comments on Performance Measure:

NEIGHBORHOOD PRESERVATION ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To provide an incentive for the rehabilitation or construction of owner-occupied homes in certain areas of the state.

AUTHORIZATION

Sections 135.475 to 135.487, RSMo

ELIGIBLE AREAS

"Qualifying Areas" include "distressed communities," as defined in 135.530, RSMo, and areas with a median household income of less than 70% of the median household income for the applicable MSA or non-MSA.

"Eligible Areas" with a median household income of 70% to 89% of the median household income for the applicable MSA or non-MSA.

ELIGIBLE APPLICANTS

Any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area.

PROGRAM BENEFITS/ELIGIBLE USES

The Department of Economic Development (DED) issues state tax credits to a homeowner who rehabilitates a home or to a homeowner or developer that constructs a new home for owner-occupancy in certain areas of the state.

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

This credit's special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

FUNDING LIMITS

The maximum credits available are $8 million for Qualifying Areas and $8 million for Eligible Areas.

The credits for a project are determined as follows:

- New Residences in Eligible Areas – 15% of eligible costs, tax credits cannot exceed $25,000 per residence;
- New Residences in Qualifying Areas – 15% of eligible costs, tax credits cannot exceed $40,000 per residence;
- Substantial Rehabilitation in Eligible Areas – 25% of eligible costs, minimum costs $10,000, tax credits cannot exceed $25,000 per residence;
- Substantial Rehabilitation in Qualifying Areas – 35% of eligible costs, minimum costs the greater of $5,000 or 50% of the purchase price, tax credit cannot exceed $70,000 per residence.
- Non-substantial Rehabilitation in Qualifying Areas – 25% of eligible costs, minimum costs $5,000, tax credits cannot exceed $25,000 per residence.

APPLICATION/APPROVAL PROCEDURE

A pre-application is submitted to DED that includes cost estimates and scope of work. Applications will be accepted during an application cycle starting in September and ending in mid-November. The applications are granted preliminary approval based on a lottery process.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

Tax credits may not be claimed in addition to any other state tax credits, with the exception of the Historic Preservation tax credit authorized by sections 253.545 to 253.561, RSMo. If Historic Preservation tax credits are claimed, the maximum available credits under this program will be the lesser of 20% of the eligible costs or $40,000.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

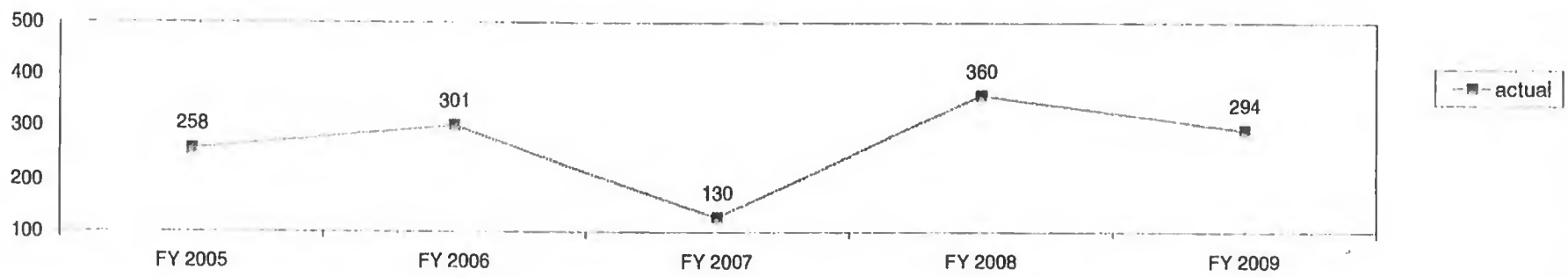
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period 5 Years
BENEFITS		
Direct Fiscal Benefits	$564,280	$1,008,109
Indirect Fiscal Benefits	$382,376	$683,130
Total	$946,656	$1,691,239
COSTS		
Direct Fiscal Costs	$10,378,968	10378968
Indirect Fiscal Costs		
Total	$10,378,968	$10,378,968
BENEFIT: COST	**0.09**	**0.16**

Derivation of Benefits:
Investment: (a) $80,628,563 in Residential Construction spending between 2009-2010.
Employment: (a) n/a.
Other Assumptions: (a) n/a.
Incentives/Credits: $10,378,968 in Authorized NPA Credits, redeemed in 2009.
Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:
In FY2009, every dollar of authorized program tax credits returns
$1.81 in new personal income totaling $18.74 million
$3.02 in new value-added/GSP totaling $31.34 million
$5.13 in new economic output totaling $53.26 million
Over 5 years, every dollar of authorized program tax credits returns
$3.66 in new personal income totaling $37.97 million
$5.91 in new value-added/GSP totaling $61.36 million

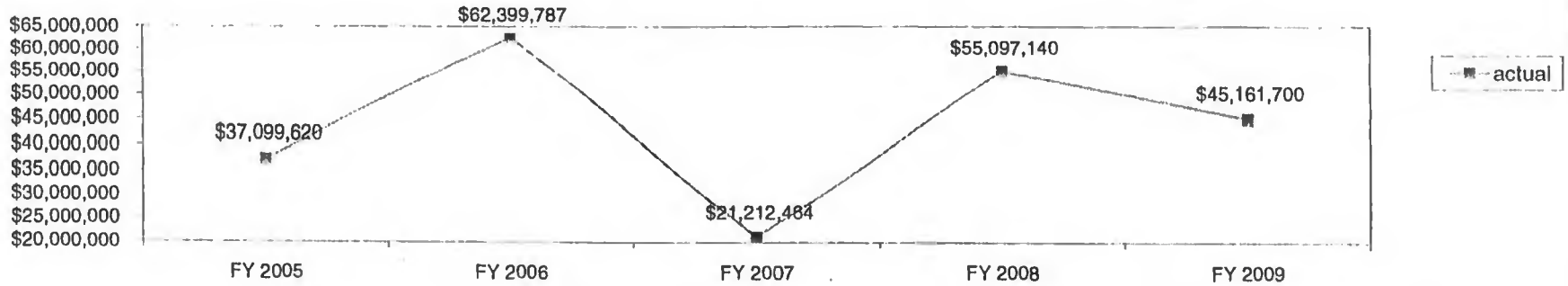
PERFORMANCE MEASURE(S)



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit	Department: Economic Development	Date: October, 2009



Comments on Performance Measure:

NEW MARKETS TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Provide supplemental funding for Investment entities that have been approved for the Federal New Markets Tax Credit (NMTC) program in order to direct more funding to Missouri projects. The NMTC program provides state and federal tax credits to investors that make investments into approved funds, which will make investments in eligible projects located in low income census tracks in Missouri.

This program does not provide tax credits directly to businesses. Eligible businesses interested in obtaining funding should contact the approved "Community Development Entities" that are listed on the website below.

AUTHORIZATION

Section 135.680, RSMo, enacted in 2007.

ELIGIBLE AREAS

Low-income communities (LIC) are census tracts that have a poverty rate of 20% or more, or the median income is below 80% of the greater than (a) statewide median income; or (b) metropolitan median income.

ELIGIBLE APPLICANTS

Community Development Entities (CDEs) which have been allocated federal New Markets Tax Credits for Missouri. The state New Markets Tax Credits are provided to investors which invest in the funds established by a CDE for projects in Missouri.

ELIGIBILITY CRITERIA

A CDE may make an investment (loan or equity) into a **Qualified Active Low-Income Community Business (QALICB)**, which is any corporation (including a nonprofit corporation) or partnership which meets the following criteria for any taxable year:

- At least 50 percent of total gross income of the QALICB is derived within any Low-Income Community.
- A substantial portion of the use of the tangible property of the QALICB (whether owned or leased) is within any Low-Income Community.
- A substantial portion of the services performed of the QALICB by its employees are performed in any Low-Income Community.
- Less than 5 percent of the average of the aggregate unadjusted bases of the property of the QALICB is attributable to collectibles, other than collectibles that are held primarily for sale to customers in the ordinary course of such business; and
- Less than 5 percent of the average of the aggregate unadjusted bases of the property of the QALICB is attributed to nonqualified financial property.

Any business that derives or projects to derive 15 percent or more of its annual revenue from the rental or sale of real estate shall not be considered to be a QALICB.

PROGRAM BENEFITS/ELIGIBLE USES

The tax credit amount shall be equal to the applicable percentage of the adjusted purchase price paid to the issuer of such qualified investment:

- 0% for each of the first 2 credit allowance dates;
- 7% for the third credit allowance date;
- 8% for the next four credit allowance dates

FUNDING LIMITS

The amount of tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the tax year for which the tax credit is claimed.

The maximum state tax credit in any fiscal year for all CDEs is $25 million. There is no limit per CDE, and state tax credits are allocated on a first come basis.

APPLICATION/APPROVAL PROCEDURE

CDEs that have been certified by the Federal NMTC program are eligible to apply for the state NMTC program. The state application will be a two part process:

- The CDE submits an application to the Department of Economic Development (which is available on the website below).
- Once eligibility is determined, DED will send a preliminary approval letter to the applicant CDE, which will include an allocated amount of NMTC contingent upon qualified investments being made within 30 days of the date of the preliminary approval letter.
- If an approved CDE is not successful in gaining proof of the investment, the CDE will be required to reapply and will be required to obtain a commitment that secures the investment in the amount of the application to accompany the new submittal.

Revised August 2009

REPORTING REQUIREMENTS

Twelve months from the date of the official allocation letter, the Applicant CDE must notify DED where the QEI was invested, provide adjusted purchase price, Senator and Representative information on where investment was made, and how much of a tax credit will be available for the taxpayer.

SPECIAL PROGRAM REQUIREMENTS

- The tax credit is not refundable or transferable. Any amount of credit that cannot be used in the taxable year may be carried forward to any of the taxpayer's five subsequent taxable years.
- Tax credits earned by a partnership, limited liability company, S-corporation, or other "pass through" entity may be allocated to the partners, members or shareholders of such entity for their direct use in accordance with the provisions of any agreement among such partners, members, or shareholders.
- Qualified investments shall not be made following fiscal year 2010, unless the program is reauthorized by the general assembly.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Development Finance Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-8004 • Fax: 573-522-9462

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

To search for approved Community Development Entities please use the following link:

http://www.cdfifund.gov/awardees/db/index.asp

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: New Markets Tax Credit	**Department:** Economic Development	**Date:** October, 2009
Program Category: Redevelopment	**Type: Tax Credit___x_ Other (specify)____**	
Statutory Authority: 135.680	**Applicable Taxes:** Income tax, bank tax, insurance premium tax, other financial institutions tax, Express companies tax	

Program Description and Eligibility Requirements: Taxpayers making a qualified equity investment into a qualified community development entity (CDE) earn a vested right to tax credits. The tax credit amount is equal to the applicable percentage of the adjusted purchase price paid to the CDE. The credit percentages are zero percent for the first two years, seven percent for the third year and eight percent for the next four years. The CDE will invest the contributions into qualified active low-income community businesses. Effective August 28, 2008, a legislative change allows DED to issue letter rulings regarding the program.

Explanation of How Award is Computed: Entitlement __x___ Discretionary _____

Awarded on a first come, first serve basis

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $___$25M_____ None _____

Explanation of cap: DED shall limit the monetary amount of qualified equity investments to a level necessary to limit tax credit utilization to no more than $15M of tax credits in any fiscal year. **Effective 6/4/2009, cap increased to $25M.**

Explanation of Expiration of Authority: Following FY2010, no equity investments shall be made unless program shall be reauthorized. This program automatically sunsets 6 years after the effective date of 9/4/2007 unless reauthorized.

Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

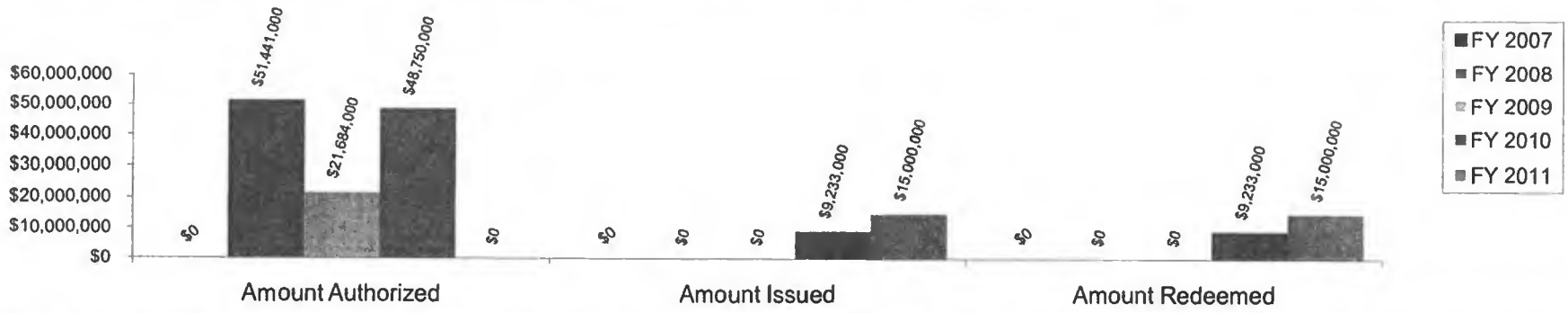
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	40	60
Projects (#)	0	0	0	7	11
Amount Authorized	$0	$51,441,000	$21,684,000	$48,750,000	$0
Amount issued	$0	$0	$0	$9,233,000	$15,000,000
Amount Redeemed	$0	$0	$0	$9,233,000	$15,000,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: New Markets Tax Credit	Department: Economic Development	Date: October, 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: Allocations of tax credits to Community Development Entities started in FY08, however, since the program will not issue tax credits until 2010, the credits will not be authorized, issued or redeemed until that time.

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (Indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

Although there were New Market Tax Credit authorizations in FY 2009, annual reports from the community development entities are not due for one year. Therefore, benefit -cost information is not available.

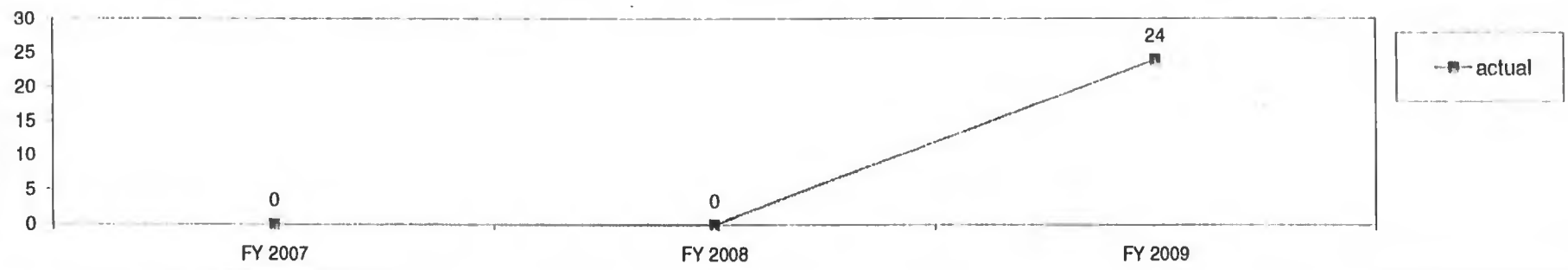
Other Benefits:

TAX CREDIT ANALYSIS

Program Name: New Markets Tax Credit	Department: Economic Development	Date: October, 2009

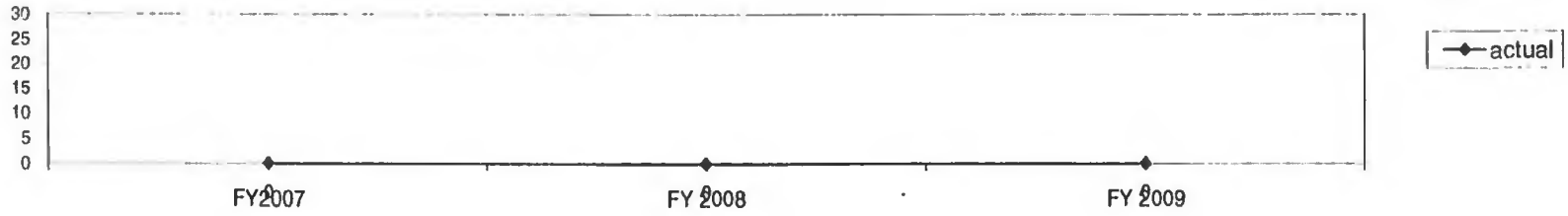
PERFORMANCE MEASURE(S)

Businesses Receiving Investment



Comments on Performance Measure:

Jobs Created



Comments on Performance Measure:

MISSOURI QUALITY JOBS PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Facilitate the creation of quality jobs by targeted business projects.

AUTHORIZATION

Section 620.1875-620.1900, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

For-profit and non-profit businesses [except for gambling, retail trade, food and drinking places, public utilities, educational services, ethanol distillation or production facilities, biodiesel production facilities, religious organizations, and public administration companies or businesses that are delinquent in non-protested taxes or other payments (state, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy.] Headquarters or administrative offices of otherwise excluded businesses that serve a multi-state area may qualify in some cases. The average wage of the new jobs must equal or exceed the county average wage (as published by DED), and the company must offer health insurance and pay at least 50% of the premium for all full-time employees in Missouri.

- Average Wage: Total annual payroll of the new jobs divided by the average annual number of new jobs.

ELIGIBILITY CRITERIA

The business must create a minimum number of new jobs at the project facility prior to the "deadline" date, based on the type of project:

- Small/Expanding businesses:
  - Rural areas: 20 or more new jobs within two years of the date of DED's approval.
  - Non-rural areas: 40 or more new jobs within two years of the date of DED's approval.

**Non-rural areas include the counties of Boone, Buchanan, Clay, Greene, Jackson, St. Charles, and St. Louis city and county.*

- Technology businesses (classified by NAICS codes):
  - 10 or more new jobs within two years of the date of DED's approval.
- High Impact businesses:
  - 100 or more new jobs within two years of the date of the hiring of the first new job, and the first new job must be within one year of the date of DED's approval.

PROGRAM BENEFITS/ELIGIBLE USES

For "Small/Expanding" businesses, the benefit of the program is the retention of the state withholding tax of the new jobs.

For "Technology" and "High Impact" businesses, the benefits of the program are (a) the retention of the state withholding tax of the new jobs; and (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.

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

The program benefits are calculated as follows:

Small/Expanding businesses:

Retain 100% of the withholding tax of the new jobs, each year for the benefit period of:

- Three years - if the average wage of new jobs is 100-119% of county average wage; or
- Five years - if the average wage of new jobs is at least 120% of county average wage.

Technology businesses:

5% of the payroll of the new jobs each year for five years; ***plus***:

- "Average Wage Bonus"

High Impact businesses:

3% of the payroll of the new jobs each year for five years; ***plus***:

- "Average Wage Bonus"
- "Local Incentives Bonus"

"Average Wage Bonus" *(company average wage as a percentage of county average wage)*:

- Greater than 120% and up to 140%: ½% bonus of payroll of the new jobs.
- Greater than 140%: 1% bonus of payroll of the new jobs.

"Local Incentives Bonus" *(amount of local incentives provided to the project as a percentage of the amount of new local tax revenues derived from the project, over 10 years)*:

- 10-24%: 1% bonus of payroll of the new jobs.
- 25-49%: 2% bonus of payroll of the new jobs.
- 50% or more: 3% bonus of payroll of the new jobs.

Each time the business meets the minimum new job threshold, it may start a new benefit period for the net new jobs created. There is no limit on the number of benefit periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

"New jobs" are defined as full-time (average 35 or more hours/week each year) employees of the company that are employed at the project facility, based on the increase from the "base employment" (*the number of full-time jobs at the facility, or the average number for the twelve-month period prior to the Notice of Intent, whichever is higher, on the date DED receives the Notice of Intent*). In the event the company (or a related company) reduced 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 cap on the retained withholding taxes. Tax credits issued for the entire program shall not exceed $80,000,000 per calendar year, and are provided on a first-come basis.

Revised September 2009

APPLICATION/APPROVAL PROCEDURE

An application ("Notice of Intent") may be submitted to DED at any time of the year by the business. Applications may be obtained at www.missouridevelopment.org. DED's approval will:

- Confirm that the type of project/business is eligible.
- Establish the date "base employment" is calculated.
- Reserve the estimated tax credits for the project.
- Establish the 2-year "deadline" date for the creation of the minimum new jobs to be eligible for the program.

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 will cease for the remainder of the benefit period. A high-impact project may continue as a small/expanding project as long as new jobs and other program requirements are met SB1099, or the Tax Credit Accountability Act Reporting Form must be submitted to Department of Economic Development by June 30th each year the company receives tax credits and for the three years following the end of the benefit period.

SPECIAL PROGRAM REQUIREMENTS

A business cannot earn benefits simultaneously at the project facility under this program if earning benefits under any of the following state programs:

- Missouri Enterprise Zone program or Enhanced Enterprise Zone program
- Business Facility program
- Rebuilding Communities program
- Brownfield Jobs and Investment tax credits

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

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

- AGI of $19-25,000: 1.4%
- AGI of $25-30,000: 2.3%
- AGI of $30-35,000: 2.5%
- AGI of $35-40,000: 2.7%
- AGI of $40-50,000: 2.9%
- AGI of $50-70,000: 3.1%
- AGI of $70-85,000: 3.3%
- AGI of $85-100,000: 3.4%
- AGI of $100,000+: 3.7%

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov • Web: www.missouridevelopment.org

MISSOURI
Department of Economic Development

County average wages (effective until 7/1/10):

Average county wages are 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.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	$24,561	GREENE	$33,571	OZARK	$18,966
ANDREW	$24,736	GRUNDY	$30,720	PEMISCOT	$25,877
ATCHISON	$23,554	HARRISON	$20,791	PERRY	$29,040
AUDRAIN	$29,787	HENRY	$27,655	PETTIS	$28,862
BARRY	$28,865	HICKORY	$16,962	PHELPS	$27,357
BARTON	$24,624	HOLT	$25,104	PIKE	$28,842
BATES	$23,335	HOWARD	$22,082	PLATTE	$38,450
BENTON	$20,623	HOWELL	$25,896	POLK	$24,273
BOLLINGER	$22,399	IRON	$42,504	PULASKI	$23,662
BOONE	$30,709	JACKSON	$45,424	PUTNAM	$20,819
BUCHANAN	$33,196	JASPER	$31,754	RALLS	$33,832
BUTLER	$26,838	JEFFERSON	$29,945	RANDOLPH	$28,778
CALDWELL	$26,188	JOHNSON	$25,049	RAY	$25,857
CALLAWAY	$34,567	KNOX	$22,117	REYNOLDS	$28,496
CAMDEN	$26,082	LACLEDE	$26,891	RIPLEY	$19,005
CAPE GIRARDEAU	$31,939	LAFAYETTE	$25,983	ST CHARLES	$37,137
CARROLL	$28,315	LAWRENCE	$27,237	ST. CLAIR	$21,593
CARTER	$17,028	LEWIS	$26,190	STE. GENEVIEVE	$35,543
CASS	$28,586	LINCOLN	$30,674	ST. FRANCOIS	$25,130
CEDAR	$22,103	LINN	$26,687	ST LOUIS	$49,192
CHARITON	$25,160	LIVINGSTON	$27,587	SALINE	$27,263
CHRISTIAN	$25,693	MCDONALD	$26,387	SCHUYLER	$21,682
CLARK	$21,964	MACON	$24,864	SCOTLAND	$20,150
CLAY	$42,025	MADISON	$23,800	SCOTT	$28,275
CLINTON	$27,564	MARIES	$26,481	SHANNON	$18,113
COLE	$34,391	MARION	$29,129	SHELBY	$23,694
COOPER	$26,049	MERCER	$25,460	STODDARD	$26,662
CRAWFORD	$29,319	MILLER	$25,947	STONE	$23,945
DADE	$24,972	MISSISSIPPI	$23,646	SULLIVAN	$33,853
DALLAS	$21,324	MONITEAU	$24,866	TANEY	$24,761
DAVIESS	$21,082	MONROE	$25,310	TEXAS	$22,989
DEKALB	$23,342	MONTGOMERY	$25,251	VERNON	$27,744
DENT	$26,240	MORGAN	$22,244	WARREN	$29,086
DOUGLAS	$29,076	NEW MADRID	$35,103	WASHINGTON	$21,534
DUNKLIN	$21,595	NEWTON	$32,547	WAYNE	$19,964
FRANKLIN	$31,612	NODAWAY	$29,017	WEBSTER	$25,914
GASCONADE	$23,372	OREGON	$19,767	WORTH	$18,385
GENTRY	$22,781	OSAGE	$27,885	WRIGHT	$23,705
				ST. LOUIS CITY	$51,990*

** The average wage for the City of St. Louis was adjusted for the purposes of this program to more accurately reflect wage rates for 2008. After review of all counties, one time severance payments were determined to have an unusually large impact on average wage calculations for the city.*

- *Statewide average of $40,710 applicable to any county over the statewide average when determining program eligibility.*
- *The wage represents 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.*

TAX CREDIT ANALYSIS

Program Name: Quality Jobs	**Department:** Economic Development	**Date:** October, 2009
Program Category: Business Recruitment	**Type: Tax Credit__X__ Other (specify)** Also retention of withholding tax of new jobs	
Statutory Authority: 620.1875 to 620.1890, RSMo	**Applicable Taxes:** Income tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:

For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, public utilities, educational services, religious organizations, public administration, companies that are delinquent in non-protested taxes or other payments, or any company that has filed for or has publicly announced its intention to file for bankruptcy are eligible provided the average wage of the new jobs equals or exceeds the county average wage and the company offers health insurance and pays at least 50% of the premium. To qualify, the company must create a minimum number of new jobs at the project facility within 2 years.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____

The benefits of the program are the retention of 100% of the state withholding tax of the new jobs for 3 or 5 years for small/expanding businesses (20+ new jobs in rural areas and 40+ new jobs in non-rural areas); or a combination of the retention of 100% of the state withholding tax of the new jobs and state tax credits for 5 years for technology businesses (10+ new jobs) and high impact businesses (100+ new jobs), based on a percentage (from 3 to 7%, depending on the average wage of the new jobs and the amount of local incentives) of the payroll of the new jobs.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_80 million_____ None _____

Explanation of cap: The cap increased from $40 million to $60 million in tax credits beginning Aug. 2008. The cap increased to $80 million beginning June 4, 2009 . Up to $3 million of the cap may be used for job retention projects approved by the Quality Jobs Advisory Task Force, with no tax credits issued after August 30, 2013. Up to $500,000 of the cap may be used for small business job retention and flood relief projects, with no tax credits approved after August 30, 2010. The tax credit maximums applying to technology and high impact business projects were removed for newly approved projects as of June 4, 2009. There is no limit on the retention of withholding taxes.

Explanation of Expiration of Authority: No tax credits shall be issued for job retention projects approved after August 30, 2013. No tax credits shall be issued for small business job retention and flood relief projects approved after August 30, 2010.

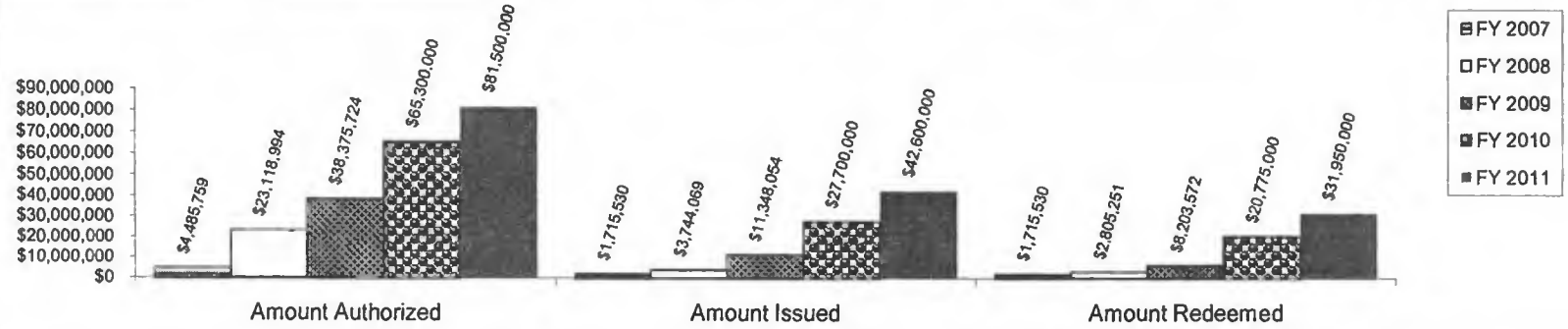
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	17	22	76	85
Projects (#)	15	63	51	60	70
Amount Authorized	$4,485,759	$23,118,994	$38,375,724	$65,300,000	$81,500,000
Amount Issued	$1,715,530	$3,744,069	$11,348,054	$27,700,000	$42,600,000
Amount Redeemed	$1,715,530	$2,805,251	$6,203,572	$20,775,000	$31,950,000
EST. Amount Outstanding	N/A	N/A	$5,144,482	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

$81,717,502 was authorized in tax credits and withholdings in FY09 for 5 year period. 76,476,912 was authorized in tax credits and withholdings in FY08 for 5 year period. $51,688,243 total was authorized in tax credits and withholdings in FY07 for 5 year period.

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

TAX CREDIT ANALYSIS

Program Name: Quality Jobs | **Department:** Economic Development | **Date:** October, 2009

	FY 2009 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	$30,773,258	$202,556,894
Indirect Fiscal Benefits	$28,822,420	$189,716,014
Total	$59,595,678	$392,272,908
COSTS		
Direct Fiscal Costs	$16,343,500	$77,558,760
Indirect Fiscal Costs	$0	
Total	$16,343,500	$77,558,760
BENEFIT: COST	**3.65**	**5.06**

Derivation of Benefits:
Investment: (a) $778,213,500 in non-residential investment spending in 2009.
Employment: (e) 7,040 jobs in specified industries in 2009-2018.
Other Assumptions: (a) n/a.
Incentives/Credits: $81,717,502 in Authorized MQJ incentives, redeemed in 2009-2013. The multi-year fiscal Benefit-Cost Ratio is 4.45 when other program incentives are included. Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

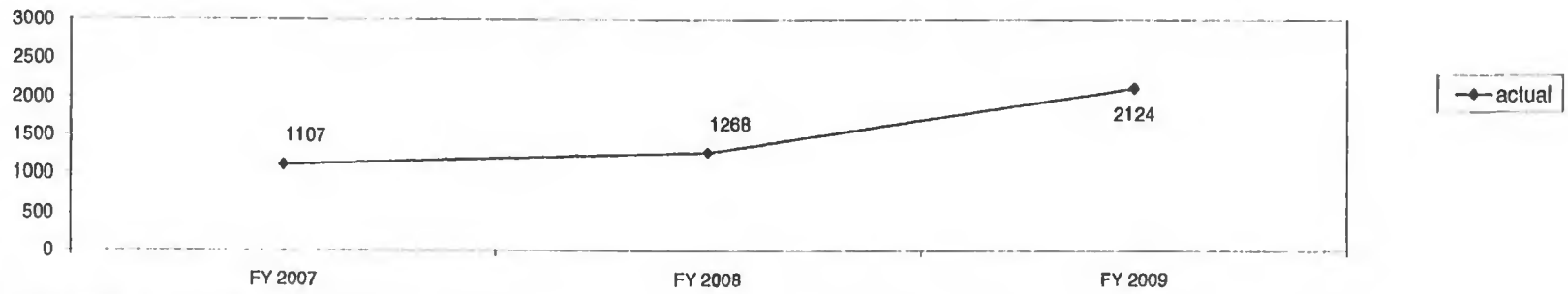
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$65.10 in new personal income totaling $1,064.00 million
$119.66 in new value-added/GSP totaling $1,955.67 million
$216.64 in new economic output totaling $3,573.37 million

Over 10 years, every dollar of authorized program tax credits returns:
$122.77 in new personal income totaling $9,522.12 million
$234.37 in new value-added/GSP totaling $18,177.14 million
$424.41 in new economic output totaling $32,916.62 million

PERFORMANCE MEASURE(S)

Permanent New Jobs Created



Comments on Performance Measure:

REBUILDING COMMUNITIES TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To stimulate business activity in Missouri's "distressed communities" by providing tax credits to eligible businesses that locate, relocate or expand their business within a distressed community.

AUTHORIZATION

Section 135.535, RSMo.

ELIGIBLE AREAS

Distressed communities only. For a list of cities and census block groups that are "distressed communities," visit DED's web site or call 573-751-0717.

ELIGIBLE APPLICANTS

Businesses that locate, relocate or expand their business within a distressed area or distressed Missouri community.

ELIGIBILITY CRITERIA

- Must have more than 75% of its employees at the facility in the distressed community.
- Must have fewer than 100 employees total at all facilities nationwide (before commencing operations or relocating).
- Primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming (including Internet, web hosting, and other information technology), telecommunications (wireless, wired or other), or a professional firm.

CATEGORIES OF BUSINESS:

NEW OR RELOCATING BUSINESSES:

Eligible new or relocating businesses may choose one of the 40% Tax Credits and the employees may receive the 1.5% Employee Tax Credit.

EXISTING BUSINESSES:

Eligible businesses already located in a distressed community may be eligible for the 25% Equipment Tax Credit. Existing businesses that double the number of full time employees in the distressed community from the previous year, may choose one of the 40% Tax Credits.

TAX BENEFITS AVAILABLE:

40% INCOME TAX CREDIT:

State tax credit based on 40% of the amount of state income tax owed by the business.

40% EQUIPMENT TAX CREDIT:

State tax credit based on 40% of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring or software development expense in the calendar year.

1.5% EMPLOYEE TAX CREDIT:

Employees of an eligible business may receive a tax credit against state individual income tax equal to 1.5% of their gross annual salary paid at the project facility. The business must receive one of the 40% Tax Credits each year for the employees to be eligible for this credit.

25% EQUIPMENT TAX CREDIT:

State tax credit based on 25% of the amount of funds expended for eligible equipment in a taxable year that exceeds the average of the prior two years' expenditures for such equipment. Eligible expenditures include: computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high-speed telecommunications, wiring and software development.

PROGRAM BENEFITS/ELIGIBLE USES

The 40% Income Tax Credits and the 25% and 40% Equipment Tax Credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

And have these special attributes:

- Carry back 3 years
- Carry forward 5 years
- Sellable or transferable

The 1.5% Individual Tax Credit can be applied to:

- Ch. 143 – Individual income tax

And has this special attribute:

- Sellable or transferable

Revised November 2007

FUNDING LIMITS

PROGRAM LIMIT:

- All credits: $8 million/year
- 25% Equipment Tax Credits: $750,000/year

PER BUSINESS LIMIT:

- 40% Income Tax Credit: $125,000/year
- 25% and 40% Equipment Tax Credits: $75,000/year

ELIGIBILITY PERIOD:

- 40% Equipment Tax Credit: Year of commencement of operations plus three calendar years thereafter
- 40% Income Tax Credit: Three tax years after the year of commencement of operations
- 1.5% Employee Tax Credit: Three tax years after commencement of operations

APPLICATION/APPROVAL PROCEDURE

- New or relocating businesses should submit a Pre-Application to DED prior to commencing operations in the distressed community.
- Businesses applying for the 25% Equipment Tax Credit should submit a Pre-Application for each year that they intend to request tax credits.
- Applications for tax credits must be submitted to DED prior to February 15th of the calendar year following the year in which the credits were earned.
- Tax credits will be issued on a first-come, first served basis.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

SPECIAL PROGRAM REQUIREMENTS

A business can only earn the 40% Tax Credits under this program for one eligibility period.

No business can earn credits under this program if earning Missouri Quality Jobs, Enterprise Zone, Enhanced Enterprise Zone, Business Facility or Brownfield Jobs and Investment Tax Credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.

CONTACT

Missouri Department of Economic Development
Division of Business and Community Services
Business and Community Finance Team
301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
Department of Economic Development

TAX CREDIT ANALYSIS

Program Name: Rebuilding Communities	**Department:** Economic Development	**Date:** October 2009
Program Category: Business Recruitment	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.535, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
Provides a tax credit for eligible businesses locating, relocating or expanding within a distressed community. A business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community, and be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, including internet, web hosting, and other information technology, wireless or wired or other telecommunications or a professional firm.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____

The tax credit is equal to either 40% or 25% of eligible equipment purchases, depending on whether the business is new or existing, or 40% of state income taxes due. A 1.5% employee tax credit is also available to businesses who receive one of the 40% credits and is based on an employee's gross salary. The 40% income tax credit is limited to $125,000 per year for three years. The 40% and 25% equipment credits are limited to $75,000 per year for four years.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_8 million_____ None _____

Explanation of cap: Total credits issued under this program may not exceed $8 million per year. The 25% equipment credits are further limited to $750,000 per year. (Note that 620.1881, RSMo - the Missouri Quality Jobs Act - reduced the cap from $10 million to $8 million).

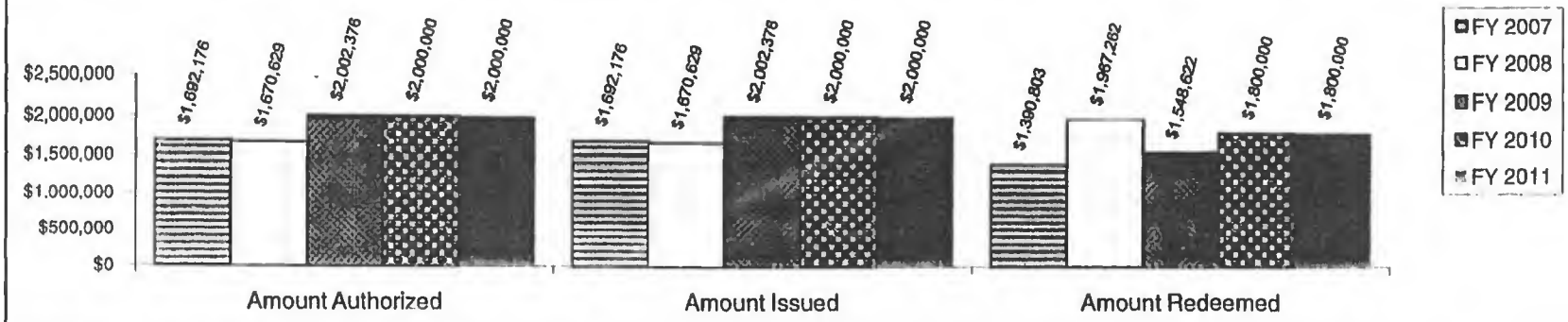
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward __5___ years Carry Back __3___ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions: The 1.5% employee credits are sellable/assignable only.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	690	614	740	700	700
Projects (#)	50	58	48	55	55
Amount Authorized	$1,692,176	$1,670,629	$2,002,376	$2,000,000	$2,000,000
Amount Issued	$1,692,176	$1,670,629	$2,002,376	$2,000,000	$2,000,000
Amount Redeemed	$1,390,803	$1,967,262	$1,548,622	$1,800,000	$1,800,000
EST. Amount Outstanding	N/A	N/A	$469,987	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Rebuilding Communities | **Department:** Economic Development | **Date:** October 2009

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$81,038	$118,319
Indirect Fiscal Benefits	$5,519	$8,057
Total	$86,557	$126,376
COSTS		
Direct Fiscal Costs	$667,459	$1,948,638
Indirect Fiscal Costs	$0	$0
Total	$667,459	$1,948,638
BENEFIT: COST	0.13	0.06

Derivation of Benefits:

Investment: (a) $4,883,059 in durable equipment spending in 2009.
Employment: (a) n/a.
Other Assumptions: (a) Estimated annual Professional Technical and Misc. Manufacturing industry sales of $390,645 based on 8 percent ROI between years 2009-2013. Sales increase modeled to not increase direct employment within the industry.
Incentives/Credits: $2,002,376 in Authorized Rebuilding Communities Tax Credits; redeemed between 2009-2011.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

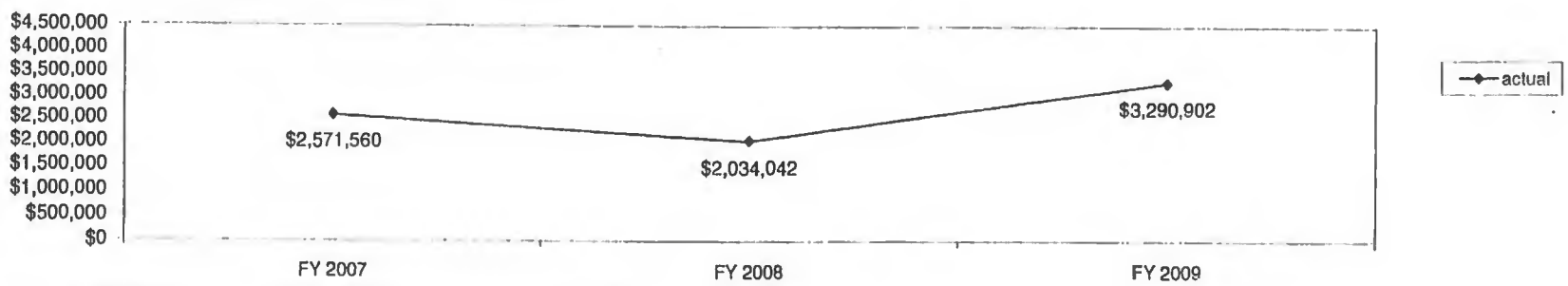
Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$1.35 in new personal income totaling $0.90 million
$2.67 in new value-added/GSP totaling $1.78 million
$4.45 in new economic output totaling $2.97 million

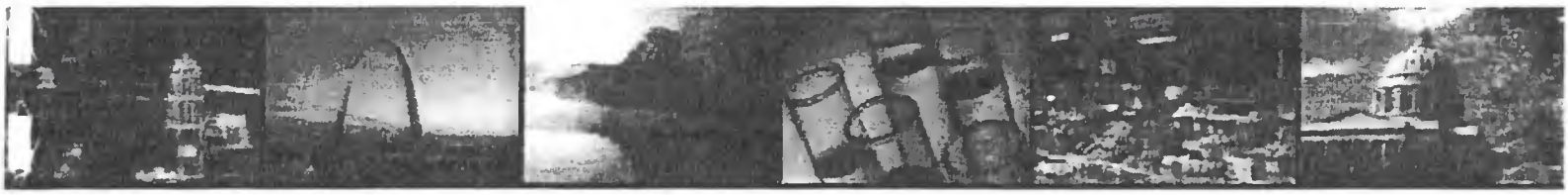
Over 5 years, every dollar of authorized program tax credits returns:
$1.06 in new personal income totaling $2.07 million
$1.92 in new value-added/GSP totaling $3.74 million
$2.96 in new economic output totaling $5.80 million

PERFORMANCE MEASURE(S)

New Investment



Comments on Performance Measure:



WINE & GRAPE PRODUCTION TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Assist vineyards and wine producers with the purchase of new equipment and materials by granting a tax credit for a portion of the purchase price.

The Missouri Department of Economic Development (DED), will issue a state tax credit to an individual, partnership or corporation in an amount equal to 25% of the purchase price of new equipment and materials used directly in the growing of grapes or the production of wine in Missouri.

AUTHORIZATION

Section 135.700, RSMo

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

Missouri individuals or businesses.

ELIGIBILITY CRITERIA

An individual or business must be actively involved in the production of wine or the growing of grapes in the state of Missouri.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax

This credit has no special attributes. It must be applied to tax liability for the year it was earned.

APPLICATION/APPROVAL PROCEDURE

An application must be filed with DED. There are no deadlines. DED will issue a tax credit certificate authorizing the applicant to claim the tax credits.

REPORTING REQUIREMENTS

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

The Agricultural Category of tax credits, which includes the Wine and Grape Production program, requires recipients to annually report to DED for three (3) years following the date of issuance of the tax credits, the following information:

- Type of agricultural commodity
- Amount of contribution
- Type of equipment purchased
- Name and description of facility, except that if the agricultural credit is issued as a result of a producer member investing in a new generation processing entity, then the new generation processing entity, and not the recipient, shall annually, for a period of three years following the issuance of tax credits provide the information.

SPECIAL PROGRAM REQUIREMENTS

Equipment and materials must be new purchases. The purchase price is the selling price of the new equipment and materials, excluding sales tax, delivery cost, shipping and handling costs, installation costs, and other unrelated costs.

The new equipment and materials must be:

- Used on land owned or leased for the purpose of producing wine or growing grapes; and
- Used directly in the production of wine or growing of grapes in the state of Missouri.

The new equipment and materials will be considered used directly based upon:

- Where the item in question is used;
- When the item in question is used; and
- How the item in question is used to produce wine or grow grapes.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$7,186	$9,585
Indirect Fiscal Benefits	$15,514	$20,692
Total	$22,700	$30,277
COSTS		
Direct Fiscal Costs	$84,286	$246,071
Indirect Fiscal Costs		
Total	$84,286	$246,071
BENEFIT: COST	**0.27**	**0.12**

Derivation of Benefits:
Investment: (a) $1,011,425 in durable equipment spending in 2009.
Employment: (a) n/a.
Other Assumptions: (a) Estimated annual Food Mfg industry sales of $80.9K based on 8 percent ROI between years 2009-2013. Sales increase modeled to not increase direct employment within the industry.
Incentives/Credits: $252,857 in Authorized Wine and Grape Tax Credits in 2009. Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$5.61 in new personal income totaling $0.47 million
$8.93 in new value-added/GSP totaling $0.75 million
$15.68 in new economic output totaling $1.32 million

Over 5 years, every dollar of authorized program tax credits returns:
$2.68 in new personal income totaling $0.66 million
$4.70 in new value-added/GSP totaling $1.16 million
$8.06 in new economic output totaling $1.98 million

PERFORMANCE MEASURE(S)

Investment (equipment purchased)

Comments on Performance Measure:

YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To broaden and strengthen opportunities for positive development and participation in community life for youth, and to discourage such persons from engaging in criminal and violent behavior.

AUTHORIZATION

Sections 135.460 and 620.1100 to 620.1103, RSMo

ELIGIBLE AREAS

Statewide

ELIGIBLE APPLICANTS

- Non-Profit Organizations
- Schools*
- Faith-based Organizations*
- Local Governments
- Missouri Businesses
- Public or Private Entities

**Schools and faith-based organizations must meet certain criteria.*

ELIGIBILITY CRITERIA

Tax credits are allocated to organizations administering positive youth development or crime prevention projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions. There are 50% tax credits for monetary contributions and wages paid to youth in an approved internship, apprenticeship or employment project, and 30% tax credits for property or equipment contributions used specifically for the project.

Eligible Projects include:

- Degree Completion
- Internship/Apprenticeship
- Youth Clubs/Associations
- Adopt-A-School
- Mentor/Role Model
- Substance Abuse Prevention
- Violence Prevention
- Youth Activity Centers
- Conflict Resolution
- Employment
- Counseling

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax
- Ch. 153 – Express Companies Tax

This credit's special attribute:

- Carry forward 5 years

FUNDING LIMITS

- The Youth Opportunities Program has up to $6 million in tax credits to award annually.
- Each project is limited to $250,000 in tax credits.
- Each contributor is limited to $200,000 in tax credits annually.

APPLICATION/APPROVAL PROCEDURE

There is no deadline for applying. Applications are reviewed as received until funding is depleted.

REPORTING REQUIREMENTS

Quarterly reports, final report and final audit for projects using $25,000 or more in tax credits

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.missouridevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

Revised November 2007

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program	**Department:** Economic Development	**Date:** October, 2009
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.460 and 620.110-620.1103, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax, Express companies tax	

Program Description and Eligibility Requirements:
This is a contribution tax credit program which broadens and strengthens opportunities for positive development and participation in community life for youth and discourages criminal and violent behavior. Individuals, businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved YOP projects.

Explanation of How Award is Computed: Entitlement _____ Discretionary __X___
Credits are awarded on an open cycle and are awarded at 50% of the approved project budget

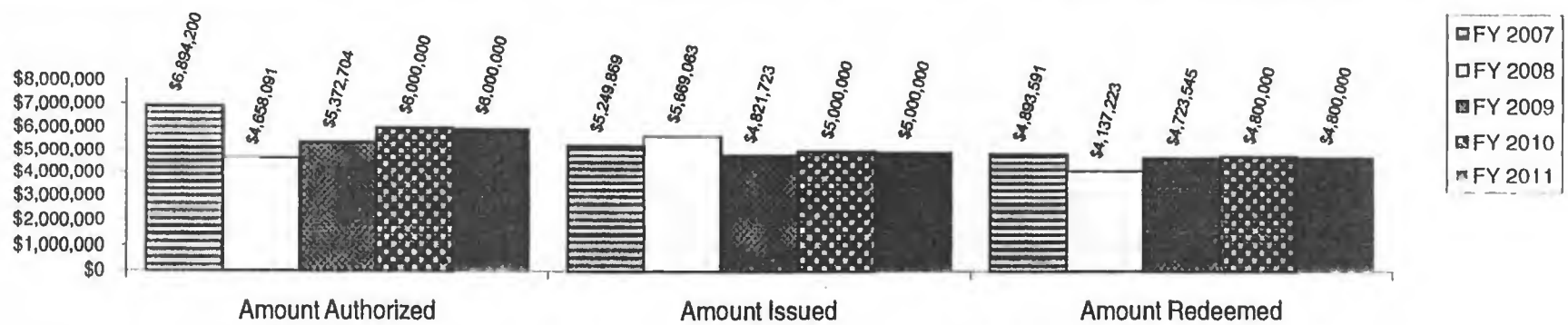
Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_6 million_____ None _____
Explanation of cap:

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)
Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2,823	2,499	3,053	2,800	2,800
Projects (#)	49	35	39	40	40
Amount Authorized	$6,894,200	$4,658,091	$5,372,704	$6,000,000	$6,000,000
Amount Issued	$5,249,869	$5,669,063	$4,821,723	$5,000,000	$5,000,000
Amount Redeemed	$4,893,591	$4,137,223	$4,723,545	$4,800,000	$4,800,000
EST. Amount Outstanding	N/A	N/A	$4,604,286	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$67,984	$244,760
Indirect Fiscal Benefits	$274,759	$989,203
Total	$342,743	$1,233,963
COSTS		
Direct Fiscal Costs	$1,074,541	$5,099,278
Indirect Fiscal Costs	$0	
Total	$1,074,541	$5,099,278
BENEFIT: COST	**0.32**	**0.24**

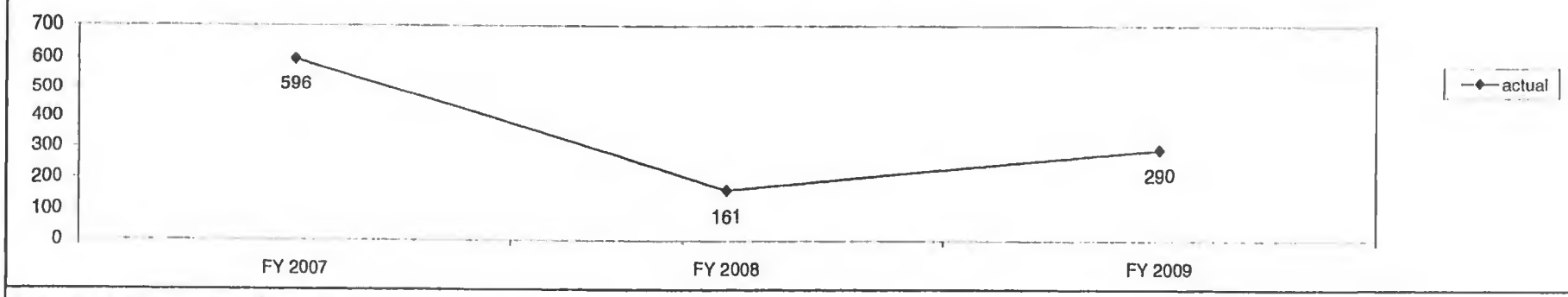
Derivation of Benefits:
Investment: (a) $1,429,208 in Construction demand in 2009.
Employment: (a) n/a.
Other Assumptions: (a) 2,042 new HS/GED graduates earning an additional $12,252,000 in disposable personal income between 2009-2013; (b) 291 JobSkills graduates earning an additional $1,746,000 in disposable personal income between 2009-2013.
Incentives/Credits: $5,372,704 in Authorized YOP Credits ; redeemed between 2009-2013.
The multi-year fiscal Benefit-Cost Ratio is .21 when other program incentives are included.
Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:

in FY-2009, every dollar of authorized program tax credits returns:
$17.65 in new personal income totaling $18.97 million
$9.44 in new value-added/GSP totaling $10.15 million
$15.20 in new economic output totaling $16.33 million

Over 5 years, every dollar of authorized program tax credits returns:
$18.20 in new personal income totaling $92.79 million
$9.45 in new value-added/GSP totaling $48.17 million
$14.81 in new economic output totaling $75.50 million

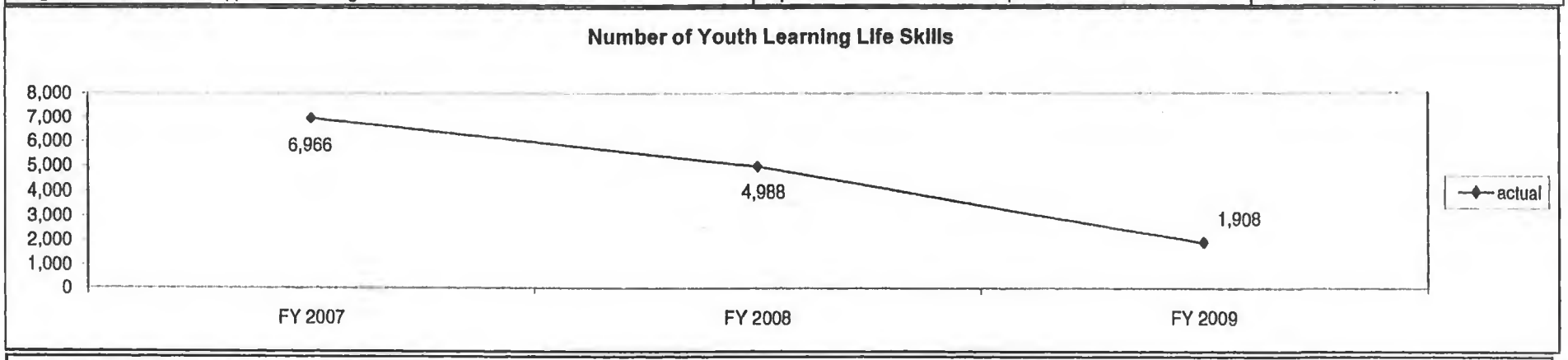
PERFORMANCE MEASURE(S)



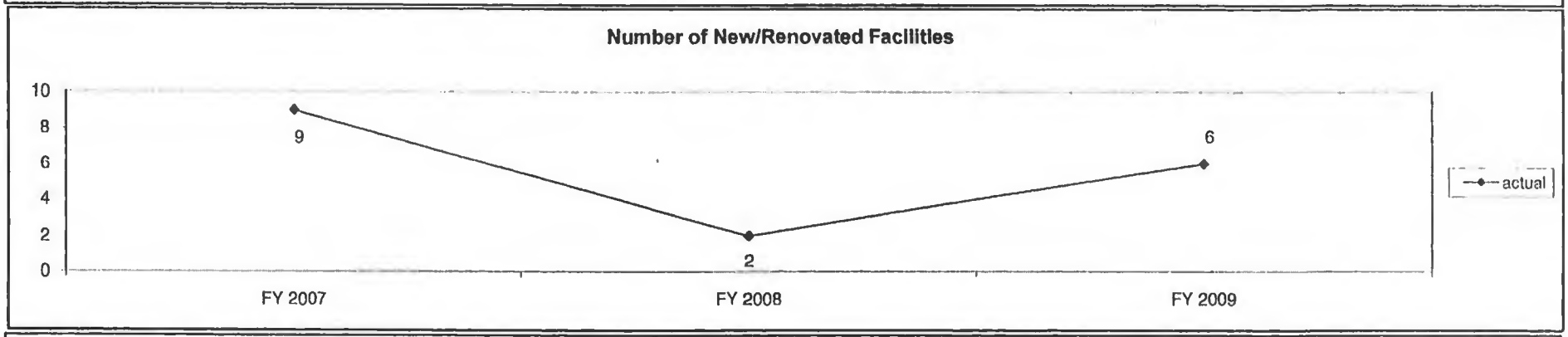
Comments on Performance Measure:
Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program	**Department:** Economic Development	**Date:** October, 2009



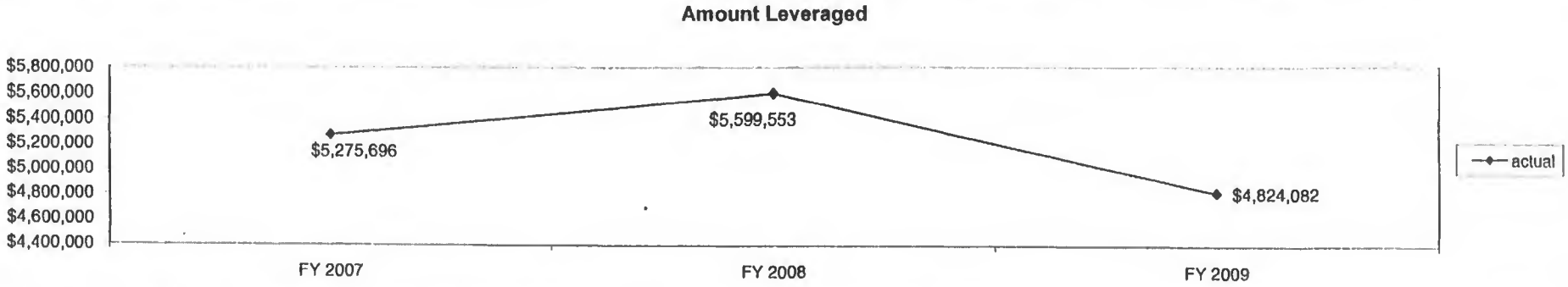
Comments on Performance Measure:
Includes individuals earning GEDs, job training and other skills necessary to be come productive citizens. Numbers are dependent on the type of projects that are funded each year.



Comments on Performance Measure:
Numbers are dependent on the type of projects that are funded each year.

TAX CREDIT ANALYSIS

Program Name: Youth Opportunities Program	**Department:** Economic Development	**Date:** October, 2009



Comments on Performance Measure:
YOP tax credits leveraged (Total Contributions - Total Credits Issued)

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit	**Department:** Economic Development	**Date: October**, 2009
Program Category: Housing	**Type:** Tax Credit _X___ Other (specify)____	
Statutory Authority: 135.475 - 135.487, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:

Provide an incentive for homeowners in certain lower income areas to rehabilitate their home, or incentive for "in-fill" new construction of owner-occupied housing. Geographic eligibility restrictions; age of home restrictions; must be residence intended for owner-occupancy.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Tax Credit of 25% - 35% of eligible renovation costs, or 15% of new construction.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $ 16 million___ None _____

Explanation of cap:
$8M for eligible areas; $8M for qualifying areas (as defined by law). Credits are awarded on a first-come first-served basis by utilizing a lottery system.

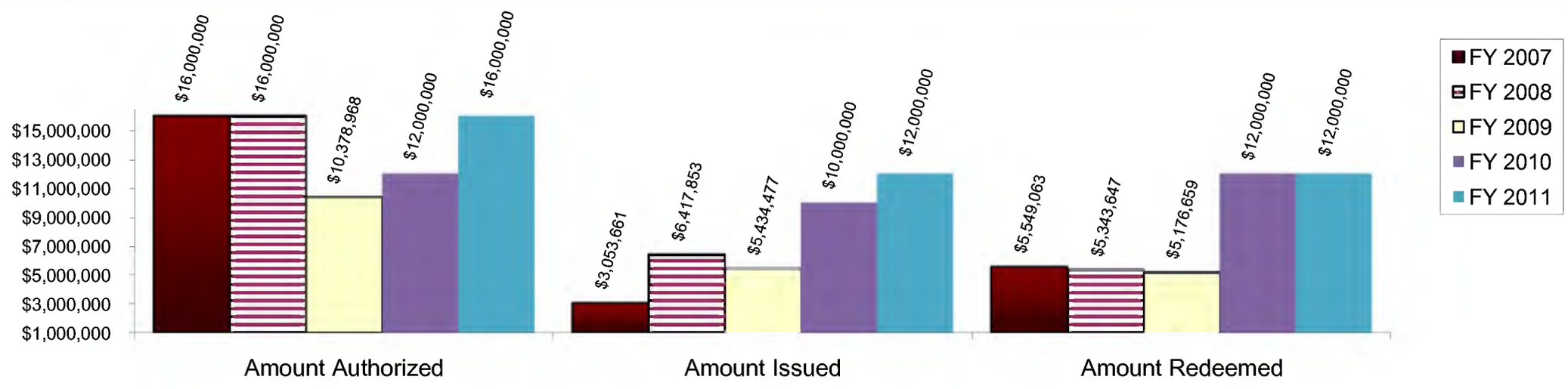
Explanation of Expiration of Authority:

Specific Provisions: (if applicable)

Carry forward __5__ years Carry Back __3__ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	127	141	192	200	200
Projects (#)	127	141	192	200	200
Amount Authorized	$16,000,000	$16,000,000	$10,378,968	$12,000,000	$16,000,000
Amount Issued	$3,053,661	$6,417,853	$5,434,477	$10,000,000	$12,000,000
Amount Redeemed	$5,549,062	$5,343,647	$5,176,659	$10,000,000	$12,000,000
EST. Amount Outstanding	N/A	N/A	$1,600,000	N/A	N/A



TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit	**Department:** Economic Development	**Date:** **October**, 2009

Comments on Historical and Projected Information:

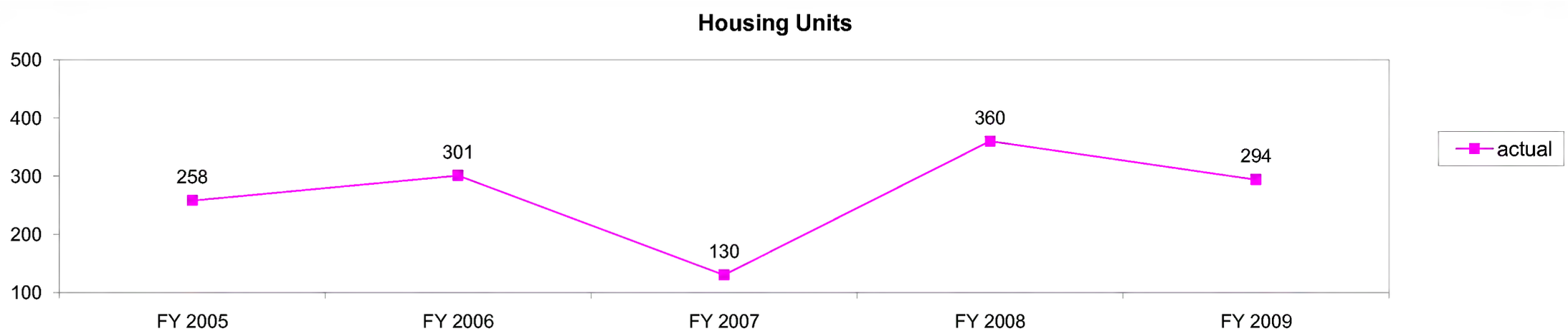
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period 5 Years
BENEFITS		
Direct Fiscal Benefits	$564,280	$1,008,109
Indirect Fiscal Benefits	$382,376	$683,130
Total	$946,656	$1,691,239
COSTS		
Direct Fiscal Costs	$10,378,968	10378968
Indirect Fiscal Costs		
Total	$10,378,968	$10,378,968
BENEFIT: COST	**0.09**	**0.16**

Derivation of Benefits:
Investment: (a) $80,628,563 in Residential Construction spending between 2009-2010.
Employment: (a) n/a.
Other Assumptions: (a) n/a.
Incentives/Credits: $10,378,968 in Authorized NPA Credits, redeemed in 2009.
Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:
In FY2009, every dollar of authorized program tax credits returns
$1.81 in new personal income totaling $18.74 million
$3.02 in new value-added/GSP totaling $31.34 million
$5.13 in new economic output totaling $53.26 million
Over 5 years, every dollar of authorized program tax credits returns
$3.66 in new personal income totaling $37.97 million
$5.91 in new value-added/GSP totaling $61.36 million

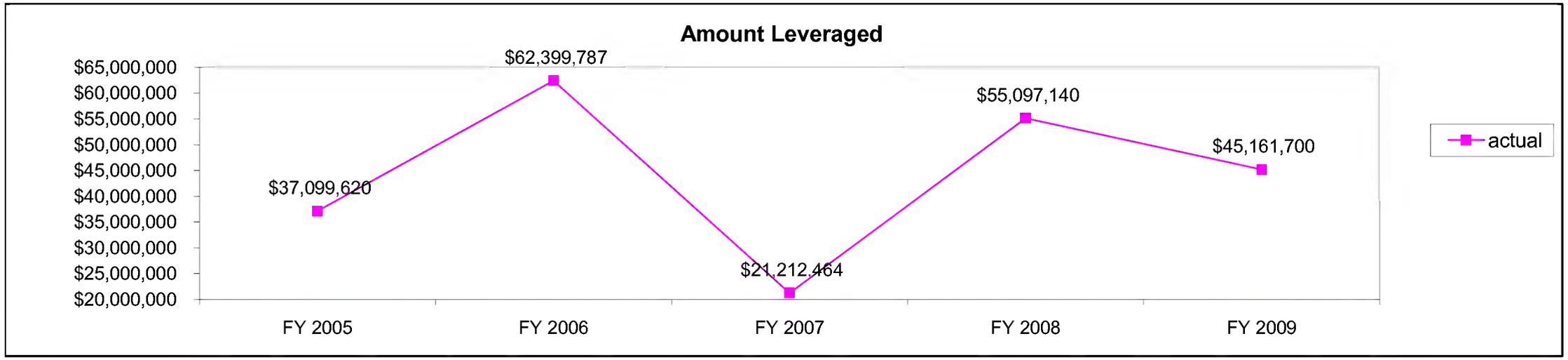
PERFORMANCE MEASURE(S)



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Neighborhood Preservation Tax Credit	**Department:** Economic Development	**Date: October**, 2009



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers	**Department:** Economic Development	**Date:** October, 2009
Program Category: Agricultural	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.700, RSMo	**Applicable Taxes:** Income tax	

Program Description and Eligibility Requirements:

Any grape grower or wine producer within the state can claim an income tax credit for a percentage of the purchase price of all new equipment and materials used directly in growing grapes or producing wine within the state. Taxpayers may apply annually for up to five years.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit is equal to 25% of the purchase price of all new equipment and materials used directly in growing grapes or producing wine.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ____X____

Explanation of cap:

Explanation of Expiration of Authority:

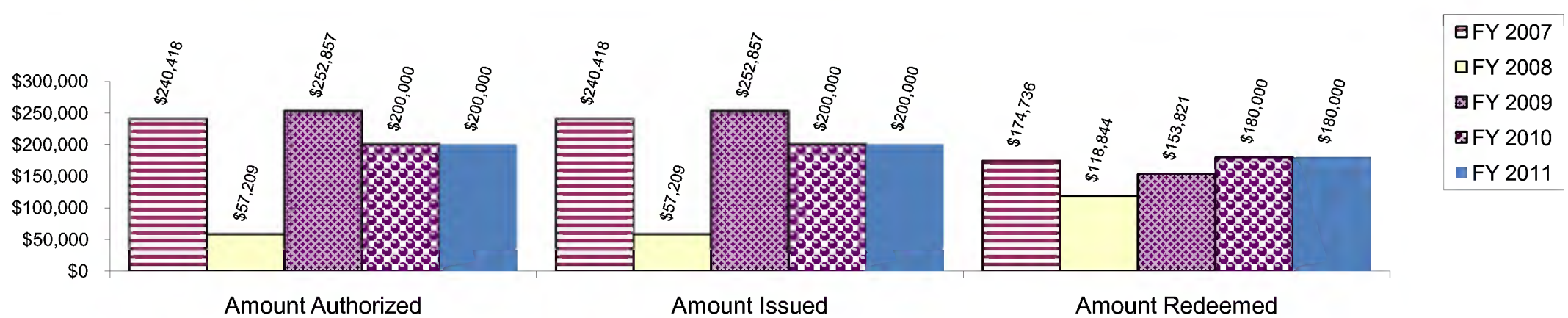
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: This credit has no special attributes and must be applied to tax liability for the year it was earned.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	41	21	31	25	25
Projects (#)	41	21	31	25	25
Amount Authorized	$240,418	$57,209	$252,857	$200,000	$200,000
Amount Issued	$240,418	$57,209	$252,857	$200,000	$200,000
Amount Redeemed	$174,736	$118,844	$153,821	$180,000	$180,000
EST. Amount Outstanding	N/A	N/A	$99,036	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Wine Producers and Grape Growers	**Department:** Economic Development	**Date:** October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits	$7,186	$9,585
Indirect Fiscal Benefits	$15,514	$20,692
Total	$22,700	$30,277
COSTS		
Direct Fiscal Costs	$84,286	$246,071
Indirect Fiscal Costs		
Total	$84,286	$246,071
BENEFIT: COST	**0.27**	**0.12**

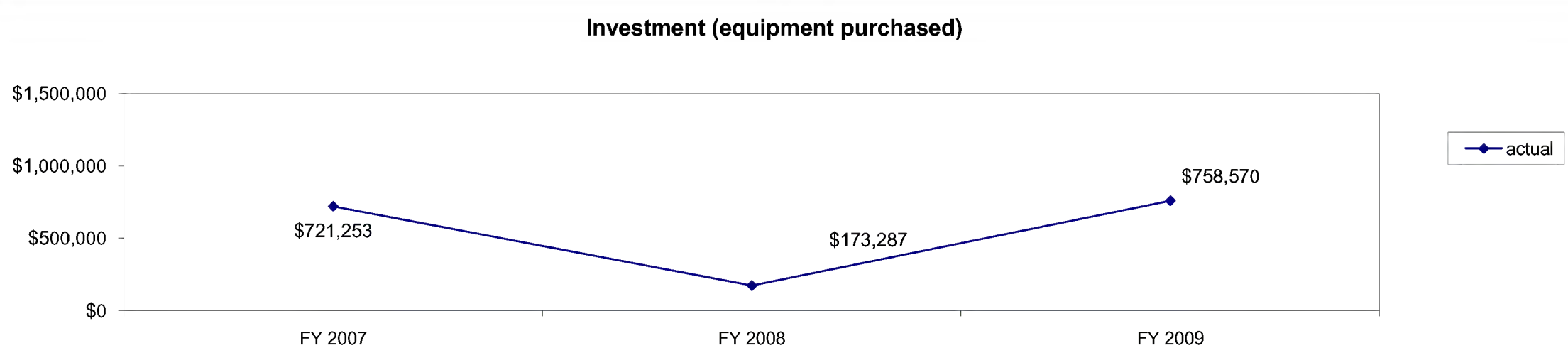
Derivation of Benefits:
Investment: (a) $1,011,425 in durable equipment spending in 2009.
Employment: (a) n/a.
Other Assumptions: (a) Estimated annual Food Mfg industry sales of $80.9K based on 8 percent ROI between years 2009-2013. Sales increase modeled to not increase direct employment within the industry.
Incentives/Credits: $252,857 in Authorized Wine and Grape Tax Credits in 2009.
Impacts occurs in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:

In FY-2009, every dollar of authorized program tax credits returns:
$5.61 in new personal income totaling $0.47 million
$8.93 in new value-added/GSP totaling $0.75 million
$15.68 in new economic output totaling $1.32 million

Over 5 years, every dollar of authorized program tax credits returns:
$2.68 in new personal income totaling $0.66 million
$4.70 in new value-added/GSP totaling $1.16 million
$8.06 in new economic output totaling $1.98 million

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Historic Preservation	**Department:** Economic Development	**Date:** October, 2009
Program Category: Redevelopment	**Type:** Tax Credit__X___ Other (specify)____	
Statutory Authority: 253.545 -253.561, RSMo	**Applicable Taxes:** Income tax, bank tax, insurance premium tax, other financial institutions	

Program Description and Eligibility Requirements:
Credits issued for percentage of qualified rehabilitation costs on historic structures. Individuals, organizations and businesses which have a Missouri liability are eligible to apply.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____X____ None

Explanation of cap:
January 1, 2010 - June 30, 2010 cap is $70M; Beginning FY 11 cap is $140M /FY. Projects not under cap: Owner -occupied residences (capped at $250,000 in credits) and projects to receive $275,000 in credits.

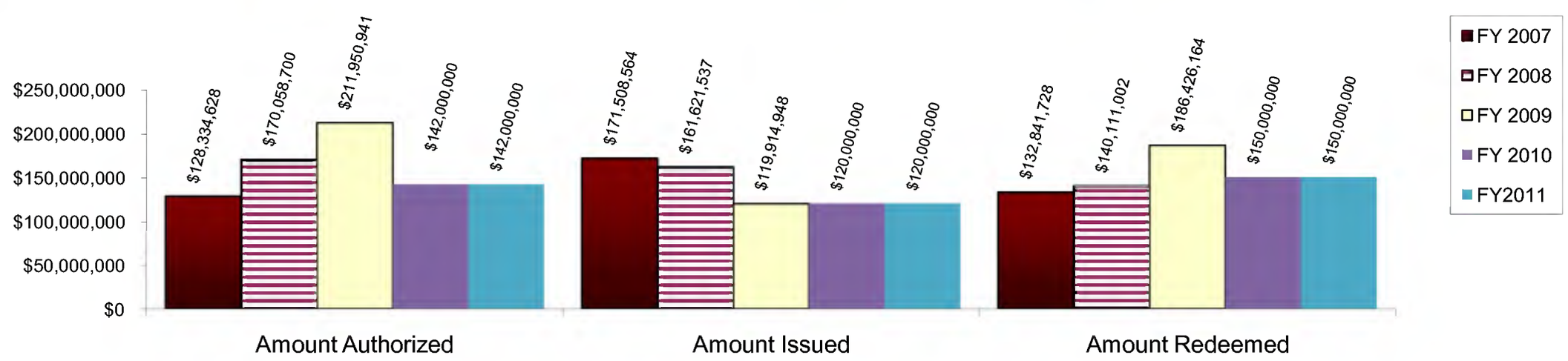
Explanation of Expiration of Authority: 253.550, RSMo

Specific Provisions: (if applicable)
Carry forward __10___years Carry Back __3___ years Refundable _____ Sellable/Assignable __X__ Additional Federal Tax Credits Available __X___

Comments on Specific Provisions: 20% Federal Historic Credit

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	250	337	197	250	250
Projects (#)	250	337	197	250	250
Amount Authorized	$128,334,628	$170,058,700	$211,950,941	$142,000,000	$142,000,000
Amount Issued	$171,508,564	$161,621,537	$119,914,948	$120,000,000	$120,000,000
Amount Redeemed	$132,841,728	$140,111,002	$186,426,164	$150,000,000	$150,000,000
EST. Amount Outstanding	N/A	N/A	$90,000,000	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Historic Preservation	**Department:** Economic Development	**Date:** October, 2009

Comments on Historical and Projected Information:

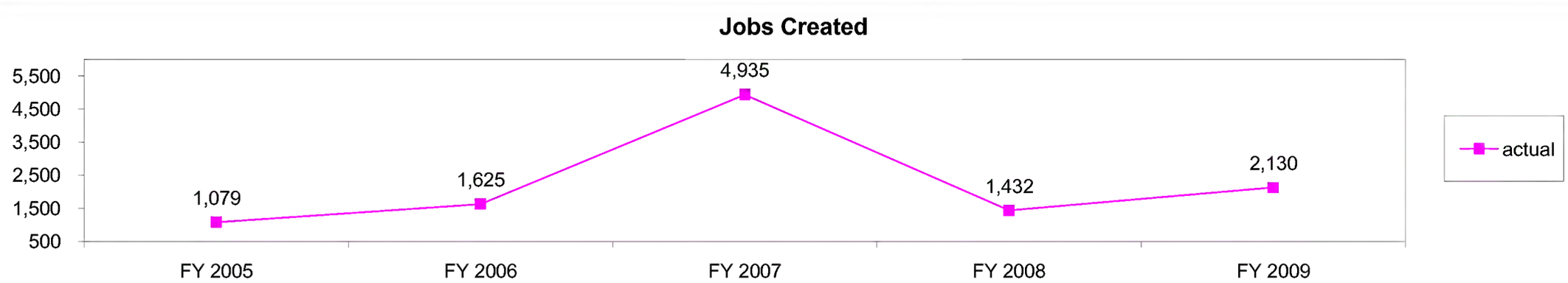
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period 10-Year
BENEFITS		
Direct Fiscal Benefits	$1,736,621	$16,474,802
Indirect Fiscal Benefits	$2,168,947	$20,576,151
Total	$3,905,568	$37,050,953
COSTS		
Direct Fiscal Costs	$0	$189,613,547
Indirect Fiscal Costs	$0	0
Total	$0	$189,613,547
BENEFIT: COST	**#DIV/0!**	**0.20**

Derivation of Benefits:
Investment: (a) $429,971,361.28 in Non-Residential Construction Spending between 2009-2013; (b) $417,832,403.76 in Residential Construction Spending between 2009 -2013.
Employment: (a) 2,874 jobs (2,108 displaced) in Manufacturing, Service and Government industries in 2014-2018.
Incentives/Credits: $211,950,941 in Authorized Historic PreservationTax Credits , redeemed at the rate of 80% in 2013 and 20% in 2015. The multi -year fiscal Benefit-Cost Ratio is .11 when other program incentives are included.
Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-9.5-Regional Model (remi-fiscal-95-jul09).

Other Benefits:
In FY 2009, every dollar of authorized program tax credits returns
N/A in new personal income totaling $78.16 million
N/A in new value-added/GSP totaling $124.97 million
N/A in new economic output totaling $214.93 million
Over 10 years, every dollar of authorized program tax credits returns
$5.11 in new personal income totaling $696.80 million
$9.34 in new value-added/GSP totaling $1,770.52 million
$14.02 in new economic output totaling $2,658.07 million

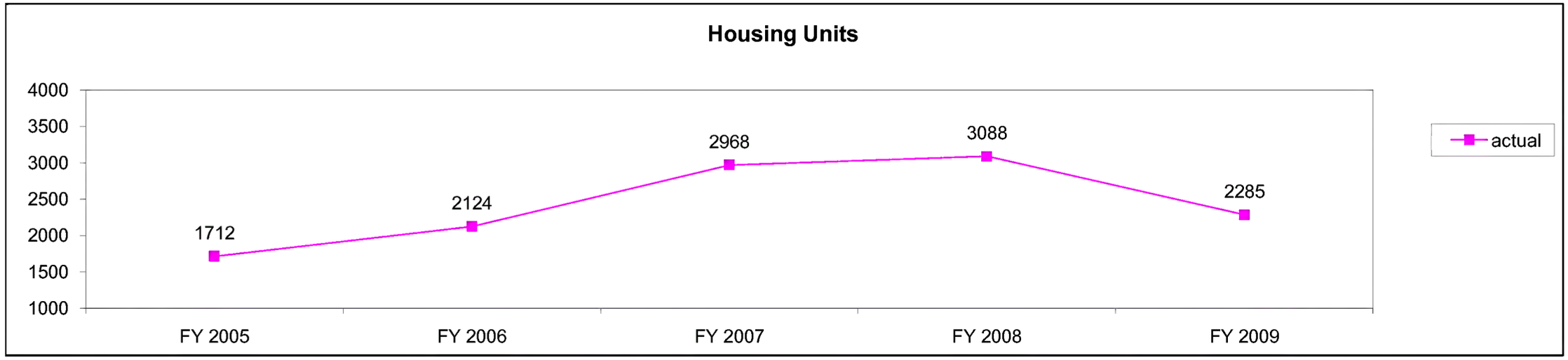
PERFORMANCE MEASURE(S)



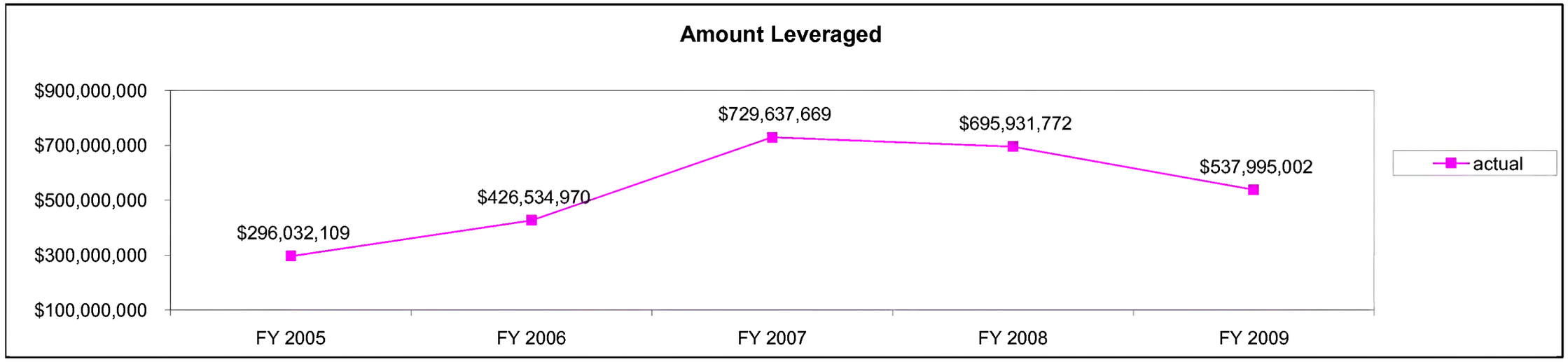
Comments on Performance Measure:

TAX CREDIT ANALYSIS

Program Name: Historic Preservation	**Department:** Economic Development	**Date:** October, 2009



Comments on Performance Measure:



Comments on Performance Measure:

Historical and Projected Information

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY2011
Amount Authorized	#REF!	#REF!	$128,334,628	$170,058,700	$211,950,941	$142,000,000	$142,000,000
Amount Issued	#REF!	#REF!	$171,508,564	$161,621,537	$119,914,948	$120,000,000	$120,000,000
Amount Redeemed	#REF!	$75,000,000	$132,841,728	$140,111,002	$186,426,164	$150,000,000	$150,000,000

DO NOT CHANGE data on "Historical and Projected Information" table above - it is linked to data entered on the Tax Credit Analysis Form

Examples of Performance Measures - Fill in Yellow Boxes With Actuals

Jobs Created

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
actual	2,286	997	1,079	1,625	4,935	1,432	2,130

Housing Units

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
actual	1288	1784	1712	2124	2968	3088	2285

Amount Leveraged

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
actual	$ 345,163,468	$ 268,905,425	$ 296,032,109	$ 426,534,970	$ 729,637,669	$ 695,931,772	$ 537,995,002

Performance Measure 4

	FY 2003	FY 2004	FY 2005
actual			

Agricultural

- Agricultural Product Utilization Contributor
- New Generation Cooperative Incentive
- Wine and Grape Production

Business Recruitment

- Business Facility
- Enterprise Zone
- Business Use Incentives for Large-Scale Development Programs (BUILD)
- Development Tax Credit
- Rebuilding Communities
- Film Production

Community Development

- Neighborhood Assistance
- Family Development Account
- Dry Fire Hydrant
- Transportation Development

Domestic and Social

- Youth Opportunities
- Shelter for Victims of Domestic Violence
- Senior Citizen or Disabled Person Property Tax
- Special Needs Adoption
- Maternity Home
- Shared Care

Environmental

- Charcoal Producer
- Wood Energy
- Manufacturing & Recycling Flexible Cellulose Casing

Entrepreneurial

- Capital
- Certified Capital Company
- Seed Capital
- New Enterprise Creation
- Research
- Small Business Incubator
- Guarantee Fee
- New Generation Cooperative

Housing

- Neighborhood Preservation
- Low Income Housing
- Affordable Housing

Redevelopment

- Historic Preservation
- Brownfield Redevelopment
- Community Development Corporations
- Infrastructure
- Bond Guarantee
- Disabled Access

Training & Educational

- Community College New Jobs
- Skills Development Account
- Mature Worker (deleted in SB 1155, 2004?)
- Sponsorship and Mentoring

Λ

Section V

Expired Tax Credit Programs

CAPCO PROGRAM

(Certified Capital Company)

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Induce private investment into certified venture capital funds that invest in new or growing Missouri small businesses.

AUTHORIZATION

Sections 135.500 to 135.529, RSMo
Regulations: 4 CSR 80-7.010 to 7.040

HOW THE PROGRAM WORKS

Private venture capital firms apply to the department for certification as a CAPCO. CAPCOs are allocated state tax credits to be given to insurance companies that invest in the CAPCO funds. At this point, all credits allowed under the law have been authorized. The credits can only be applied toward premium tax liability.

Cumulative cap exhausted

CAPCOs are required to make equity investments in eligible Missouri businesses according to a timetable set by law.

ELIGIBLE AREAS

Eligible Missouri businesses can be located statewide for all funds except funds created through the "distressed community" allocation. These funds must be invested in businesses located in distressed communities. For a list of cities and census block groups that are "distressed communities," visit DED's web site at www.missouridevelopment.org.

ELIGIBLE CAPCO INVESTMENTS

A CAPCO may invest in a "qualified Missouri business," which must:

- ✓ be independently owned and operated;
- ✓ be headquartered in Missouri;
- ✓ employ less than 200 persons before the investment is made with at least 80% of them employed in Missouri;
- ✓ be a small business concern that meets the requirements of the United States Small Business Administration qualification size standards for its venture capital program as defined in Section 13 CFR 121.301(c) of the Small Business Investment Act of 1958, as amended;
- ✓ be in need of venture capital and unable to obtain conventional financing; and
- ✓ derive its revenue primarily from:
  - ✓ manufacturing, processing or assembling of products;
  - ✓ conducting research and development; or
  - ✓ providing services in interstate commerce, excluding retail, real estate, real estate development, insurance and professional services provided by accountants, lawyers or physicians (service businesses must demonstrate that more than 33% of its revenue would be from outside the state of Missouri).

CAPCO fund investments can be in the form of equity investments, unsecured loans or hybrid investments.

CAPCO funds invested in the business must be used for new capital improvements, research and development and certain working capital expenses. All such funds must be used in Missouri.

The maximum amount a CAPCO may invest in one Missouri business is 15% of the CAPCO's certified capital.

Funding decisions are made by each CAPCO based on its evaluation.

1/06

Contact

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT
Business and Community Services
Finance Management
301 West High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102
Phone: 573-751-4539 Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

Awarded CAPCOs

DED does not have the authority to require a CAPCO to fund a project. Small businesses interested in receiving funding through this program may contact each CAPCO directly:

Advantage Capital Missouri Partners*
Pierre Laclede Center
7733 Forsyth Blvd.
St. Louis, MO 63105
(314) 725-0800

BOME Investors/Gateway Associates*
8000 Maryland Avenue, Suite 1190
St. Louis, MO 63105
(314) 721-5707

CAPCO Holdings, L.C.**
300 West 11th Street
Kansas City, MO 64105
(816) 391-2040

CFB Emerging Business Funds
11 South Meramec, Suite 1430
St. Louis, MO 63105
(314) 746-7427

Stifel CAPCO, Inc.*
500 North Broadway
Suite 1400
St. Louis, MO 63102
(314) 342-2118

* Has a distressed community fund
** Only a distressed community fund

Additional Resources

Go to the department's home page at www.missouridevelopment.org for a wealth of information regarding Missouri's many other economic development programs and policies.

1/06

TAX CREDIT ANALYSIS

Program Name: Certified Capital Companies (CAPCO)	**Department:** Economic Development	October, 2009
Program Category: Entrepreneurial	**Type: Tax Credit** __X__ **Other (specify)**____	
Statutory Authority: 135.500 to 135.529, RSMo	**Applicable Taxes:** Insurance Premium tax	

Program Description and Eligibility Requirements:
Insurance companies that invest in a certified CAPCO receive a tax credit.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____
The tax credit is equal to 100% of the investment.

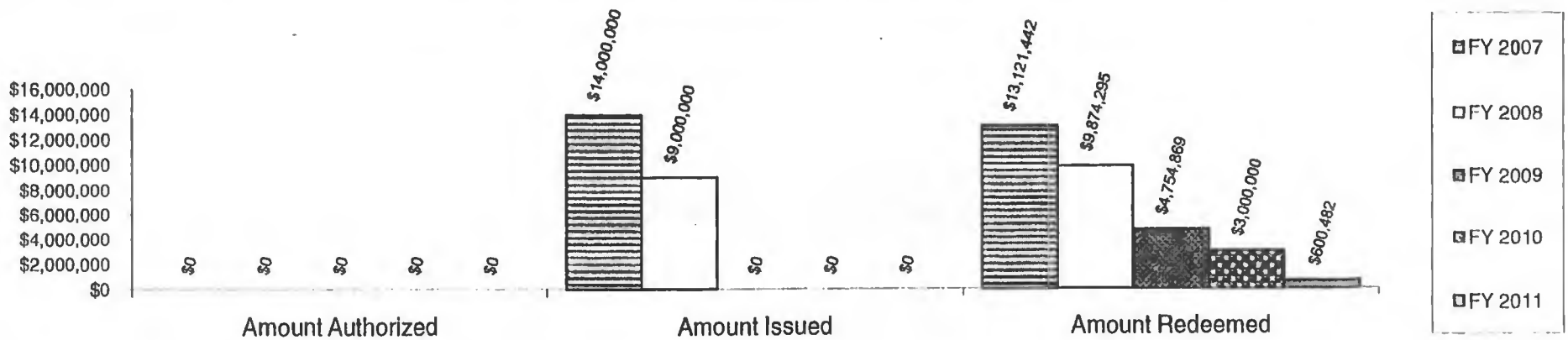
Program Cap: Cumulative $140 million over ten years (remainder of cumulative cap) $____0_____ Annual $_____ None _____
Explanation of cap: The credits can be claimed at up to 10% of the authorized amount per year over a 10-year period.

Explanation of Expiration of Authority: Cumulative cap exhausted.

Specific Provisions: (If applicable)
Carry forward _Until Used____ years Carry Back _____ years Refundable _____ Sellable/Assignable _X____ Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Issued	$14,000,000	$9,000,000	$0	$0	$0
Amount Redeemed	$13,121,442	$9,874,295	$4,754,869	$3,000,000	$600,482
EST. Amount Outstanding	N/A	N/A	$3,600,482	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Certified Capital Companies (CAPCO)	Department: Economic Development	October, 2009

Comments on Historical and Projected Information:

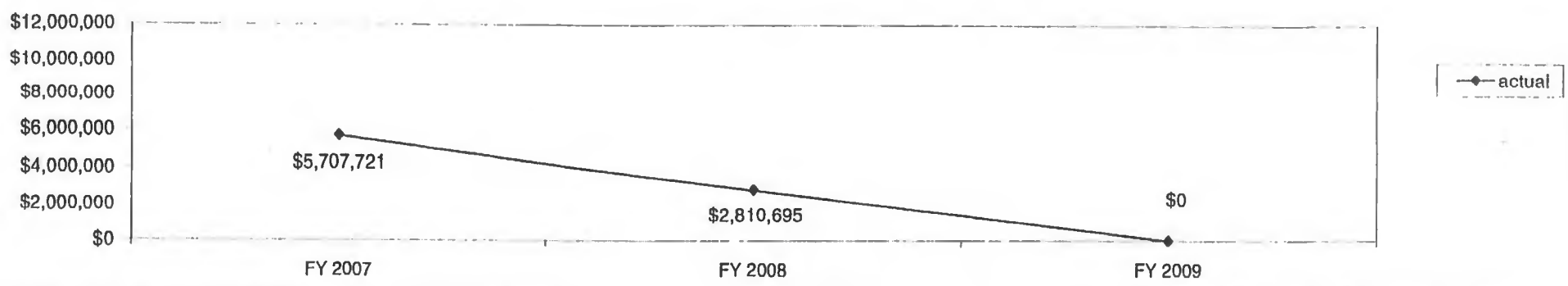
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

Derivation of Benefits:

No Authorizations In FY09.

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

CAPITAL TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Induce private investment into new or growing Missouri small businesses, which will result in the creation of new jobs and investment.

AUTHORIZATION

Sections 135.400 - 135.429 RSMo.

HOW THE PROGRAM WORKS

Department of Economic Development (DED) will issue a state tax credit to an investor in an approved Missouri small business (Capital Tax Credit project). The investor will receive either a 40% state tax credit on the amount of their investment. In the case of a qualified investment in a Missouri small business located in a "distressed community," the investor may receive a 60% state tax credit. Any investor who makes a direct qualified investment in a community bank or a community development corporation shall be entitled to a tax credit equal to 50% of the amount of the investment. The percentage of stock purchased by the investors is negotiated with the business.

ELIGIBLE AREAS

Statewide and eligible "distressed communities."

ELIGIBLE APPLICANTS

Any taxpayer investing in an approved Capital Tax Credit project. Investors that may not receive tax credits include "Principal Owners" (and spouse); relatives to the 3rd degree of consanguinity or affinity; or, a corporation, trust, partnership or other entity which is controlled directly or indirectly by a Principal Owner or relative.

The investment cannot have been made prior to the approval of the small business entering the program. The investment may be only in the form of cash. The investment, which may be the purchase of stock or an unsecured loan, must remain in the company at least five years from the date of the investment.

ELIGIBLE USE OF TAX CREDITS

The tax credits may be used to offset Missouri tax liability incurred pursuant to chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, exclusive of tax as provided for in sections 143.191 to 143.265, RSMo. The tax credits will be issued to the investors after the investment has been made into the business and it has been certified by DED as a qualified investment.

The credits may be used by the investor over an 11-year period, or can be transferred or sold to a business or person that will have a state tax liability.

When the qualified small business is in a distressed community, the tax credit may also be used to satisfy the state tax liability of the owner of the certificate that was due during each of the previous three years in addition to the year in which the investment is made and any of the ten years thereafter.

APPLICATION PROCEDURE/APPROVAL METHOD

A taxpayer who invests in a qualified project will submit application Form 135-4, "Application for Requesting Certificate of Small Business Qualified Investment," to DED. There are no deadlines, however, applications will be processed on a first-come submission. DED will issue a tax credit certificate authorizing the applicant to claim the tax credit.

09/02

Applicable Projects

There is no deadline for the business to submit the application (Missouri Form T) to become a qualified project.

The business must derive their revenue primarily from manufacturing, processing or assembling of products; conducting research and development; or, service businesses which can demonstrate that 51%+ of revenue would be from outside the state of Missouri.

To be qualified for the program, the business must be headquartered in Missouri; be independently owned and operated; have 80% of its employees located in Missouri; and employ less than 100 persons. The annual revenue of the business in its last fiscal year must be less than $2,000,000.

The Division of Securities (Missouri Office of the Secretary of State) must also approve the stock offering information submitted by the business.

Funding Limits

The minimum amount of tax credits allowed per *investor* is $1,500 ($3,750 investment). The maximum amount of tax credits allowed per *investor* is $100,000 ($250,000 investment). These limits shall not apply to investments made by a single investor in Missouri small business in a distressed community.

Aggregate investments eligible for tax credits in any one *business* can be no less than $5,000 and no more than $1,000,000.

The total amount of tax credits available for qualified investments in Missouri small businesses shall not exceed 13 million. At least 4 million shall be authorized for distressed communities.

Special Program Requirements

The funds invested in the business related to the program may be used for new capital improvements; research and development; and certain working capital expenses. All such funds must be used in Missouri.

Contact

Department of Economic Development
Office of Business Finance
301 W. High Street, Room 720, PO Box 118
Jefferson City, MO 65102
Phone: 573-751-0295 Fax: 573-526-1567
E-mail: lschenewerk@ded.state.mo.us
Website: www.missouridevelopment.org

09/02

TAX CREDIT ANALYSIS

Program Name: Capital Tax Credit	**Department:** Economic Development	**Date:** October 2009
Program Category: Entrepreneurial	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.400 to 135.429, RSMo	**Applicable Taxes:** Income tax; Corporate franchise tax; Bank tax; Insurance premium tax; Other financial institutions tax; Express companies tax; Insurance company retaliatory tax	

Program Description and Eligibility Requirements:
Tax credit for investment in an approved Missouri small business and an equity position in the business. Companies must apply and be approved by DED prior to soliciting investments.

Explanation of How Award is Computed: Entitlement _X___ Discretionary _____
Investments in companies located in a distressed community receive a 60% tax credit. All other investments receive a 40% tax credit.

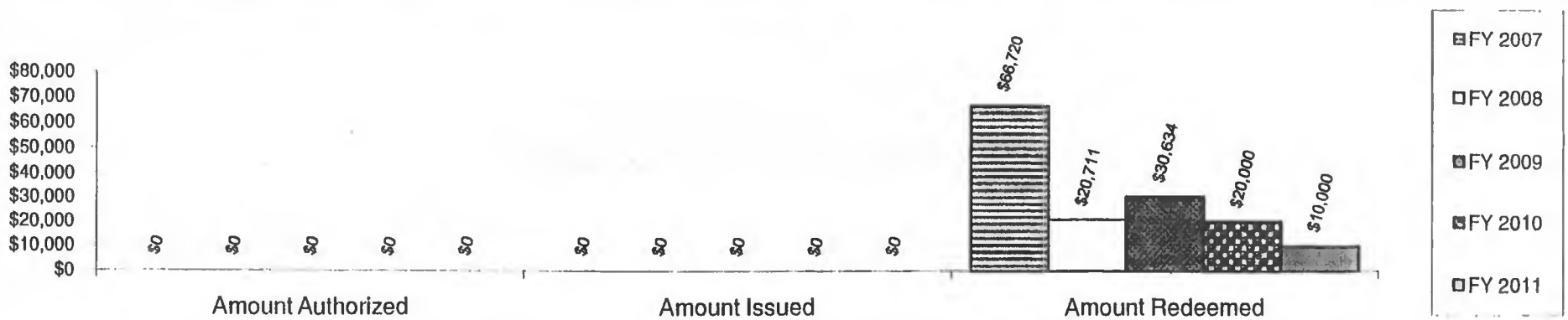
Program Cap: Cumulative $13 million (remainder of cumulative cap) $___0_____ Annual $_____ None _____
Explanation of cap: Cumulative cap exhausted.

Explanation of Expiration of Authority: Cumulative Cap Exhausted

Specific Provisions: (if applicable)
Carry forward __10___ years Carry Back _3_ years (distressed community portion only) Refundable ____ Sellable/Assignable _X__ Additional Federal Deductions Available ___
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Issued	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Redeemed	$66,720	$20,711	$30,634	$20,000	$10,000
EST. Amount Outstanding	N/A	N/A	$793,221	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Capital Tax Credit	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs	$0	
Indirect Fiscal Costs		
Total	$0	
BENEFIT: COST	**#DIV/0!**	**#DIV/0!**

Derivation of Benefits:

No authorizations in FY2009.

Other Benefits:

COMMUNITY DEVELOPMENT CORPORATION TAX CREDIT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

Cumulative Cap Exhausted

PURPOSE

Induce the creation of Community Development Corporations (CDC) which would then invest in new or growing small businesses, owner occupied housing, certain types of real estate development, or redevelopment projects in a targeted area.

AUTHORIZATION

Sections 135.400 to 135.430, RSMo.

HOW THE PROGRAM WORKS

A "Fundor" (contributor or investor) may obtain state tax credits based on 50% of their investments or contributions in a pre-approved CDC. The CDC would then make equity investments or loans to a specific project within the designated redevelopment area.

ELIGIBLE AREAS

Statewide.

ELIGIBLE PROJECTS

Nearly any type of commercial business operation or real estate development project located in the designated redevelopment area is eligible to receive funding by the CDC projects. The targeted area is specified by the CDC, and must comply with certain demographic requirements specified by the Department of Economic Development (DED).

ELIGIBLE USE OF FUNDS

A CDC may use the funds for loans or equity investments to a business to be used for acquisition of real estate or buildings, new capital improvements and working capital. Funds may also be used for real estate development or redevelopment projects, including certain types of housing in-fill and new construction for owner occupied units.

APPLICATION PROCEDURE

A CDC may submit an application to DED at any time. DED will approve the application based on compliance with all the eligibility criteria and the ability of the CDC to successfully manage the fund. The CDC must prepare a revitalization plan to be approved by the Missouri Department of Economic Development, unless it is completely within a federal empowerment zone/enterprise community.

The tax credits will be provided to the "Fundor" upon documentation of the investment or contribution to the CDC as outlined in the program guidelines. Any contribution or investment made by the "Fundor" prior to DED's approval of a request for the tax credits by the CDC will not be eligible for tax credits.

FUNDING LIMITS

The maximum tax credits provided to "Fundors" of a CDC is $100,000 (based on investments or contributions of $200,000). The maximum investment by the CDC in one project/business is $100,000. The CDC's investment must create/retain at least one full-time job (except in housing). Application approval will be based upon the availability of tax credits within the program along with the order in which they are received.

CONTACT

DED Community Development Programs:
301 W. High Street, PO Box 118
Jefferson City, MO 65102
Phone: 573-751-4572 Fax: 573-751-8999
E-mail: cdc@ded.state.mo.us

6/02

LOAN GUARANTEE FEE TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

NOTICE

Pursuant to HB 191 (2009), the Loan Guarantee Fee Tax Credit Program is being phased out of existence. No tax credits shall be issued on or after September 28, 2009.

PURPOSE

Reduce the costs to small businesses in financing projects by providing tax credits for certain federal loan guarantee programs.

The Missouri Department of Economic Development (DED) will issue state income tax credits to an "eligible small business" for the amount of the guarantee fee paid to the U.S. Small Business Administration (SBA) or the U.S. Department of Agriculture (USDA) for a small business loan.

AUTHORIZATION

Section 135.766, RSMo:

"An eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies."

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

A small business defined in Section 44 of the IRS code must (in the prior tax year) have gross receipts of less than $1 million; or if more than $1 million, less than 30 full time employees.

PROGRAM BENEFITS/ELIGIBLE USES

This tax credit can be applied to:

- Ch. 143 – Income tax, excluding withholding tax

This credit has no special attributes and must be applied to tax liability for the year it was earned.

FUNDING LIMITS

There is no limit on the amount per business or total amount distributed annually.

APPLICATION/APPROVAL PROCEDURE

A business should submit an application to DED within one year from the date the loan is disbursed to the business.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services

Business and Community Finance Team

301 West High Street • Room 770 • P.O. Box 118

Jefferson City • MO • 65102

Phone: 573-751-4539 • Fax: 573-522-4322

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI

Department of Economic Development

SBA programs: www.sbaonline.sba.gov/financing/indexloans.html

USDA Business and Industry Guarantee: www.rurdev.usda.gov/rbs/busp/bprogs.htm

Revised January 2010

TAX CREDIT ANALYSIS

Program Name: Loan Guarantee Fee Tax Credit	Department: Economic Development	Date: October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No authorizations in FY2009.

PERFORMANCE MEASURE(S)

NEW ENTERPRISE CREATION ACT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

To generate investment for new, startup Missouri businesses that have not developed to the point where they can successfully attract conventional financing or significant venture capital from later-stage funds.

AUTHORIZATION

Sections 620.635 – 620.653 RSMo.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS FOR INVESTMENT

Any independently owned and operated business that is headquartered and located in Missouri and maintains a Missouri headquarters for at least three years.

Cumulative cap exhausted

ELIGIBILITY CRITERIA

The business must be involved in commerce for the purpose of production, conducting research and development or providing services in interstate commerce. The focus is on businesses in the startup or development phase.

Prolog Ventures, LLC (Prolog) is seeking businesses based upon proprietary technology with the potential to develop a strong intellectual property position. Areas of interest include medical devices and diagnostics, human and agricultural biotechnology and biomedical IT. Of potential interest are instruments, photonics, new materials and software.

Businesses that are excluded from investments include retail and consumer, real estate, oil and gas, minerals, telecom networks, Internet portals and publishing and consumer-oriented IT.

The business should have no positive cash flow in the prior fiscal year. Revenue oriented companies should target at least $30 million in revenues in five years. Businesses whose valuation is not dependent upon revenues will be evaluated according to its potential for valuation increases upon attaining milestones. The business should be willing to provide a non-confidential summary and hold initial discussions on a non-confidential basis.

The business must maintain its headquarters in Missouri for a period of at least three years from the date of the qualified investment or be subject to penalty.

PROGRAM BENEFITS/ELIGIBLE USES

The Department of Economic Development (DED) will issue tax credits equal to 100% of the investment in a qualified fund to any accredited individual, corporation, partnership or financial institution that makes a qualified investment. At this point all credits under the law have been authorized and all investments have been identified.

The Missouri Seed Capital Investment Board was created to establish a qualified fund. The Board is comprised of thirteen members, eight of which are appointed by the Governor.

Prolog was selected by the Board as the Fund Manager to raise the contributions and manage the investments of the fund. Prolog entered into a contract with the four Innovation Centers, as required by statute. Investors in the qualified fund will also be required to invest in a non-qualified parallel fund that will make investments in Missouri and surrounding states. Prolog will make investments in qualified Missouri businesses in need of early-stage or "seed" funding.

Investments made through this program may be used for research; development and precommercialization activities to prove a concept for a new product, process or service; preproduction product development; service development; or initial marketing of a product.

DED provides the investor a tax credit equal to 100% of their investment in the qualified fund. The tax credit may then be used to offset state income tax (chapter 143, RSMo), corporate franchise tax (chapter 147, RSMo) or financial institution tax (chapter 148, RSMo) liability, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo.

DED may authorize up to $20 million in tax credits for use by the qualified fund, with no more than $5 million of tax credits being issued in any one year. Tax credits may be claimed for the tax year in which the qualified contribution is made or in any of the following ten years. Tax credits may be sold and transferred to another taxpayer having tax liability.

FUNDING LIMITS

The Prolog Funds will typically invest between $500,000 and $1,500,000 in a single business. They have the potential to invest $2,000,000-$3,000,000 at the maximum.

No more than 10% of all of the qualified contributions to a qualified fund may be invested in a single qualified business.

Revised June 2008

Investments shall not be provided to any business that has experienced positive cash flow in a past fiscal year, with the exception of follow-up capital limited to qualified businesses that previously received qualified investments. No more than 40% of qualified contributions may be used for follow-up capital purposes.

APPLICATION/APPROVAL PROCEDURE (BUSINESS)

The business seeking an investment should send Prolog a non-confidential executive summary of their business plan. Applicants will be contacted directly by Prolog regarding their level of interest and any subsequent steps that are required. DED does not have the authority to require the Fund Manager to fund a project.

APPLICATION/APPROVAL PROCEDURE (INVESTOR)

Accredited investors should contact Prolog directly. If accepted, the investor will be asked to fill out Missouri Form 620-635 and return the completed form to DED for approval and certification. DED will issue a tax credit certificate authorizing the applicant to claim the tax credit.

FUND MANAGER

Prolog Ventures, LLC
7733 Forsyth, Suite 1440
St. Louis, MO 63105
Phone: 314-743-2400 Fax: (314) 743-2403
Email: info@prologventures.com

SPECIAL PROGRAM REQUIREMENTS

The seed capital and commercialization strategy was adopted by the Missouri Seed Capital Investment Board on June 23, 2000.

No qualified contributions which generate tax credits before the second round of tax credit allocations can be used for follow-up capital investments.

CONTACT

Missouri Department of Economic Development

Division of Business and Community Services • Finance Management Team

301 West High Street • Room 770 • P.O. Box 118
Jefferson City • MO • 65102
Phone: 573-522-5821 • Fax: 573-526-1567

E-mail: dedfin@ded.mo.gov • Web: www.MissouriDevelopment.org

MISSOURI
DEPARTMENT OF ECONOMIC DEVELOPMENT

TAX CREDIT ANALYSIS

Program Name: New Enterprise Creation Act	**Department:** Economic Development	**Date:** October 2009
Program Category: Entrepreneurial	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 620.635 to 620.653, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
An accredited investor who makes an investment in the seed capital fund may receive a tax credit. The fund must be under contract with Innovation Centers in Missouri. The Seed Capital Investment Board was established to approve the fund manager and oversee the program.

Explanation of How Award Is Computed: Entitlement _____ Discretionary __X___

The tax credit is equal to 100% of contributions made to a qualifed fund chosen by the Missouri Seed Capital Investment Board. The Board contracts with a professional venture capital firm to manage the fund and evaluate and make investments. Tax credits are issued equally over four years.

Program Cap: Cumulative $_20 million_____ (remainder of cumulative cap) $__0_____ Annual $_____ None _____

Explanation of cap: Cumulative cap exhausted.

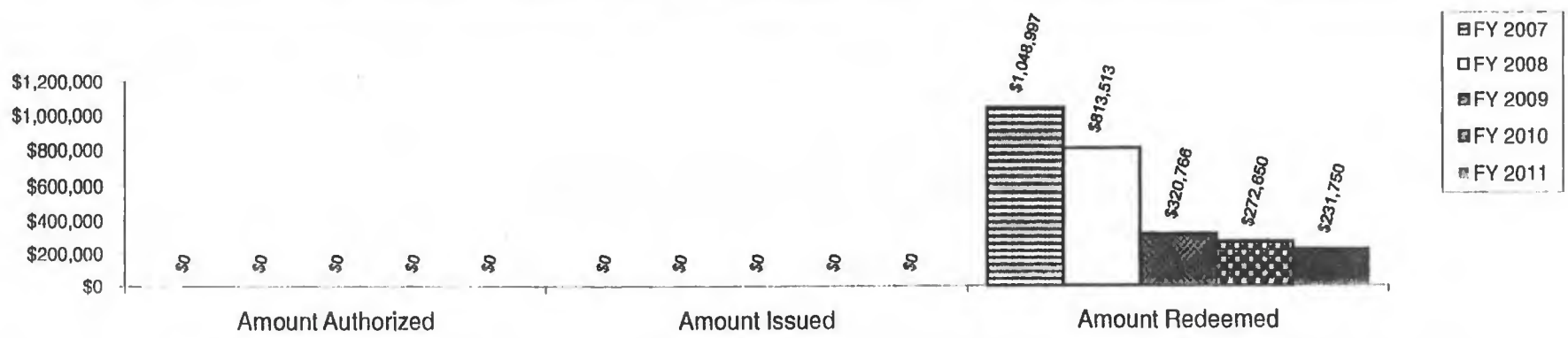
Explanation of Expiration of Authority: Cumulative cap exhausted.

Specific Provisions: (If applicable)
Carry forward __10___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates issued (#)	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Issued	N/A	N/A	N/A	N/A	N/A
Amount Redeemed	$1,048,997	$813,513	$320,766	$272,650	$231,750
EST. Amount Outstanding	N/A	N/A	$3,437,567	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: New Enterprise Creation Act	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

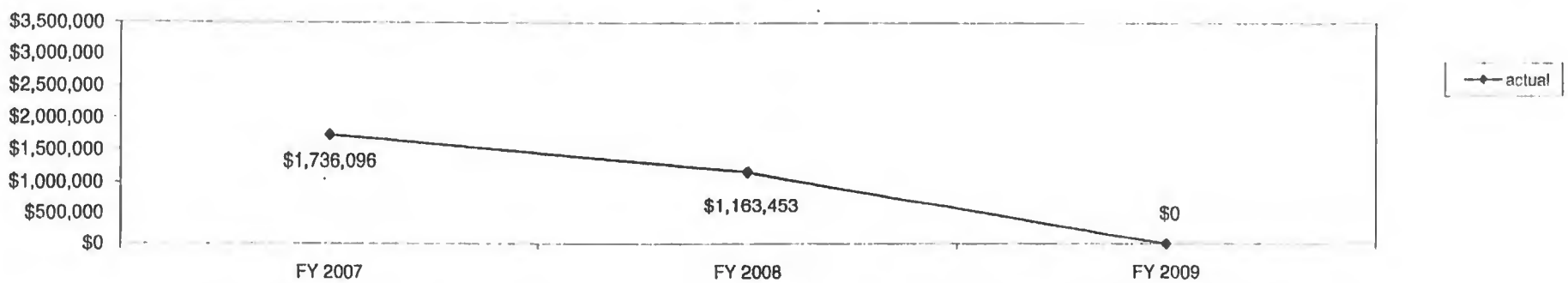
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits	$0	$0
Indirect Fiscal Benefits	$0	$0
Total	$0	$0
COSTS		
Direct Fiscal Costs	$0	$0
Indirect Fiscal Costs	$0	$0
Total	$0	$0
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No new authorizations in 2009.

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

RESEARCH TAX CREDIT PROGRAM

EXPIRED DECEMBER 31, 2004
MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE
To induce existing businesses to increase their research efforts in Missouri by offering tax credits.

AUTHORIZATION
Section 620.1039, RSMo

HOW THE PROGRAM WORKS
The Department of Economic Development (DED) may issue a state tax credit to an individual, partnership or corporation for conducting qualified research in the state.

ELIGIBLE AREAS
Statewide.

ELIGIBLE APPLICANTS
Any individual, partnership, or corporation may apply for a tax credit up 6½% of its qualified research expenses incurred in Missouri. "Qualified research expense" has the same meaning as set forth in federal law at 26 U.S.C. §41.

ELIGIBLE USE OF TAX CREDITS
This tax credit can be applied to:
- ✓ Ch. 143 – Income tax, excluding withholding tax
- ✓ Ch. 148 –
  - ✓ Bank Tax
  - ✓ Insurance Premium Tax
  - ✓ Other Financial Institution Tax

This credit's special attributes:
- ✓ Carryforward 5 years

APPLICATION PROCEDURE
A qualifying business is required to file an application with DED for approval and certification. The application for claiming research expense tax credits must be filed no later than the taxpayer's tax period immediately following the tax period during which expenses were incurred.

FUNDING LIMITS
The total amount of all tax credits issued cannot exceed $10 million annually.

SPECIAL PROGRAM REQUIREMENTS
The research expenses for the claim year must exceed the average amount of qualified research expenses incurred in Missouri during the preceding three tax years.

The amount of qualified research expenses for which tax credits may apply cannot exceed 200% of the taxpayer's average qualified research expenses incurred during the three-year period immediately prior to the claim year.

Expired

9/04

TAX CREDIT ANALYSIS

Program Name: Qualified Research Expense Tax Credit Program	**Department:** Economic Development	**Date:** October 2009
Program Category: Entrepreneurial	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 620.1039, RSMo	**Applicable Taxes:** Income tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
An individual, partnership or corporation conducting qualified research in the state is eligible. Taxpayer must have incurred qualified research expenditures in Missouri for at least one prior tax period.

Explanation of How Award Is Computed: Entitlement _____ Discretionary __X__
The tax credit is equal to up to 6.5% of qualified research expenses above the everege quelified research expenses incurred in Missouri during the preceding three tax years. Tex credits are not allowed on any expenditures exceeding 200% of the three year average.

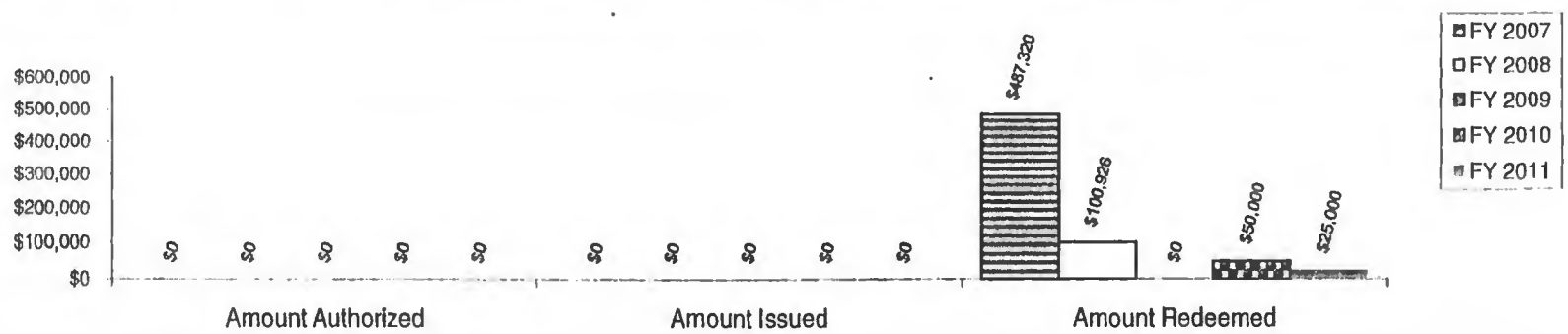
Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_10 million_____ None _____
Explanation of cap:

Explanation of Expiration of Authority: For all tax years beginning on or after January 1, 2005, no tax credits shall be approved, awarded or issued to any person or entity claiming any tax credit under this program. SB 1155 (2004)

Specific Provisions: (if applicable)
Carry forward _ 5___ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$487,320	$100,926	$0	$50,000	$25,000
EST. Amount Outstanding	N/A	N/A	$4,228,825	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Qualified Research Expense Tax Credit Program	Department: Economic Development	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (Indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST	#DIV/0!	#DIV/0!

Derivation of Benefits:

No new authorizations in 2009.

Other Benefits:

PERFORMANCE MEASURE(S)

SEED CAPITAL TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE
To stimulate investment in new or young Missouri companies to fund the research, development and subsequent pre-commercialization phases of new, innovative products or services.

AUTHORIZATION
Sections 348.300 - 348.318 RSMo.

HOW THE PROGRAM WORKS
The Department of Economic Development (DED) will issue a state tax credit to an individual, partnership or corporation who contributes to a qualified "Seed" fund established by a qualified Economic Development Organization (EDO).

ELIGIBLE AREAS
Eligible "distressed communities" in Missouri.

ELIGIBLE APPLICANTS
Any taxpayer who makes a qualified contribution to a qualified "seed" fund shall be entitled to receive a tax credit equal to 50% of the amount of the contribution.

ELIGIBLE USE OF TAX CREDITS
The tax credits may be used to offset Missouri tax liability incurred pursuant to chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, exclusive of tax as provided for in sections 143.191 to 143.265, RSMo. The tax credits can be used in the tax period during which the contribution was made or in the next ten tax periods thereafter.

All tax credits authorized under the provisions of this section may be transferred, sold or assigned.

APPLICATION PROCEDURE
The contributor must submit Missouri Form 348-3, "Application for Requesting Certificate of Qualified Contribution Tax Credits," to DED.

APPROVAL METHOD
There are no deadlines; however, this program is based on first-come submission. DED will issue a tax credit certificate authorizing the applicant to claim the tax credits.

FUNDING LIMITS
The aggregate of all tax credits authorized under Section 348.300 – 348.318, RSMo shall not exceed 9 million dollars. No person shall receive by issuance, transfer or assignment, certificates of tax credit in an amount in excess of 1 million dollars.

SPECIAL PROGRAM REQUIREMENTS
Projects are evaluated on a case-by-case basis by a qualified Economic Development Organization (EDO). An EDO is any corporation organized under the provisions of chapter 355, RSMo, which have obtained a contract with the DED to operate an innovation center to promote, assist, and coordinate the research and development of new services, products or processes in the state of Missouri.

The President of the qualified EDO for tax credits must sign the request before tax credits are authorized.

QUALIFIED EDOS

Missouri Innovation Center
5650A South Sinclair Rd.
Columbia, MO 65203-9496
573-446-3100

9/02

Center for Emerging Technology
4041 Forest Park Avenue
St. Louis, MO 63108
314-615-6903

Cumulative Gap Exhausted

The Center for Business Innovation
4747 Troost
Kansas City, MO 64110
816-561-8567

MO Enterprise Center
800 W. 14th St., Suite 111
Rolla, MO 65401
573-364-6323

TAX CREDIT ANALYSIS

Program Name: Seed Capital Credit	**Department:** Economic Development	**Date:** October, 2009
Program Category: Entreprenuerial	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 348.300 to 348.318, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial Institutions tax	

Program Description and Eligibility Requirements:
Tax credit for contributions to a qualified fund. Projects are evaluated by a qualifed Innovation Center contracted with DED. The project must be located in a distressed community in Missouri.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____
The tax credit is equal to 50% of the contribution.

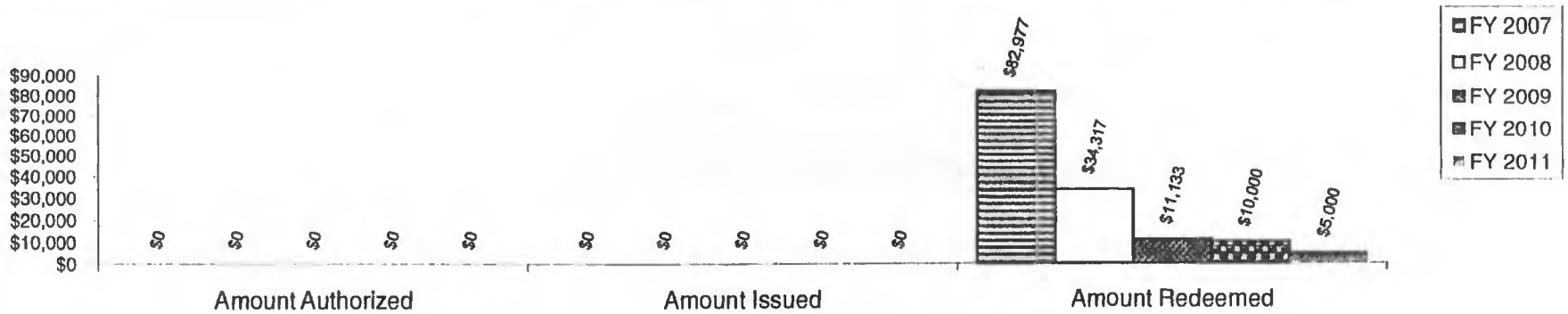
Program Cap: Cumulative $_9 million_____ (remainder of cumulative cap) $_____ Annual $_____ None _____
Explanation of cap: Cumulative cap exhausted.

Explanation of Expiration of Authority:

Specific Provisions: (If applicable)
Carry forward __10___ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	N/A	N/A	N/A	N/A	N/A
Projects (#)	N/A	N/A	N/A	N/A	N/A
Amount Authorized	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Issued	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted	Cumulative Cap Exhausted
Amount Redeemed	$82,977	$34,317	$11,133	$10,000	$5,000
EST. Amount Outstanding	N/A	N/A	$148,601	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Transportation Development	**Department:** Economic Development	**Date:** October 2009
Program Category: Community Development	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.545, RSMo	**Applicable Taxes:** Income tax, Corporate franchise tax, Bank tax, Insurance premium tax, Other financial institutions tax	

Program Description and Eligibility Requirements:
Transportation Development awards 50% credits to non-profits doing transportation development in aviation, mass transportation, railroads, ports, waterbourne transportation, or rolling stock, where the proposed activities are part of a local development plan and located in a distressed area. Individual businesses and corporations having tax liability in Missouri are eligible to receive tax credits for qualified donations to approved Transportation projects.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____

Credits are awarded based on an open cycle and are awarded at 50% of the approved contribution to or investment in an eligible project.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_10 million_____ None _____

Explanation of cap: SB 155 (2004) -- 135.546 -- No new projects can be approved after December 31, 2004; no credits can be issued after December 31, 2006

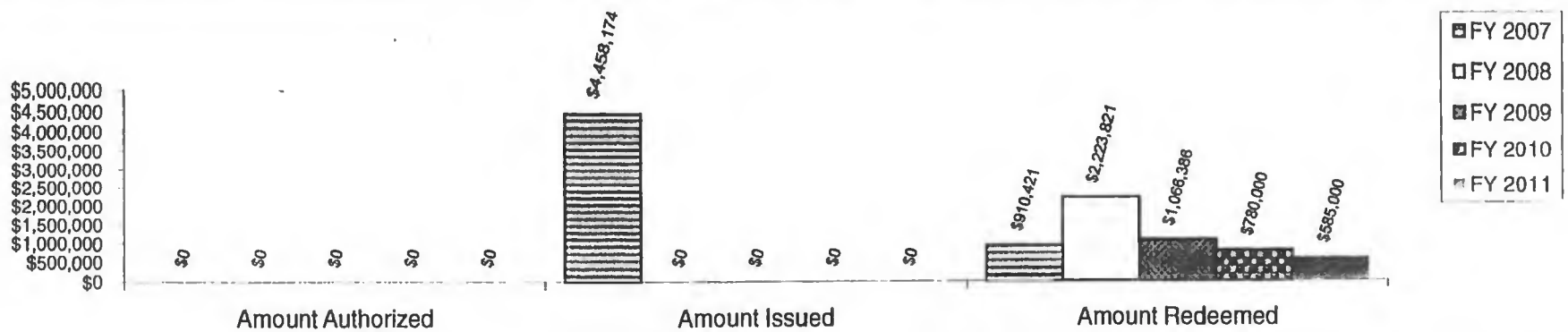
Explanation of Expiration of Authority:

Specific Provisions: (If applicable)
Carry forward __10___ years Carry Back __3___ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	3	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$4,458,174	$0	$0	$0	$0
Amount Redeemed	$910,421	$2,223,821	$1,066,386	$780,000	$585,000
EST. Amount Outstanding	N/A	N/A	$1,786,225	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Transportation Development			**Department:** Economic Development	**Date:** October 2009
BENEFIT: COST ANALYSIS (Includes only state revenue impacts)				
	FY 2009 ACTUAL	**Other Fiscal Period**	**Derivation of Benefits:**	
BENEFITS			**No new authorizations in 2009.**	
Direct Fiscal Benefits				
Indirect Fiscal Benefits				
Total				
COSTS				
Direct Fiscal Costs				
Indirect Fiscal Costs				
Total				
BENEFIT: COST	**#DIV/0!**	**#DIV/0!**		

Section VI

Department of Agriculture

- Agriculture Products Utilization Contributions
- Family Farm Breeding Livestock
- New Generation Co-op Program
- Quality Beef

Missouri Department of Agriculture

Agricultural Products Utilization Contributor Tax Credit Program

Description

The Missouri Agricultural and Small Business Development Authority is authorized to grant an Agricultural Product Utilization Contributor Tax Credit in an amount up to 100 percent of a contribution from a person, partnership, corporation, trust, limited liability company or other donor. The contribution must be made to the authority to be used for financial or technical assistance to rural agricultural business concepts as approved by the authority.

How Does the Program Work?

The authority will publicize the availability of the tax credits in a manner to solicit the greatest number of applicants along with a deadline for accepting applications for the Agricultural Product Utilization Tax Credit Program. The authority is required by statute to approve tax credits based on the least amount of credits required for the contributions. Therefore, tax credits for contributions to the authority will be offered on a competitive basis.

Who is Eligible?

Any person, partnership, corporation, trust, limited liability company or other donor.

Tax Credit Amounts

The amount of the tax credit will be determined based on competitive bids submitted to the authority.

Other Information

Tax credits may be used against the tax otherwise due pursuant to Chapters 143 (other than taxes withheld pursuant to sections 143.191 to 143.265), 147, and 148 RSMo. Credits may be carried back to satisfy the state tax liability that was due during each of the three previous taxable years and may be carried forward for up to five years. Tax credits may be applied to estimated quarterly taxes.

Credits may be assigned, transferred or sold.

Request for Transfer - **Missouri Form T**

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Agricultural Product Utilization Contributor Tax Credit Program	**Department:** Agriculture	**Date: Sept 29, 2009**
Program Category: Agricultural	**Type: Tax Credit_X___ Other (specify)____**	
Statutory Authority: 348.430 RSMo	**Applicable Taxes:** Income (143 RSMo), Franchise (147 RSMo), and Financial Institution (148 RSMo)	

Program Description and Eligibility Requirements:

A contributor who contributes funds to the Missouri Agricultural and Small Business Development Authority may receive a tax credit in an amount up to one hundred percent of such contribution. A contributor can be an individual, partnership, corporation, trust, limited liability company, entity or person that contributes cash funds to the authority. The funds derived from contributions shall be used for financial assistance or technical assistance in the form of value-added grants to rural agricultural business concepts. The authority may also provide or facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts.

Explanation of How Award Is Computed: Entitlement __X___ Discretionary _____

A contributor who contributes funds to the Missouri Agricultural and Small Business Development Authority may receive a tax credit in an amount up to one hundred percent of such contribution. The awarding of the credit is based on the least amount of credits necessary to provide incentive for the contributions.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $ 6,000,000 None _____

Explanation of cap: The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars. If on May 1st of each year the Missouri Agricultural and Small Business Development Authority determines that all $6,000,000 will not be utilized as New Generation Cooperative Incentive Tax Credits then the unused credits may be sold as Agricultural Product Utilization Contributor Tax Credits. Credits not issued as New Generation Cooperative Incentive Tax Credits or sold as Agricultural Product Utilization Contributor Tax Credits lapse June 30 of each year.

Explanation of Expiration of Authority: The provisions of sections 348.430 RSMo shall expire on December 31, 2016 pursuant to 348.436 RSMo.

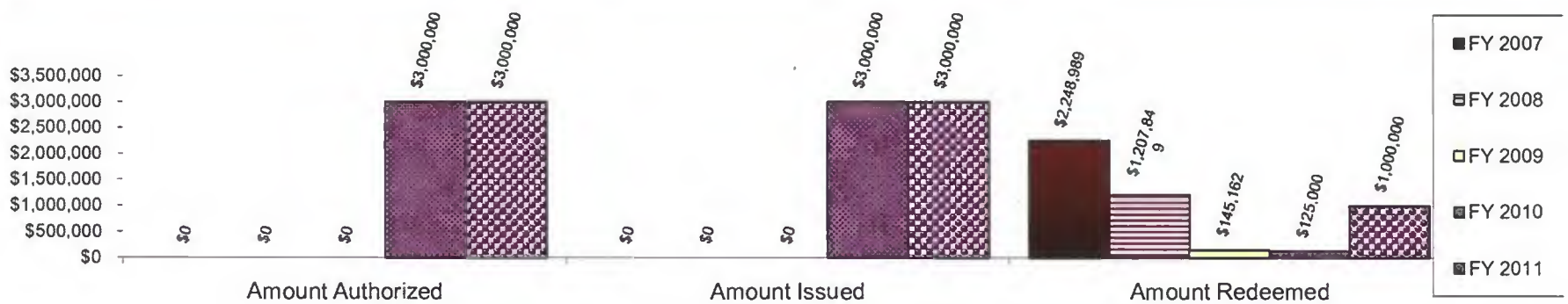
Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back __3___ years Refundable __no___ Sellable/Assignable _yes__ Additional Federal Deductions Available __no___

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	50	60
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	$0	$0	$0	$3,000,000	$3,000,000
Amount Issued	$0	$0	$0	$3,000,000	$3,000,000
Amount Redeemed	$2,248,989	$1,207,849	$145,162	$125,000	$1,000,000
EST. Amount Outstanding	N/A	N/A	$897,977	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Agricultural Product Utilization Contributor Tax Credit Program	Department: Agriculture	Date: Sept 29, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (2000 - 2009)
BENEFITS		
Direct Fiscal Benefits	$1,097,540.00	$11,945,642.00
Indirect Fiscal Benefits	$1,915,524.00	$21,128,690.00
Total	$3,013,064.00	$33,074,332.00
COSTS		
Direct Fiscal Costs	$203,989.92	$11,767,652.77
Indirect Fiscal Costs	$0.00	$0.00
Total	$203,989.92	$11,767,652.77
BENEFIT: COST	**14.77**	**2.81**

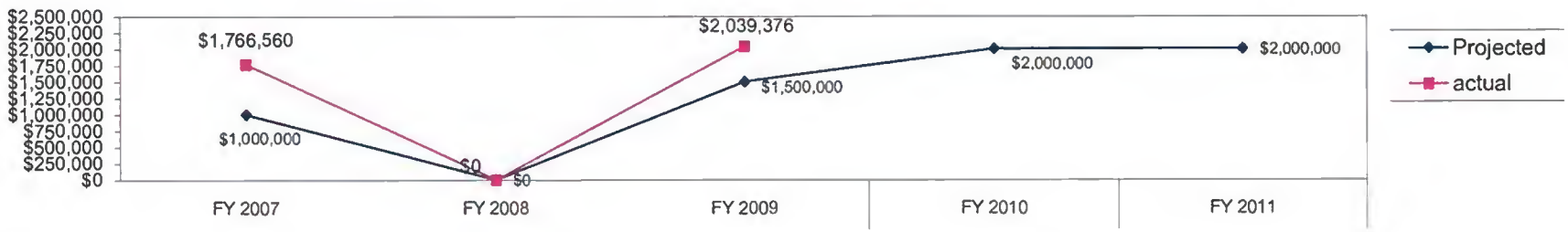
Derivation of Benefits: IMPLAN economic modeling system is used based on dollars actually paid. Payments are broken into NAICS codes. Total value-added (direct fiscal benefits) annd Total output (indirect fiscal benefits are produced by IMPLAN.

Costs include acutal grants paid, personal services, and EE.

Other Benefits: 18.86 jobs

PERFORMANCE MEASURE(S)

Missouri Value-Added Grants Awarded



Cost per dollar of tax credit issued

Comments on Performance Measure:

Missouri Department of Agriculture

Family Farm Breeding Livestock Loan Program

Description

The Missouri Agricultural and Small Business Development Authority provides Missouri tax credits to Missouri's lenders who make breeding livestock loans to small farmers.

How Does the Program Work?

To participate in the loan program, a small farmer shall first obtain approval for a family farm breeding livestock loan from an eligible lender. The small farmer shall not be charged interest by the lender for the first year of the qualified family farm livestock loan.

Upon approval of the family farm livestock loan by a lender the loan documents should include:

a. MISSOURI FORM F,
b. Lender's completed loan application, promissory note, amortization schedule, and security filings,
c. Small farmer's current financials (cannot be more than 6 months old),
d. Projected cash flow, post loan closing,
e. Description of livestock purchased and the purchase price, and
f. Review Fee = 1% of loan amount

These shall be submitted for approval by the Missouri Agricultural and Small Business Development Authority (MASBDA). MASBDA's approval process shall take into consideration:

a. The small farmer's ability to repay the family farm livestock loan,
b. The purchase price of the livestock must be appropriate for the type and quality of livestock purchased,
c. The general economic conditions of the area in which the small farmer is located,
d. The prospect of a financial return for the small farmer, and
e. Such other factors as the authority may establish based on individual loans characteristics.

Who is Eligible?

"Small Farmer": A farmer who is a legal Missouri resident and who has less than $250,000 in gross agricultural product sales per year.

"Lender": Any state or national bank, farm credit system, bank for cooperatives, federal or state chartered savings and loan association, federal or state building and loan association, or small business investment companies all of which must be subject to credit examination by an agency of the state or federal government.

Loan Amount and Terms

"Maximum eligible loan" cannot exceed 90% of the cost of purchasing breeding livestock. The maximum amount of loan for each type of livestock is:

a. Beef cattle - $75,000
b. Dairy cattle - $75,000
c. Sheep - $30,000
d. Goats - $30,000
e. Swine - $35,000

Tax Credit Amount

The maximum amount of tax credits that may be issued to all eligible lenders in any fiscal year cannot exceed $300,000.

The tax credit is equal to 100% of the first year's interest waived on a qualified eligible loan.

Restrictions

Each small farmer shall be eligible for only one family farm livestock loan per immediate household family and only one type of livestock.

The small farmer must be able to provide proof of citizenship, identity and residence. If the farmer employs laborers, he/she must also provide proof of enrollment and participation in the federal work authorization program.

Fees

Review Fee = 1% of loan amount.

Other Information

MASBDA will issue the tax credit certificate after receiving a certification from the lender of the actual interest waived after the first year of the eligible loan. The interest due certification must be received no later than 30 days after the first year anniversary of the loan.

Application Information:

- **Family Farm Breeding Livestock Loan Program – guidelines**
- **Application – Form F**
- **Request for Transfer – Missouri Form FT**

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Family Farm Breeding Livestock Loan Program	**Department:** Agriculture	**Date:** September 29, 2009
Program Category: Agricultural	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 348.500 and 348.505 RSMo Effective August 2006	**Applicable Taxes:** Income (143 RSMo), Franchise (147 RSMo), and Financial Institution (148 RSMo)	

Program Description and Eligibility Requirements:

This program provides Missouri Tax Credits to lenders in lieu of the first year interest being paid on breeding livestock loans made to "small farmers" who are Missouri residents and who have less than $250,000 in gross agricultural product sales per year. Maximum eligible loan cannot exceed 90% of the cost of purchasing breeding livestock. Each small farmer shall be eligible for only one family farm livestock loan per immediate household family & only one type of livestock. The maximum amount of loan for each type of livestock is: Beef or Dairy cattle $75,000; Sheep or Goats $30,000; Swine $35,000.

Explanation of How Award Is Computed: Entitlement _X____ Discretionary _____

A lender can request a one time tax credit for the first years interest waived on a loan to a "Small Missouri Farmer" that makes a purchase of breeding livestock. Each request shall include a true copy of the loan documents.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_300,000_____ None _____

Explanation of cap: Individual limits and fiscal year limits are set in 348.505.2 RSMo.

Explanation of Expiration of Authority: August 28, 2012 per Missouri Sunset Act.

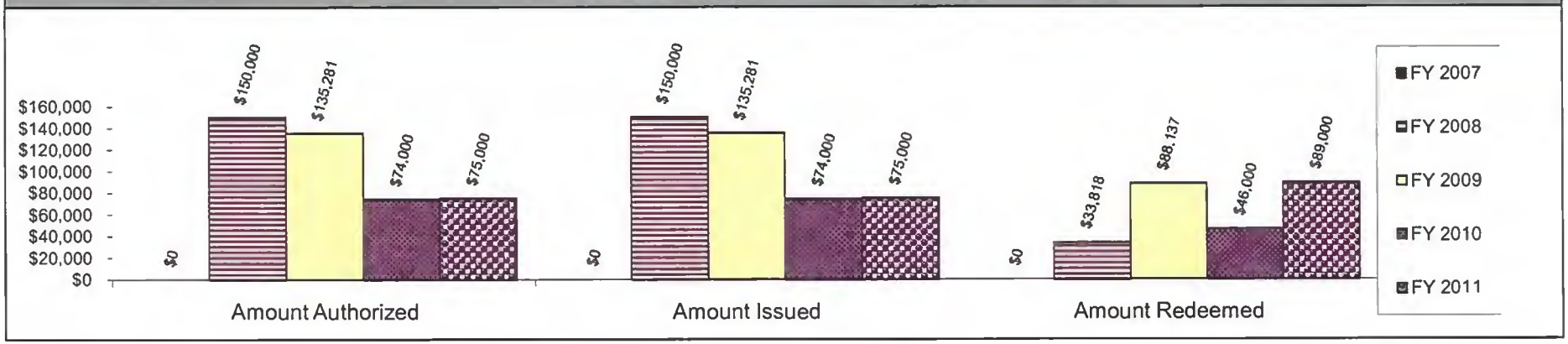
Specific Provisions: (if applicable)

Carry forward __3___ years Carry Back __0___ years Refundable __no___ Sellable/Assignable _yes__ Additional Federal Deductions Available _no____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	56	62	35	40
Projects (#)	0	56	62	35	40
Amount Authorized	$0	$150,000	$135,281	$74,000	$75,000
Amount Issued	$0	$150,000	$135,281	$74,000	$75,000
Amount Redeemed	$0	$33,818	$88,137	$46,000	$89,000
EST. Amount Outstanding	N/A	N/A	$163,326	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Family Farm Breeding Livestock Loan Program	Department: Agriculture	Date: September 29, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue Impacts)

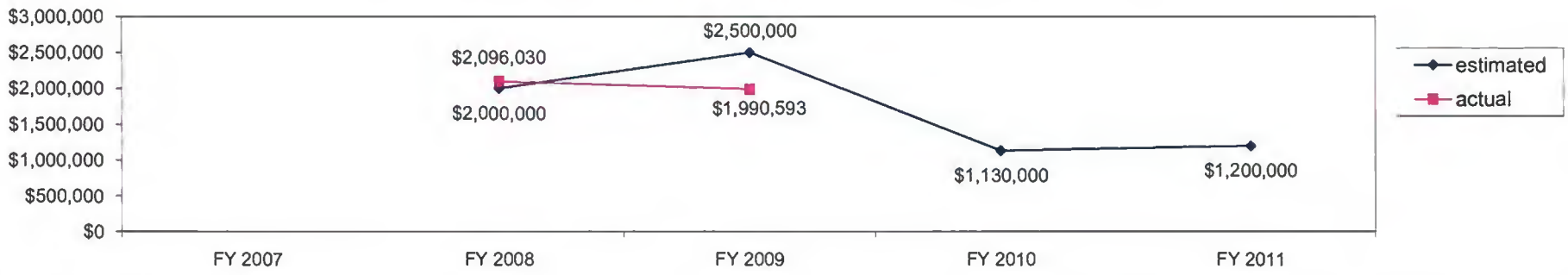
	FY 2009 ACTUAL	Other Fiscal Period (FY08-FY09)
BENEFITS		
Direct Fiscal Benefits	$135,281.00	$285,281.00
Indirect Fiscal Benefits	$87,586.00	$421,398.00
Total	$222,867.00	$706,679.00
COSTS		
Direct Fiscal Costs	$100,339.22	$149,744.21
Indirect Fiscal Costs	$0.00	$0.00
Total	$100,339.22	$149,744.21
BENEFIT: COST	**2.22**	**4.72**

Derivation of Benefits: Commercial Ag Program estimates that a dairy cow has a positive economic impact of $13,737 and that beef cows have a positive economic impact of $.30/lbs beef produced.

Other Benefits:

PERFORMANCE MEASURE(S)

$ Invested as a result of the Family Farm Breeding Livestock Loan Program



Comments on Performance Measure:

Missouri Department of Agriculture

New Generation Cooperative Incentive Tax Credit Program

Description

The Missouri Agricultural and Small Business Development Authority provides New Generation Cooperative Incentive Tax Credits to induce producer member investment into new generation processing entities that will process Missouri agricultural commodities and agricultural products into value-added goods, provide substantial benefits to Missouri's agricultural producers, and create jobs for Missourians.

Tax Credit Tool Kit

- **Purpose**
- **Producer-Member Tax Credit Holder**
- **Tax Credit Purchaser**
- **Tax Professionals**
- **Tax Credit Tool Kit**

How Does the Program Work?

Prior to issuing any tax credits, the new generation processing entities must be organized, file an Application for Requesting Certification of New Generation Cooperative Incentive Tax Credits, and be approved by the authority. After investment, producer members then file a Member Application for Requesting New Generation Cooperative Incentive Tax Credits.

Who is Eligible?

New generation processing entities, partnerships, corporations, cooperatives, or limited liability companies organized or incorporated pursuant to the laws of Missouri and consisting of not less than 12 members, approved by the authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

- Hold a majority of the governance or voting rights of the entity and any governing committee;
- Control the hiring and firing of management; and
- Deliver agricultural commodities to the entity for processing, unless processing is required by multiple entities.

"Development facility" is defined as a "facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product." A "renewable fuel production facility" is defined as a "facility producing an energy source that is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-products derived from such energy source."

Tax credit eligibility:

- "Producer member" is a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing entity.

Tax Credit Amounts

The amount of a tax credit issued to a member may be the lesser of 50 percent of the member's cash investment or $15,000, except for any pro-ration of the member's tax credits.

Restrictions

If members' investment in a new generation "Large Capital Project" processing entity would be eligible for tax credits in excess of the project's allocation (maximum allocation per project is $1.5 million) or "Employee Qualified Capital Project" (maximum allocation per project is $3.0 million), tax credits will be pro-rated between producer members on a percent of investment basis, not to exceed the maximum allowed per producer member.

Fees

New generation processing entity producer members must submit a $25.00 processing fee with each application submitted.

Other Information

Tax credits may be used by their owner to offset eligible tax liabilities due against taxes due pursuant to Chapters 143 (income tax except for sections 143.191 to 143.265), 147 (corporation franchise tax), and 148 (financial institution taxes), RSMo. Credits may be carried back to satisfy the state tax liability of the owner of the certificate that was due during each of the three previous taxable years and may be carried forward to any of the subsequent five taxable years after the investment is made. Tax credits may be applied to estimated quarterly taxes.

The tax credits may be transferred, sold, or assigned.
New Generation Cooperative Incentive - Missouri Form R

Application Information

- **Form A** - Application for New Generation Processing Entities Requesting Certification of New Generation Cooperative Incentive Tax Credits.
- **Form NG** - Producer Member Application for Requesting New Generation Cooperative Incentive Tax Credits.
- **Guidelines and Procedures**

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: New Generation Cooperative Incentive Tax Credit Program	**Department:** Agriculture	**Date:** 9/29/09
Program Category: Agricultural	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 348.432 RSMo	**Applicable Taxes:** Income (143 RSMo), Franchise (147 RSMo), and Financial Institution (148 RSMo)	

Program Description and Eligibility Requirements:

To induce private investment into "Eligible new generation processing entities" which will; result in the processing of Missouri agricultural commodities and agricultural products into valve-added goods, provide substantial benefit to Missouri's agricultural producers, and result in the creation of jobs for Missourians. Eligible "Producer members" investing in an "Eligible new generation processing enity", which is either a "Development facility" or a "Renewable fuel production facility" may receive the tax credit.

"Eligible new generation processing entity" is a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to Missouri laws and consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within Missouri a "Development facility" or a "Renewable fuel production facility" in which producer members; (a) hold a majority of the governance or voting rights of the entity and any governing committee; (b) control the hiring and firing of management; and (c) deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities.

"Producer member" is a person, partnership, corporation, trust, or limited liability company whose main purpose is agricultural production that invests cash funds in an eligible new generation processing entity.

"Development facility", a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product.

"Renewable fuel production facility", a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The lesser of 50% of the eligible producer members' cash investment in an eligible new generation processing entity or $15,000. However, the members investing in a "Large Capital Project" (capital costs greater than one million dollars) may not receive tax credits totaling more than $1.5 million and members investing in an "Employee Qualified Capital Project" (capital costs greater than fifteen million dollars which employ at least sixty employees) may not receive tax credits totaling more than $3.0 million.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_6,000,000___ None _____

Explanation of cap: The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars. If on May 1st of each year the Missouri Agricultural and Small Business Development Authority determines that all $6,000,000 will not be utilized as New Generation Cooperative Incentive Tax Credits then the unused credits may be sold as Agricultural Product Utilization Contributor Tax Credits. Credits not issued as New Generation Cooperative Incentive Tax Credits or sold as Agricultural Product Utilization Contributor Tax Credits lapse June 30 of each year.

Explanation of Expiration of Authority: The provisions of sections 348.432 shall expire December 31, 2016 pursuant to 348.436 RSMo.

Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back __3___ years Refundable __no___ Sellable/Assignable _yes____ Additional Federal Deductions Available __no___

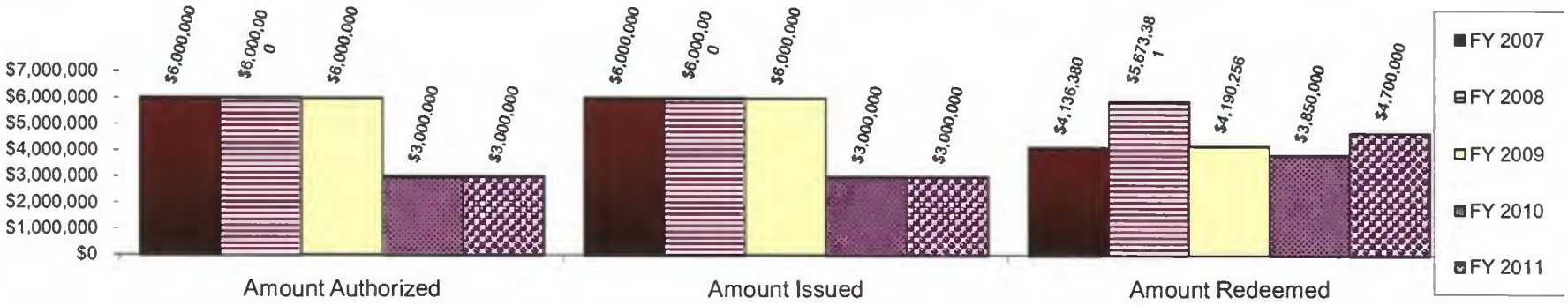
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	1,990	1,441	919	600	600
Projects (#)	6	8	7	6	6
Amount Authorized	$6,000,000	$6,000,000	$6,000,000	$3,000,000	$3,000,000
Amount Issued	$6,000,000	$6,000,000	$6,000,000	$3,000,000	$3,000,000
Amount Redeemed	$4,136,380	$5,873,381	$4,190,256	$3,850,000	$4,700,000
EST. Amount Outstanding	N/A	N/A	$9,719,010	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION

TAX CREDIT ANALYSIS

Program Name: New Generation Cooperative Incentive Tax Credit Program	**Department:** Agriculture	**Date: 9/29/09**



TAX CREDIT ANALYSIS

Program Name: New Generation Cooperative Incentive Tax Credit Program	Department: Agriculture	Date: 9/29/09

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue Impacts)

	FY 2009 ACTUAL	Other Fiscal Period (2000-2009)
BENEFITS		
Direct Fiscal Benefits	$3,016,984	$42,762,087
Indirect Fiscal Benefits	$2,896,305	$71,359,644
Total	$5,913,289	$114,121,731
COSTS		
Direct Fiscal Costs	$4,190,256	$30,333,686
Indirect Fiscal Costs	$0	$0
Total	$4,190,256	$30,333,686
BENEFIT: COST	**1.41**	**3.76**

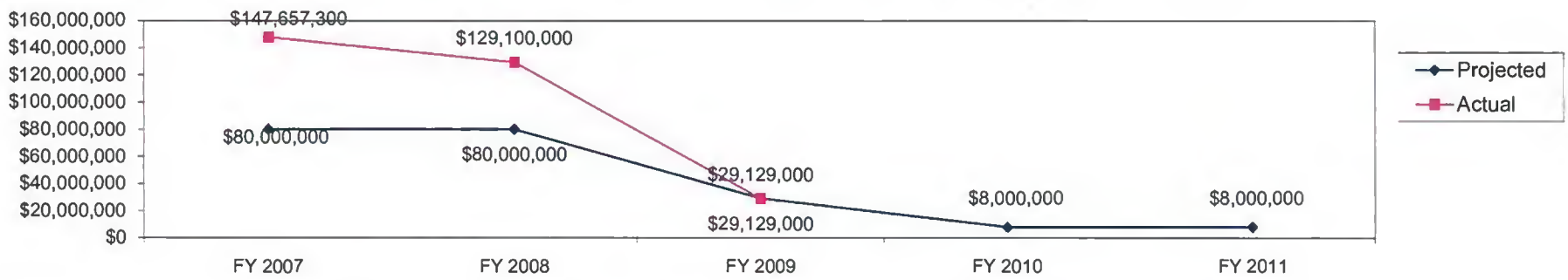
Derivation of Benefits: 58 jobs created. Construction costs total over $29,000,000.

Other Fiscal Period: This amount includes benefits and costs from the beginning of thhe program. The operational benefits continue each year so long as the facilities are operating.

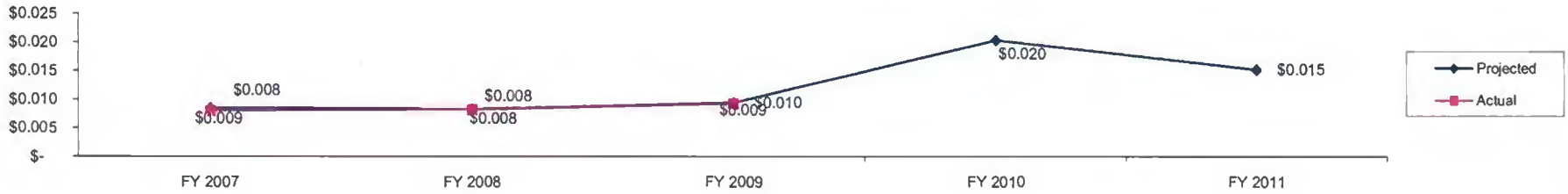
Other Benefits:

PERFORMANCE MEASURE(S)

Investment in new generation processing entities receiving tax credits



Cost per dollar tax credit issued



TAX CREDIT ANALYSIS

Program Name: New Generation Cooperative Incentive Tax Credit Program	**Department:** Agriculture	**Date: 9/29/09**

Comments on Performance Measure:

Missouri Department of Agriculture

Qualified Beef Tax Credit Program

Description

The Missouri Agricultural and Small Business Development Authority (MASBDA) provides Missouri tax credits to Missouri's qualified beef producers who raise and background or finish Missouri born qualified beef animals to a weight of two hundred (200) pounds or more over their established baseline weight.

How Does the Program Work?

To participate in the tax credit program, a beef producer must first be certified by MASBDA at which time a baseline weight will be established.

To be qualified and for the establishment of a baseline weight, the following documents must be included:

a. MISSOURI FORM QBE,
b. Copies of all scale tickets and/or sales receipts of all beef animals thirty months of age or less during the immediate past three (3) years, categorized by sex,
c. Copies of year-end financial statements for each of the immediate past three (3) years, or in lieu of financials, permission to review QSA or PVP records, and
d. Fifty ($50) dollar application fee.

Who is Eligible?

1. Any Missouri taxpayer who is subject to tax imposed in Chapter 143, RSMo (excluding withholding tax imposed by sections 143.191 to 143.265, RSMo) or the tax imposed in Chapter 147, RSMo,
2. A resident of this state, and
3. Owns or rents agricultural property, and
4. Principal place of business is located in Missouri.

Tax Credit Amount

The maximum amount of tax credits that may be issued to all eligible qualified beef producers in any fiscal year cannot exceed $3,000,000.

The tax credit amount shall be ten cents ($.10) per pound and calculated by subtracting the baseline weight from the qualifying sale weight multiplied by ten cents ($.10) per pound provided the difference is two hundred (200) pounds or greater.

Application Information

- **Qualified Beef Tax Credit Program – guidelines**
- **Qualified Beef Producers Eligibility Application – Missouri Form QBE**
- **Qualified Beef Tax Credit Application – Missouri Form QB**
- **Qualified Beef Tax Credit Request for Transfer – Missouri Form QBT**

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Qualified Beef Tax Credit Act	**Department:** Agriculture	**Date:** September 29, 2009
Program Category: Agricultural	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.679 RSMo	**Applicable Taxes:** Income (143 RSMo Excluding 143.191 to 143.265 RSMo), Franchise (147 RSMo)	

Program Description and Eligibility Requirements:
Provide Missouri cattle farmers with an economic incentive to background and or finish Missouri born and raised qualified beef cattle in this state.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit amount shall be ten cents ($.10) per pound and shall be calculated as follows:
- The qualifying sale weight minus the baseline weight multiplied by $.10 per pound provided the sale weight is two hundred (200) pounds or greater than the baseline weight.
- MASBDA may waive no more than twenty-five (25%) of the required two hundred (200) pound gain. The waiver shall be based only on any disaster declaration by the U.S. Department of Agriculture.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_3,000,000____ None _____

Explanation of cap: The tax credits will be issued on an as-received basis until the fiscal year limit of $3,000,000 is reached. Any tax credits not issued in any fiscal year shall expire and shall not be issued in any subsequent years. Maximum fiscal year amount is set in 135.679.4 RSMo.

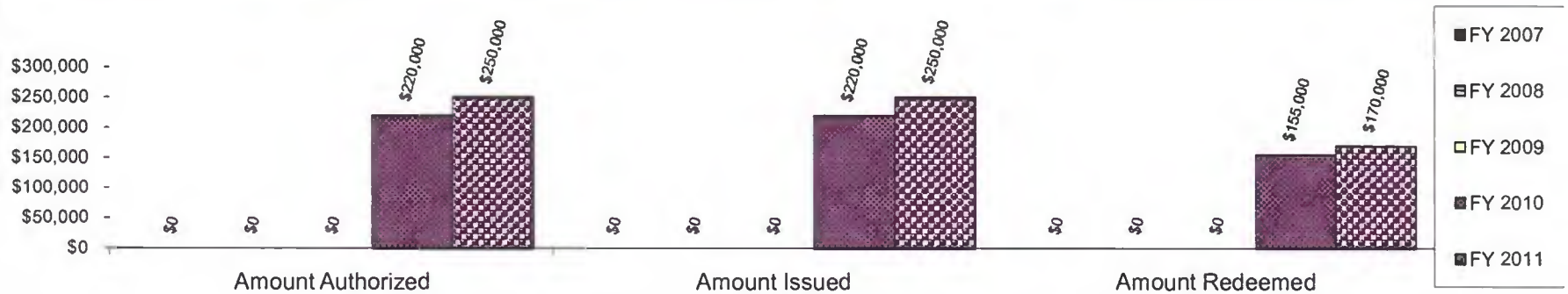
Explanation of Expiration of Authority: Not subject to Missouri Sunset Act.

Specific Provisions: (if applicable)
Carry forward ___5__ years Carry Back __3___ years Refundable __no___ Sellable/Assignable _yes____ Additional Federal Deductions Available _no____

Comments on Specific Provisions: The legislation states the qualified beef animals born on or after August 28, 2008 qualify. That means that those beef animals would be weaned in the spring of 2009 and then backgrounded until the required 200 lbs is met which would be sometime during the fall of 2009 (FY 2010).

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	20	20
Projects (#)	0	0	0	20	20
Amount Authorized	$0	$0	$0	$220,000	$250,000
Amount Issued	$0	$0	$0	$220,000	$250,000
Amount Redeemed	$0	$0	$0	$155,000	$170,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Qualified Beef Tax Credit Act	Department: Agriculture	Date: September 29, 2009

Comments on Historical and Projected Information:

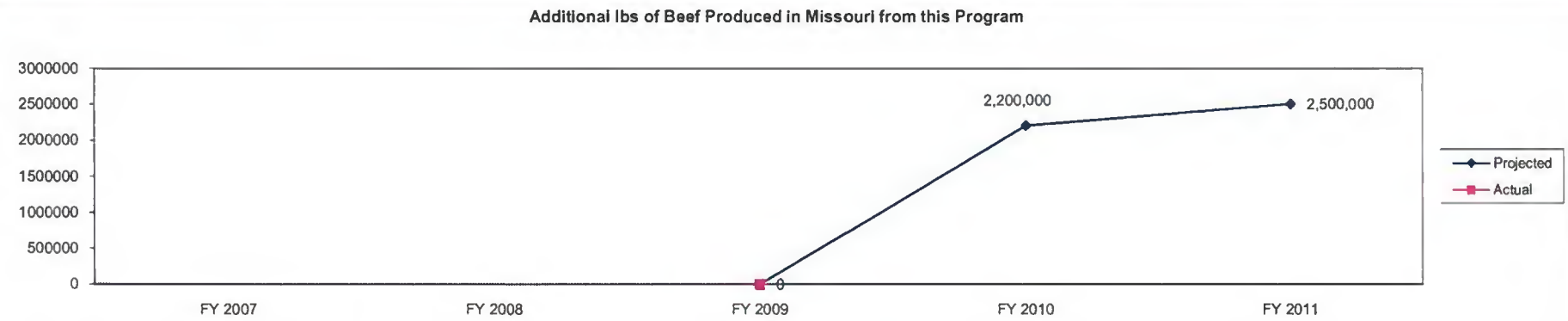
BENEFIT: COST ANALYSIS (Includes only state revenue Impacts)

	FY 2009 ACTUAL	Other Fiscal Period (FY 09)
BENEFITS		
Direct Fiscal Benefits	$0.00	$0.00
Indirect Fiscal Benefits	$0.00	$0.00
Total	$0.00	$0.00
COSTS		
Direct Fiscal Costs	$30,389.41	$30,389.41
Indirect Fiscal Costs	$0.00	$0.00
Total	$30,389.41	$30,389.41
BENEFIT: COST	**0.00**	**0.00**

Derivation of Benefits: No tax credits were issued in FY09. However, expenses (PS & EE) were incurred in developing guidelines, applications , and promoting the program.

Other Benefits:

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

Section VII

Department of Health & Senior Services

- Health Care Access
- Shared Care

Missouri Revised Statutes

Chapter 135
Tax Relief
Section *135.575*

August 28, 2009

Definitions--tax credit, amount--limitations--director of revenue, rules--sunset provision.

135.575. 1. As used in this section, the following terms mean:

(1) "Missouri health care access fund", the fund created in section 191.1056, RSMo;

(2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo;

(3) "Taxpayer", any individual subject to the tax imposed in chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo.

2. The provisions of this section shall be subject to section 33.282, RSMo. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be allowed a tax credit for donations in excess of one hundred dollars made to the Missouri health care access fund. The tax credit shall be subject to annual approval by the senate appropriations committee and the house budget committee. The tax credit amount shall be equal to one-half of the total donation made, but shall not exceed twenty-five thousand dollars per taxpayer claiming the credit. If the amount of the tax credit issued exceeds the amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be refundable but may be carried forward to any of the taxpayer's next four taxable years. No tax credit granted under this section shall be transferred, sold, or assigned. The cumulative amount of tax credits which may be issued under this section in any one fiscal year shall not exceed one million dollars.

3. The department of revenue may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

4. Pursuant to section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2007, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 2007 S.B. 577)

Sunset date 8-28-13, unless reauthorized

Termination date 9-01-14, unless reauthorized

© Copyright

Missouri General Assembly

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Healthcare Access Fund Tax Credit	**Department:** Health & Senior Services	**Date:** September 2009
Program Category: Domestic and Social	**Type:** Tax Credit X Other (specify)____	
Statutory Authority: Sections 135.575 and 191.1056, RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

Section 135.575, RSMo creates the Healthcare Access Fund Tax Credit. For all taxable years beginning on or after January 1, 2007, each taxpayer making a donation to the Healthcare Access Fund in excess of $100, but not to exceed $50,000, will be allowed a tax credit equal to one-half of the total donation made. This tax credit will automatically sunset six years after the effective date unless reauthorized.

According to Section 191.1056, RSMo, donations will be made to the Missouri Healthcare Access Fund to expand healthcare services in state and federally designated areas with healthcare shortages. Disbursements from the fund will be made to:

-any eligible facility to attract and recruit health care professionals and other necessary personnel;
-purchase or rent facilities;
-pay for facility expansion or renovation;
-purchase office and medical equipment;
-pay personnel salaries; and
-pay any other costs associated with providing primary healthcare services to the population in the facility's area of defined need.

Explanation of How Award is Computed: Entitlement X Discretionary _____

Each taxpayer making a donation to the Missouri Healthcare Access Fund in excess of $100 but not to exceed $50,000 will be allowed a tax credit equal to one-half of the total donation.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $1,000,000 None _____

Explanation of cap:
The total amount of tax credits which may be issued in any one fiscal year can not exceed $1,000,000.

Explanation of Expiration of Authority:
Pursuant to Section 23.253, RSMo, the Healthcare Access Fund Tax Credit will automatically sunset six years after the effective date unless reauthorized.

Specific Provisions: (if applicable)

Carry forward 4 years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

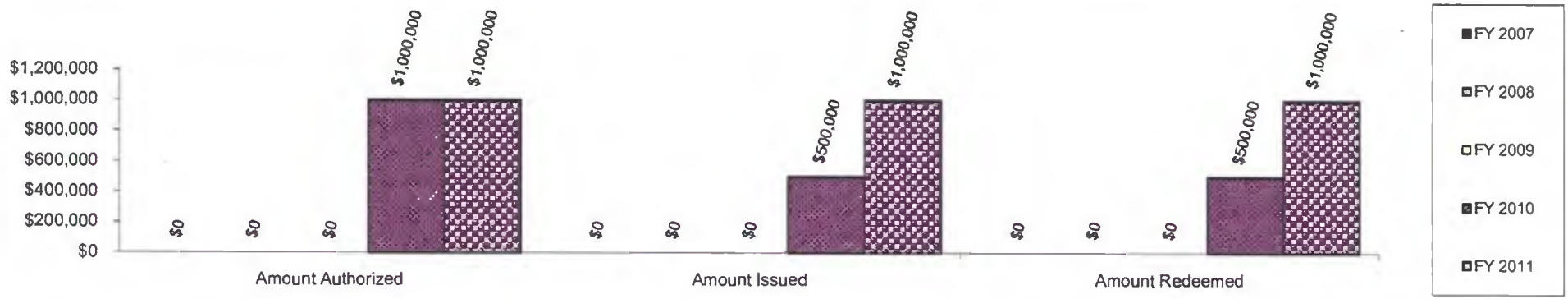
Comments on Specific Provisions:
If the amount of the tax credit issued exceeds that amount of the taxpayer's state tax liability for the tax year for which the credit is claimed, the difference shall not be refundable but may be carried forward to any of the taxpayer's next four taxable years.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	20	40
Projects (#)	0	0	0	N/A	N/A
Amount Authorized	$0	$0	$0	$1,000,000	$1,000,000
Amount Issued	$0	$0	$0	$500,000	$1,000,000
Amount Redeemed	$0	$0	$0	$500,000	$1,000,000
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Healthcare Access Fund Tax Credit	Department: Health & Senior Services	Date: September 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:
This tax credit was established in SB 577 (2007) and has not been utilized so far. At this time, DHSS has no way of accurately projecting future utilization of the tax credit.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	N/A	
Indirect Fiscal Benefits	N/A	
Total	N/A	
COSTS		
Direct Fiscal Costs	N/A	
Indirect Fiscal Costs	N/A	
Total	N/A	
BENEFIT: COST	**#VALUE!**	**#DIV/0!**

Derivation of Benefits: N/A

Other Benefits:
This tax credit was established in SB 577 (2007) and has not been utilized.

PERFORMANCE MEASURE(S)

Comments on Performance Measure:
Performance measures will be established as the tax credit begins being utilized.

Missouri Department of Revenue

Shared Care Tax Credit (SCT)

Purpose

- Provides a tax credit to help families offset the costs of caring for an elderly person (age 60 or older).

Eligible Applicants

- The caregiver of the elderly person (age 60 or older) must be registered with the Department of Health as a certified shared care member and not receive monetary compensation for providing care for the elderly person meeting the requirements below.
- The elderly person must live in the same residence as the caregiver for an aggregate of more than six months per tax year.
  - The elderly person must be physically or mentally incapable of living alone, as determined and certified by a physician licensed pursuant to Chapter 334, RSMo; and
  - Requires assistance with activities of daily living to the extent that without care and oversight at home would require placement in a facility licensed pursuant to Chapter 198, RSMo; and
  - Under no circumstances is able or allowed to operate a motor vehicle; and
  - Does not receive funding or services through Medicaid or Social Services Block Grant Fundings.

How the Program Works

- This tax credit will apply to tax years beginning January 1, 2000, (return due date April 15, 2001).

Eligible Use of Tax Credit

- This credit is nonrefundable and cannot be carried over.

Procedures to Claim the Credit

- To file a claim for the credit with the Missouri Department of Revenue, the original, completed, and signed physician certification for Shared Care Tax Credit Form MO-SCC, must be attached to the individual income tax return.

Authorization

- This tax credit may be applied to state individual income tax returns incurred under the provisions of Chapter 143, RSMo.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form MO-SCC
- Individual Income Tax Forms

Contact

Missouri Department of Revenue, Taxation Division.

- Email: taxcredit@dor.mo.gov
- Phone: 573-522-6864 (for individual tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Shared Care Tax Credit	**Department:** Health and Senior Services	**Date:** September 2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Sections 660.053, 660.054, and 660.055, RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

Shared Care is a program in which families who provide care to an elderly family member in their home may request help to locate community and state supportive services. Caregivers who meet requirements within the program are eligible for a Shared Care tax credit in an amount not to exceed $500 to defray the cost of caring for an elderly person. In order to be eligible for a Shared Care tax credit, a registered caregiver shall:

(1) Care for an elderly person age 60 or older who is physically or mentally incapable of living alone, who requires assistance such that without care and oversight at home would require placement in a facility, under no circumstances is able or allowed to operate a motor vehicle, and does not receive funding or services through Medicaid or Social Service Block Grant funding;

(2) Live in the same residence as the elderly person to give protective oversight for an aggregate for more than six months per tax year;

(3) Not receive monetary compensation for providing care; and

(4) File necessary Shared Care tax credit forms with the caregiver's Missouri individual income tax return.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

Each qualifying caregiver is limited to no more than $500 of tax credit, not to exceed the total amount of their tax liability.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap:

While there is no program cap, the eligibility requirements for the program self-limit the amount of tax credits provided. Each qualifying caregiver is limited to no more than $500 of tax credit, and no more than their tax liability.

Explanation of Expiration of Authority:

The Shared Care Program does not have an expiration of authority.

Specific Provisions: (if applicable)

Carry forward _____ years Carry Back __3___ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

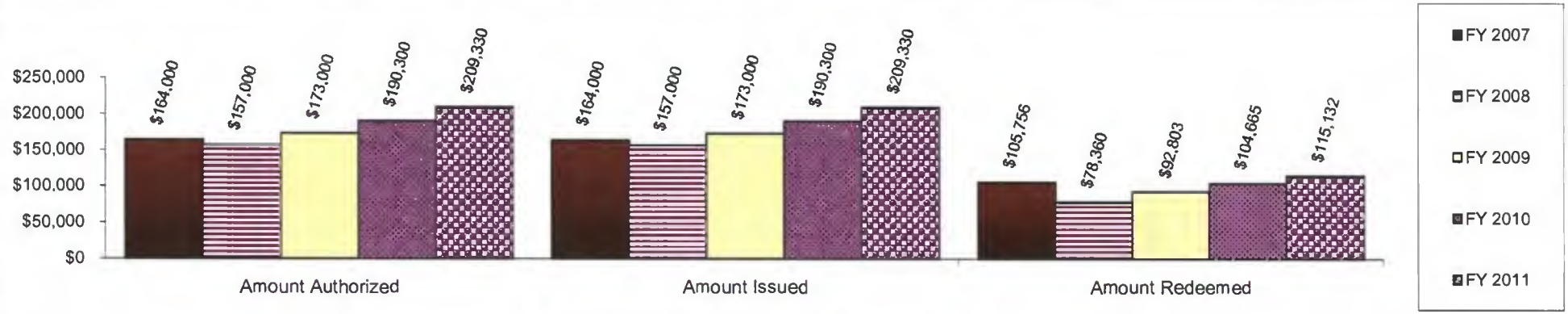
Individual tax returns may be amended to claim a tax credit for up to three previous years, if it can be documented the claimant met all of the requirements set forth in Section 660.055, RSMo. The ability to amend federal and/or state income tax returns is limited to three years. Certificates issued equal the number of Shared Care registered caregivers (potential tax credit claimants). Amount authorized is equal to the number of registered caregivers multiplied by the maximum per person credit amount of $500. Amount redeemed is the total tax credit claimed.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 Projected (current year)	FY 2011 Projected (budget year)
Certificates Issued (#)	328	314	363	380	398
Projects (#)	0	0	0	0	0
Amount Authorized	$164,000	$157,000	$173,000	$190,300	$209,330
Amount Issued	$164,000	$157,000	$173,000	$190,300	$209,330
Amount Redeemed	$105,757	$78,360	$92,803	$104,665	$115,132
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Shared Care Tax Credit	Department: Health and Senior Services	Date: September 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: NA

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	306,625	
Total	306,625	
COSTS		
Direct Fiscal Costs	109,044	
Indirect Fiscal Costs		
Total	109,044	
BENEFIT: COST	**2.81**	**#DIV/0!**

Derivation of Benefits: Individuals claiming this tax credit are providing care for elderly persons who ARE NOT receiving state funded services. Without this private caregiver support, these elderly persons may need services such as personal care, homemaker, and respite care funded in part through Medicaid, Social Service Block Grant, or state General Revenue. The indirect fiscal benefits are calculated based on the number of elderly persons receiving their caregiving through the Shared Care Program who are potentially Medicaid eligible (18.45 percent of persons over age 60), multiplied by the average cost of care for elderly persons receiving care through DHSS (214 total claimants x 18.45 [percent potentially Medicaid eligible] X $7,766 [average cost of care] = $306,625).

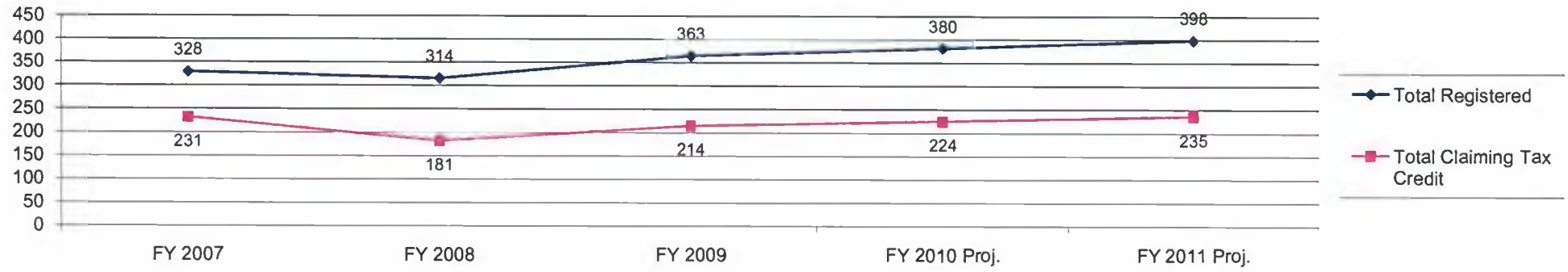
Direct Costs Footnote: Direct costs include the dollar value of tax credits redeemed ($92,803) as well as the cost for personnel ($16,240.92) who respond to inquiries and register/confirm individuals within the program.

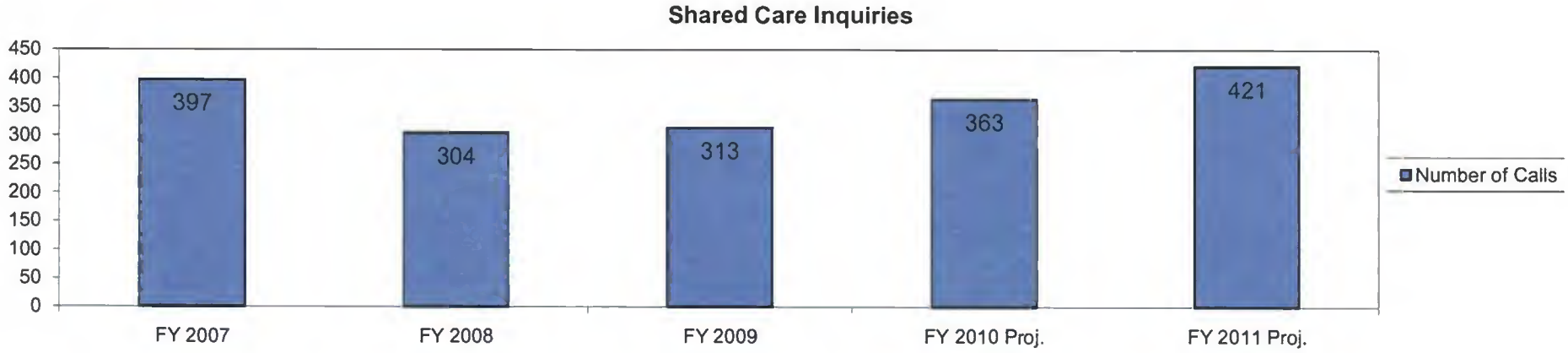
Other Benefits:
The Shared Care Program also provides support for families caring for an elderly person, by increasing awareness of the variety of privately funded services and government services which may be available. Caregivers are provided information about support groups and other resource contacts at the local, state, and national level.

TAX CREDIT ANALYSIS

Program Name: Shared Care Tax Credit	Department: Health and Senior Services	Date: September 2009

PERFORMANCE MEASURE(S)





MISSOURI EXAMINATION FEE and OTHER FEE CREDIT

Missouri Department of Insurance, Financial Institutions and Professional Registration

PURPOSE

The Missouri Examination Fee and Other Fee Credit allows the total cost of an insurance examination paid by an insurance company to be taken as a tax credit against premium tax due, as well as any income taxes, franchise taxes, personal property taxes, valuation fees and/or registration fees paid.

AUTHORIZATION

Section 148.400 RSMo

HOW THE CREDIT WORKS

The department charges insurance companies for the cost of staff and expenses associated with conducting Market Conduct and Financial Examinations. Insurance companies may then take a credit against premium tax due for this cost. Insurance companies may also take any income taxes, personal property taxes, valuation fees and/or registration fees paid as a credit against premium tax due by submitting copies of tax receipts or cancelled checks to the department.

ELIGIBLE AREAS

Statewide

ELIBIBLE APPLICANTS

Insurance companies operating in Missouri

ELGIBLE USE OF TAX CREDITS

This tax credit can be applied to Insurance Premium Tax (Chapter 148).

This credit's special attributes:

- ✓ Carry-forward 5 years
- ✓ Carry-forward taken against the general revenue portion of premium tax only

CONTACT

Missouri Department of Insurance, Financial Institutions and Professional Registration
Truman State Office Building
301 W. High Street, Room 530
Jefferson City, MO 65102
Phone: (573) 751-7223
Email: grady.martin@difp.mo.gov

ADDITIONAL RESOURCES/INFORMATION

Typically only insurance companies domiciled in Missouri take this credit as it often results in an increase in retaliatory tax of that amount for foreign (non-Missouri incorporated) insurers. Only about 35% of examination costs are taken each year in tax credits.

TAX CREDIT ANALYSIS

Program Name: Missouri Examination Fee and Other Fee Credit

Department: Insurance, Fin. Institutions & Professional Reg. **Date:** 12/22/2009

Program Category: Business Recruitment

Type: Tax Credit__X__ Other (specify)____

Statutory Authority: Section 148.400 RSMo.

Applicable Taxes: Missouri Insurance Premium Tax

Program Description and Eligibility Requirements:

The Missouri Examination Fee and Other Fee Credit allows the total cost of an examination paid by an insurance company to be taken as a tax credit against premium tax due, as well as any income taxes, franchise taxes, personal property taxes, valuation fees and/or registration fees paid. Premium tax is split between General Revenue and County Foreign or County Stock which are school district funds.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Credit is applied against same year premium tax due. If credit exceeds premium tax due, only excess examination fee credit can be carried forward--up to five years. Carry forward credit is taken against General Revenue portion of premium tax only.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None __X_____

Explanation of cap: n/a

Explanation of Expiration of Authority: n/a

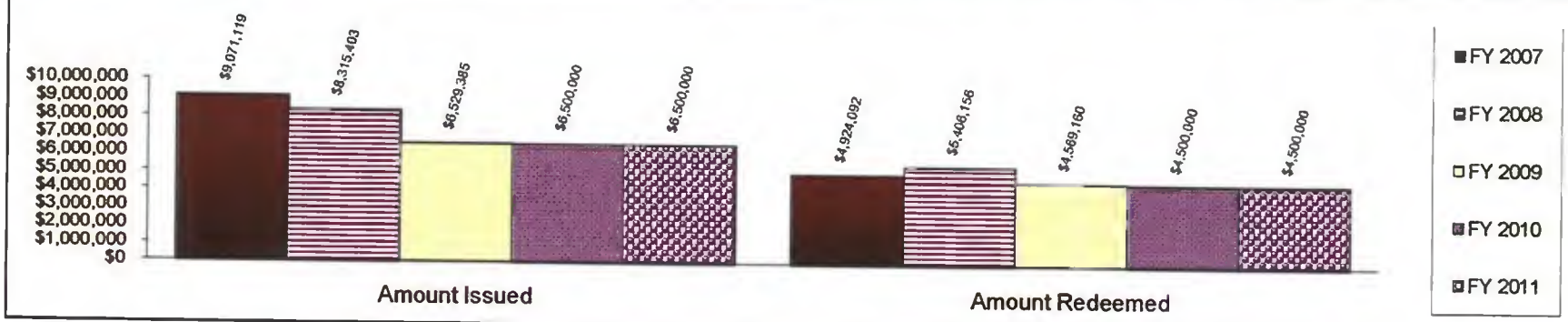
Specific Provisions: (if applicable)

Carry forward __5__ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: Carry forward is taken against General Revenue only. Carry forward began in tax year 2003 per SB 193 (2001) and only applies to the examination fee credit.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	n/a	n/a	n/a	n/a	n/a
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	n/a	n/a	n/a	n/a	n/a
Amount Issued	$9,071,119	$8,315,403	$6,529,385	$6,500,000	$6,500,000
Amount Redeemed	$4,924,092	$5,406,156	$4,569,160	$4,500,000	$4,500,000
EST. Amount Outstanding	N/A	N/A	$10,833,574	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Missouri Examination Fee and Other Fee Credit	**Department:** Insurance, Fin. Institutions & Professional Reg.	**Date:** 12/22/2009

Comments on Historical and Projected Information: Typically only the companies domiciled in Missouri take this credit as it often results in an increase in retaliatory tax of that amount for foreign (non-Missouri based) insurers. This is why only about 35% of examination costs are taken each year in tax credits. Consequently, the department believes most carry-over each year will eventually expire.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

N/A

Derivation of Benefits:

Other Benefits:
The Missouri Examination Fee and Other Fee Credit allows the state to share the burden of the cost of examinations of insurance companies. Missouri is one of five states that allow insurers a tax credit for examination costs. Because of this, however, typically only the companies domiciled in Missouri take this credit as it results in an increase in retaliatory tax of that amount for foreign (non-Missouri based) insurers.

PERFORMANCE MEASURE(S)

N/A

Comments on Performance Measure:

Section VIII

Department of Insurance

- Examination Fee
- Health Insurance Pool Assessment
- Life & Health Insurance Guaranty
- Property & Casualty Insurance Guaranty

MISSOURI HEALTH INSURANCE POOL ASSESSMENT CREDIT

Missouri Department of Insurance, Financial Institutions and Professional Registration
Missouri Health Insurance Pool

PURPOSE
The Missouri Health Insurance Pool serves Missouri residents who, because of high risk status, are unable to obtain health care coverage, have been involuntarily terminated from their health care coverage or are being charged more than 150% of standard premiums for health care coverage. Without this pool, these individuals would be without health insurance coverage. The Missouri Health Insurance Pool Assessment Credit supports the cost of providing coverage.

AUTHORIZATION
Section 376.975 RSMo

HOW THE CREDIT WORKS
Individuals in the Missouri Health Insurance Pool pay a premium and the difference between these premiums paid and actual costs is assessed to all insurers issuing health insurance in Missouri. The insurers are then allowed a credit against their tax liability for this assessment.

ELIGIBLE AREAS
Statewide

ELIBIBLE APPLICANTS
Insurance companies issuing health insurance in Missouri

ELGIBLE USE OF TAX CREDITS
This tax credit can be applied to Insurance Premium Tax (Chapter 148) and Sales and Use Tax (Chapter 144) for HMOs.

This credit's special attributes:

- ✓ Credit may be carry-forward until used
- ✓ Credit is taken against the general revenue portion of premium tax only

CONTACT
Missouri Health Insurance Pool
Vernita McMurtrey, Executive Director
Penntower Building
3100 Broadway, Suite 210
Kansas City, Missouri 64111
Phone: 1-800-821-2231

Missouri Department of Insurance, Financial Institutions and Professional Registration
Truman State Office Building
301 W. High Street, Room 530
Jefferson City, MO 65102
Phone: (573) 751-7223
Email: grady.martin@difp.mo.gov

ADDITIONAL RESOURCES/INFORMATION
The Missouri Health Insurance Pool is a non-profit organization with a board of directors. Additional information about the Missouri Health Insurance Pool can be found at www.mhip.org.

TAX CREDIT ANALYSIS

Program Name: Missouri Health Insurance Pool Assessment Credit	**Department:** Insurance, Fin. Institutions & Professional Reg.	**Date:** 12/22/2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 376.975 RSMo.	**Applicable Taxes:** Premium Tax (GR portion) and Sales and Use Tax (HMOs)	

Program Description and Eligibility Requirements:

The Missouri Health Insurance Pool serves Missouri residents who cannot purchase insurance in the regular market. All insurers issuing health insurance in the state are members of the pool. Individuals in the pool pay a premium and the difference between premiums paid and actual costs is assessed to members of the pool. The insurers are then allowed a tax credit against their tax liability. Credit may be carried forward until exhausted and is taken against the General Revenue portion of the premium tax.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Credit is applied against premium tax due (sales and use tax for HMOs). If credit exceeds tax due, excess is carried forward until exhausted. Credit is taken against General Revenue portion of premium tax only.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap: n/a

Explanation of Expiration of Authority: n/a

Specific Provisions: (if applicable)

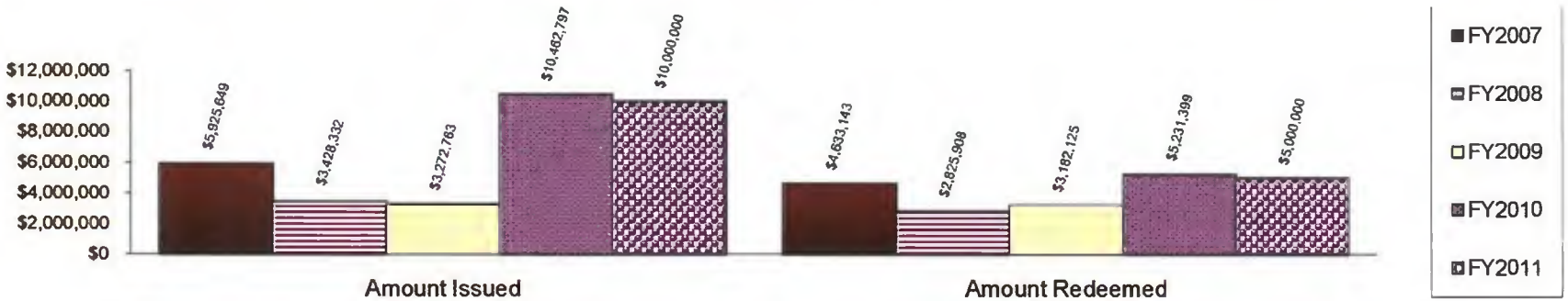
Carry forward __X (unlimited) years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: Tax credit is carried forward until exhausted

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	n/a	n/a	n/a	n/a	n/a
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	n/a	n/a	n/a	n/a	n/a
Amount Issued	$5,925,649	$3,428,332	$3,272,763	$10,462,797	$10,000,000
Amount Redeemed[1]	$4,633,143	$2,825,908	$3,182,125	$5,231,399	$5,000,000
EST. Amount Outstanding	N/A	N/A	$8,996,085	N/A	N/A

[1] Estimated 50% of assessment will be redeemed in FY2010 and FY2011.

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Missouri Health Insurance Pool Assessment Credit	**Department:** Insurance, Fin. Institutions & Professional Reg.	**Date:** 12/22/2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

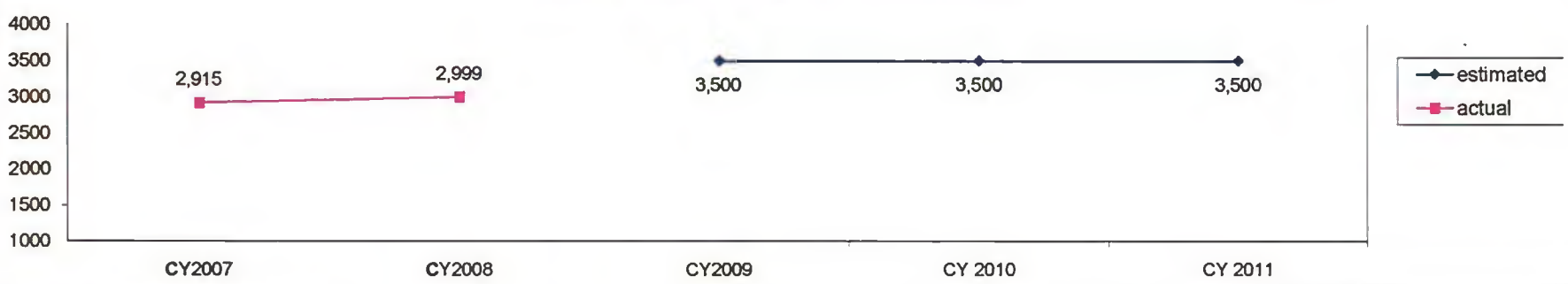
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

N/A

Derivation of Benefits:

Other Benefits:
The Missouri Health Insurance Pool serves Missouri residents who, because of high risk status, are unable to obtain health care coverage, have been involuntarily terminated from their health care coverage or are being charged more than 150 percent of standard premiums for health care coverage. Without this pool, these individuals would be without health Insurance coverage. The Missouri Health Insurance Pool Assessment Credit supports the activities of the pool.

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

MISSOURI LIFE & HEALTH INSURANCE GUARANTY ASSOCIATION ASSESSMENT CREDIT

Missouri Department of Insurance, Financial Institutions and Professional Registration
Missouri Life & Health Insurance Guaranty Association

PURPOSE

The business of insurance is primarily regulated by the states. Consequently, no federal mechanism exists to guaranty the payment of claims under insurance policies in the event an insurance company becomes insolvent. Instead, the states have taken on this role. Every state in the U.S. has enacted laws creating a life and health insurance guarantee association. In the event that a licensed insurance company becomes insolvent and cannot pay its claims, the guarantee associations step in and provide coverage for a policy or claim up to prescribed limits. In Missouri, life and health policies are guaranteed up to $100,000 for most types of coverage.

AUTHORIZATION

Section 376.745 RSMo

HOW THE CREDIT WORKS

Assessments are levied against life and health companies operating in the state to cover operations of the association and claims of insolvent insurers when sufficient funds are not available. Insurance companies are then allowed a credit against their premium tax liability for the amount of the assessment.

ELIGIBLE AREAS

Statewide

ELIBIBLE APPLICANTS

Insurance companies issuing life and health insurance in Missouri

ELGIBLE USE OF TAX CREDITS

This tax credit can be applied to Insurance Premium Tax (Chapter 148).

This credit's special attributes:

- ✓ No carry-forward
- ✓ Credits are taken over a five-year period with 20% being taken each year beginning the year after the assessment

CONTACT

The Missouri Insurance Guaranty Associations
994 Diamond Ridge, Suite 102
Jefferson City, Missouri 65109
Phone: (573) 634-8455

Missouri Department of Insurance, Financial Institutions and Professional Registration
Truman State Office Building
301 W. High Street, Room 530
Jefferson City, MO 65102
Phone: (573) 751-7223
Email: grady.martin@difp.mo.gov

ADDITIONAL RESOURCES/INFORMATION

The Missouri Life & Health Insurance Guaranty Association is a nonprofit entity with a 5 to 9 member board of directors. Additional information about the Missouri Insurance Guaranty Associations can be found at www.mo-iga.org.

TAX CREDIT ANALYSIS

Program Name: Missouri Life and Health Insurance Guaranty Association Credit	**Department:** Insurance, Financial Inst. & Professional Reg.	**Date:** 12/22/2009
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: Section 376.745 RSMo.	**Applicable Taxes:** Missouri Insurance Premium Tax	

Program Description and Eligibility Requirements:

The Missouri Life and Health Insurance Guaranty Association is created in state statute and all insurers issuing life and health insurance in the state are members. The association pays Missouri policyholders for claims against insolvent L&H companies. The association then assesses all members in the state to pay claims of the insolvent insurer. Members are allowed to take these assessments as an offset against premium tax collected by the state.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Credits are taken over a five-year period with 20% being taken each year beginning the year after the assessment. No carry forward. Credits are taken against General Revenue, County Foreign and County Stock Funds.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap: n/a

Explanation of Expiration of Authority: n/a

Specific Provisions: (if applicable)

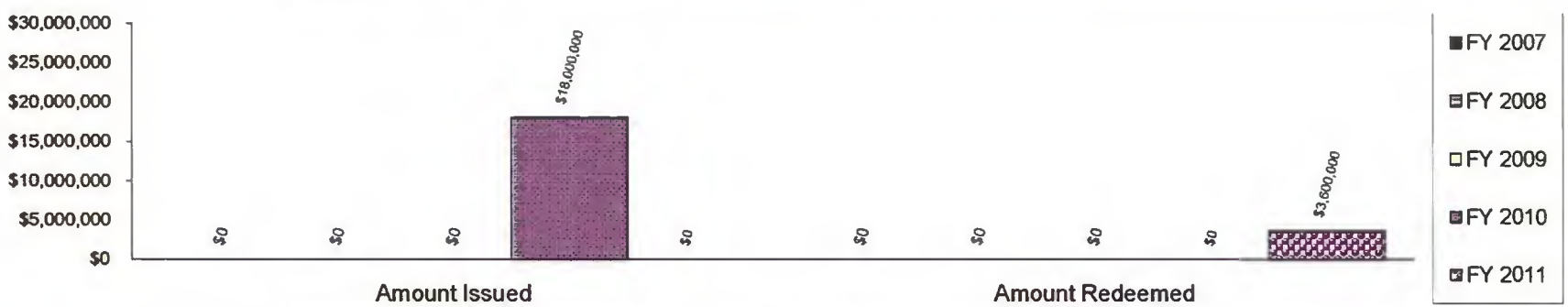
Carry forward ____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: No carry forward.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	n/a	n/a	n/a	n/a	n/a
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	n/a	n/a	n/a	n/a	n/a
Amount Issued[1]	$0	$0	$0	$18,000,000	Unknown - see notes
Amount Redeemed[2]	$0	$0	$0	$0	$3,600,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

[1]No assessments made 1998-2008. [2]Estimated redemption amount.

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Missouri Life and Health Insurance Guaranty Association Credit	**Department:** Insurance, Financial Inst. & Professional Reg.	**Date:** 12/22/2009

Comments on Historical and Projected Information: In 2008, National Prearranged Services ("NPS") was placed in liquidation by the state of Texas. NPS is a Missouri domestic corporation and was formerly one of the largest sellers of preneed funeral contracts in the state of Missouri and nationally. Generally, under a preneed contract, the funeral director or preneed seller agrees to provide funeral services at a fixed or guaranteed price when the contract beneficiary passes away. Ideally, this may result in some savings to the purchaser who may be able to "lock-in" current prices even though the death may not occur for some significant time. Once the services are provided, the funeral director/provider is then reimbursed by the preneed seller for the funeral expenses. Historically, this reimbursement has included all or a portion of the interest that may have been earned on the contract.

Under Missouri law, NPS was required to place 80% of all funds paid by consumers into a trust account with a financial institution. Frequently, these funds are used to purchase insurance coverage to guarantee payment of the funeral costs. According to information gathered by state regulators, NPS' trust funds were depleted because of improper policy loans, insurance investments and potentially the misappropriation of funds by company representatives/shareholders.

Although state regulators are still attempting to assess the full impact, the national financial impact has been estimated to exceed $400,000,000. The department and the Missouri Attorney General's Office are in the process of attempting to assess the specific impact on Missouri. However, the state's initial review indicates that the affect on Missouri consumers and funeral directors will be substantial. To the extent insurance coverage on a particular NPS contract was in place, the various state insurance guaranty funds have agreed to cover the contract's obligations. In turn, these guaranty funds will assess their member-insurers, who will in turn take as offsets against any state premium taxes due from the insurers. Based on current estimates, Missouri may see tax offsets of $200 million over the next fifteen years because of the NPS liquidation. If there is an "upside" to this, it is that the potential financial hardship to the NPS contract holders will be minimized.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

N/A

Derivation of Benefits:

Other Benefits:
The business of insurance is primarily regulated by the states. Consequently, no federal mechanism exists to guaranty the payment of claims under insurance policies in the event an insurance company becomes insolvent. Instead, the states have taken on this role. Every state in the U.S. has enacted laws creating a life and health insurance guarantee association. In the event that a licensed insurance company becomes insolvent and cannot pay its claims, the various state guarantee associations step in and provide coverage for policy or claim up to prescribed limits. In Missouri, life and health policies are guaranteed up to $100,000 for most types of coverage.

To get the money to pay claims for an insolvent company, the various guaranty associations are authorized by law to levy assessments against all of the other life and health insurance companies in the state. The insurance companies in Missouri are then allowed a tax credit against their premium tax liability for the amount of the assessment.

PERFORMANCE MEASURE(S)

N/A

Comments on Performance Measure:

MISSOURI PROPERTY & CASUALTY INSURANCE GUARANTY ASSOCIATION ASSESSMENT CREDIT

Missouri Department of Insurance, Financial Institutions and Professional Registration
Missouri Property & Casualty Insurance Guaranty Association

PURPOSE

The business of insurance is primarily regulated by the states. Consequently, no federal mechanism exists to guaranty the payment of claims under insurance policies in the event an insurance company becomes insolvent. Instead, the states have taken on this role. Every state in the U.S. has enacted laws creating a property and casualty insurance guarantee association. In the event that a licensed insurance company becomes insolvent and cannot pay its claims, the guarantee associations step in and provide coverage for apolicy or claim up to prescribed limits. In Missouri, property and casualty policies are guaranteed up to $300,000 for most types of coverage.

AUTHORIZATION

Section 375.774 RSMo

HOW THE CREDIT WORKS

Assessments are levied against property and casualty insurance companies operating in the state to cover operations of the association and claims of insolvent insurers when sufficient funds are not available. Insurance companies are then allowed a tax credit against their premium tax liability for the amount of the assessment.

ELIGIBLE AREAS

Statewide

ELIBIBLE APPLICANTS

Insurance companies issuing property and casualty insurance in Missouri

ELGIBLE USE OF TAX CREDITS

This tax credit can be applied to Insurance Premium Tax (Chapter 148).

This credit's special attributes:

- ✓ No carry-forward
- ✓ Credits are taken over a three-year period with 33 1/3% being taken each year beginning the year after the assessment

CONTACT

The Missouri Insurance Guaranty Associations
994 Diamond Ridge, Suite 102
Jefferson City, Missouri 65109
Phone: (573) 634-8455

Missouri Department of Insurance, Financial Institutions and Professional Registration
Truman State Office Building
301 W. High Street, Room 530
Jefferson City, MO 65102
Phone: (573) 751-7223
Email: grady.martin@difp.mo.gov

ADDITIONAL RESOURCES/INFORMATION

The Missouri Property & Casualty Insurance Guaranty Association is a nonprofit entity with a seven member board of directors. Additional information about the Missouri Insurance Guaranty Associations can be found at www.mo-iga.org.

TAX CREDIT ANALYSIS

Program Name: Missouri Property and Casualty Insurance Guaranty Association Credit	**Department:** Insurance, Fin. Institutions & Professional Reg.	**Date:** 12/22/2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 375.774 RSMo.	**Applicable Taxes:** Missouri Insurance Premium Tax	

Program Description and Eligibility Requirements:

The Missouri Property and Casualty Insurance Guaranty Association is created in state statute and all insurers issuing property and casualty insurance in the state are members. The association pays Missouri policyholders for claims against insolvent P&C companies. The association then assesses all members in the state to pay claims of the insolvent insurer. Members are allowed to take these assessments as an offset against premium tax collected by the state.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Credits are taken over a three-year period with 33 1/3% being taken each year beginning the year after the assessment. No carry forward. Credits are taken against General Revenue, County Foreign and County Stock Funds.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap: n/a

Explanation of Expiration of Authority: n/a

Specific Provisions: (if applicable)

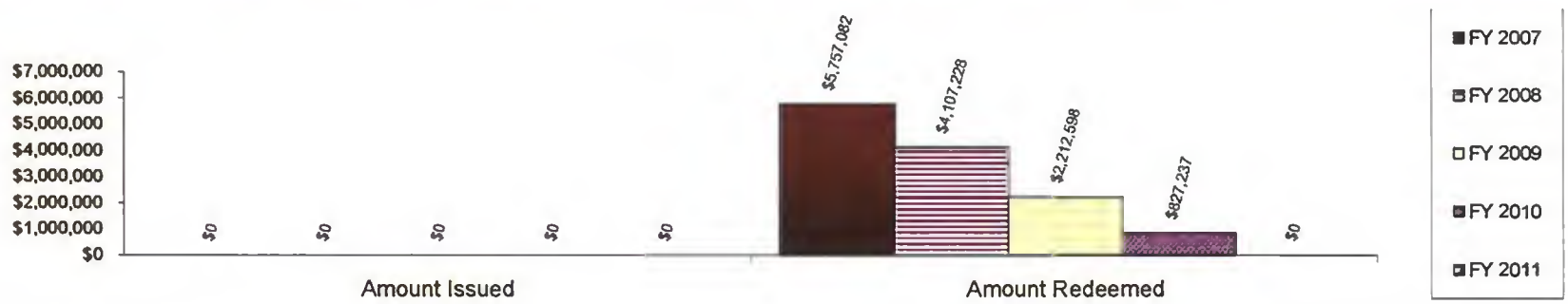
Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: No carry forward.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	n/a	n/a	n/a	n/a	n/a
Projects (#)	n/a	n/a	n/a	n/a	n/a
Amount Authorized	n/a	n/a	n/a	n/a	n/a
Amount Issued[1]	$0	$0	$0	$0	$0
Amount Redeemed	$5,757,082	$4,107,228	$2,212,598	$827,237	$0
EST. Amount Outstanding	N/A	N/A	$827,237	N/A	N/A

[1] There was no assessment for CY2007, CY2008 and none planned for CY2009.

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Missouri Property and Casualty Insurance Guaranty Association Credit	Department: Insurance, Fin. Institutions & Professional Reg.	Date: 12/22/2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

N/A

Derivation of Benefits:

Other Benefits:

The business of insurance is primarily regulated by the states. Consequently, no federal mechanism exists to guaranty the payment of claims under insurance policies in the event an insurance company becomes insolvent. Instead, the states have taken on this role. Every state in the U.S. has enacted laws creating a property and casualty insurance guarantee association. In the event that a licensed insurance company becomes insolvent and cannot pay its claims, the various state guarantee associations step in and provide coverage for policy or claim up to prescribed limits. In Missouri, property and casualty policies are guaranteed up to $300,000 for most types of coverage.

To get the money to pay claims for an insolvent company, the various guaranty associations are authorized by law to levy assessments against all of the other property and casualty insurance companies in the state. The insurance companies in Missouri are then allowed a tax credit against their premium tax liability for the amount of the assessment.

PERFORMANCE MEASURE(S)

N/A

Comments on Performance Measure:

Section IX

Department of Natural Resources

- Alternative Fuels Infrastructure
- Charcoal Producers
- Property & Casualty Insurance Guaranty

Missouri Alternative Fuel Infrastructure Tax Credit

Fact Sheet and Application for Certification

- Missouri Alternative Fuel Infrastructure Tax Credit, Fact Sheet--PUB2382 **(01/10) >**
- **Alternative Fuel Infrastructure Application For Certification, Form--MO 780-2099 (01/10)** Adobe **PDF** / Fill-in MS Word **DOC**

About the Tax Credit

Business owners who invest in alternative fuel infrastructure projects in Missouri may be eligible for a state tax credit. For all tax years beginning on or after Jan. 1, 2009, but before Jan.1, 2012, any eligible applicant who Installs and operates a qualified alternative fuel vehicle refueling property may be allowed a credit against the tax otherwise due for any tax year in which the applicant is constructing the refueling property.

The credit allowed per eligible applicant cannot exceed the lesser of $20,000 or 20 percent of the total costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle refueling property, which does not include the following:

- **Costs associated with the purchase of land where a qualified property Is placed;**
- **Costs associated with the purchase of an existing qualified alternative fuel vehicle refueling property; or**
- **Costs for the construction or purchase of any structure.**

Eligible applicants include business entities that own qualified alternative fuel vehicle refueling property. A qualified alternative fuel vehicle refueling property must be owned by an eligible applicant and used for storing alternative fuels and for dispensing such alternative fuels into fuel tanks of motor vehicles owned by such eligible applicant or private citizens which, if constructed after Aug. 28, 2008, was constructed with at least 51 percent of the costs being paid to qualified Missouri contractors for:

- **Fabrication of pre-manufactured equipment or process piping used in the construction of such facility;**
- **Construction of such facility; and**
- **General maintenance of such facility during the time period In which such facility receives any alternative fuel infrastructure tax credit.**

If no qualified Missouri contractor is located within 75 miles of the property, the requirement that 51 percent of the costs be paid to qualified Missouri contractors will not apply. A qualified Missouri contractor is a contractor whose principal place of business is located in Missouri and has been located in Missouri for a period of not less than five years.

Tax credits allowed must be claimed by the applicant at the time an applicant files a return for the tax year when the storage and dispensing facilities were placed in service at a qualified property. The credits must be applied against the Income tax liability after all other credits provided by law have been applied.

If the amount of the tax credit exceeds the eligible applicant's tax liability, the difference will not be refundable. Any amount of credit that an eligible applicant is prohibited from receiving in a taxable year may be carried forward to any of the applicant's two subsequent taxable years. Tax credits allowed may be assigned, transferred, sold, or otherwise conveyed.

A property where an applicant receives tax credits that ceases to sell alternative fuel will cause the forfeiture of the applicant's tax credit for the taxable year when the alternative fuel vehicle refueling property ceased to sell alternative fuel. The forfeiture will also apply to future taxable years, with no recapture of tax credits obtained by an applicant with respect to the tax years that ended before the sale of alternative fuel ceased.

The cumulative amount of tax credits which may be filed for by eligible applicants claiming all credits authorized will not exceed the following amounts:

- **In taxable year 2009 - $3 million.**
- **In taxable year 2010 - $2 million.**
- **In taxable year 2011 - $1 million.**

Any eligible applicant desiring to file for a tax credit must submit the appropriate application for certification with the Department of Natural Resources. The department will review the applications and certify to the Department of Revenue each eligible applicant that qualifies for the tax credit. A project owner must receive certification before the credit can be filed for on a Missouri tax return.

Missouri Department of Natural Resources

P.O. Box 176, Jefferson City, MO 65102
800-361-4827 / 573-751-3443
E-mail: energy@dnr.mo.gov
Revised on Monday July 12 2010

TAX CREDIT ANALYSIS

Program Name: Alternative Fuel Stations	**Department:** Natural Resources	**Date:** October, 2009
Program Category: Environmental	**Type: Tax Credit**__X__ **Other (specify)**____	
Statutory Authority: 135.710	**Applicable Taxes:** Tax credit on taxes otherwise due under Chapter 143 RSMo, except sections 143.191 to 143.265 (withholding of tax).	

Program Description and Eligibility Requirements:

SB 931 (2008 legislative session) section 135.710 RSMo, created a tax credit, for the costs of construction of qualified alternative fuel vehicle refueling properties. The credit is for the costs directly associated with the purchase and Installation of equipment used for storage and dispensing of alternative fuels into motor vehicles owned by eligible applicants or private citizens. The new law further states that a business is eligible to apply for the tax credit if at least fifty-one percent of the costs associated with the project are paid to qualified Missouri contractors. Any eligible applicant who installs and operates a qualified alternative fuel vehicle refueling property shall be allowed a credit against the tax otherwise due under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265 RSMo, or due under chapter 147 RSMo or chapter 148 RSMo.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit shall not exceed the lesser of twenty thousand dollars or twenty percent of the costs directly associated with the purchase and installation of any alternative fuel storage and dispensing equipment on any qualified alternative fuel vehicle property. The total amount of credits that may be claimed may not exceed $3 million in taxable year 2009; $2 million in taxable year 2010; and $1 million in taxable year 2011.

Program Cap: Cumulative __see above__ (remainder of cumulative cap) $_____ Annual __see above___ None _____

Explanation of cap: There is an annual cap of $3 million for taxable year 2009; $2 million for taxable year 2010; and $1 million for taxable year 2011.

Explanation of Expiration of Authority: The tax credit is authorized for tax years beginning January 1, 2009, and ending before January 1, 2012.

Specific Provisions: (if applicable)

Carry forward __2__ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions: A federal tax credit is available for hydrogen alternative fuel refueling properties placed in service before December 31, 2014, and for other alternative fuel refueling properties placed in service before December 31, 2009.

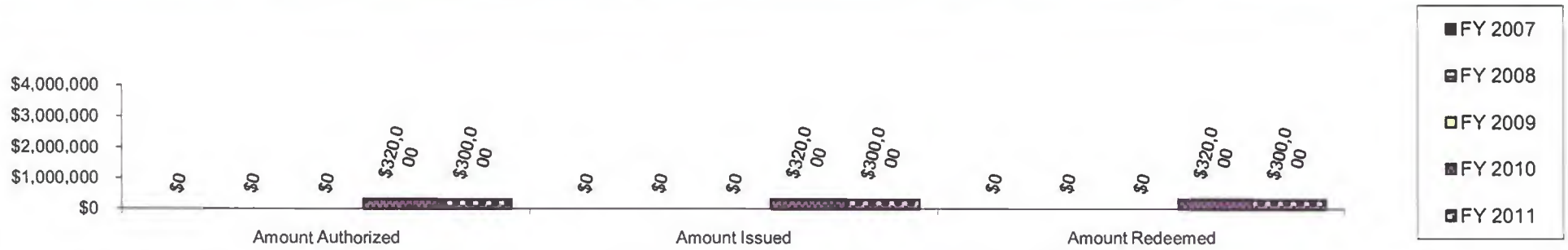
	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	N/A	N/A	0	32	30
Projects (#)	N/A	N/A	0	32	30
Amount Authorized	N/A	N/A	$0	$320,000	$300,000
Amount Issued	N/A	N/A	$0	$320,000	$300,000
Amount Redeemed	N/A	N/A	$0	$320,000	$300,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

Note: This was a new tax credit beginning in FY 2009, therefore prior year data is not applicable. MDNR did not receive any applications for the tax credit in FY2009, but expects to receive applications in the coming months for tax year 2010.

TAX CREDIT ANALYSIS

Program Name: Alternative Fuel Stations	**Department:** Natural Resources	**Date:** October, 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: Since this was a new tax credit beginning in FY 2009, prior year data is not applicable.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS	N/A	
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS	N/A	
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

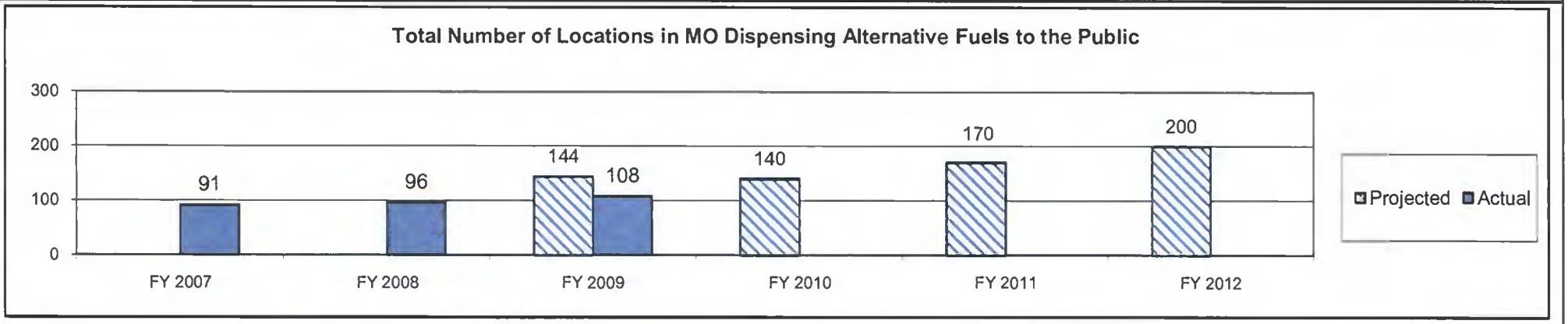
Derivation of Benefits:

Other Benefits:

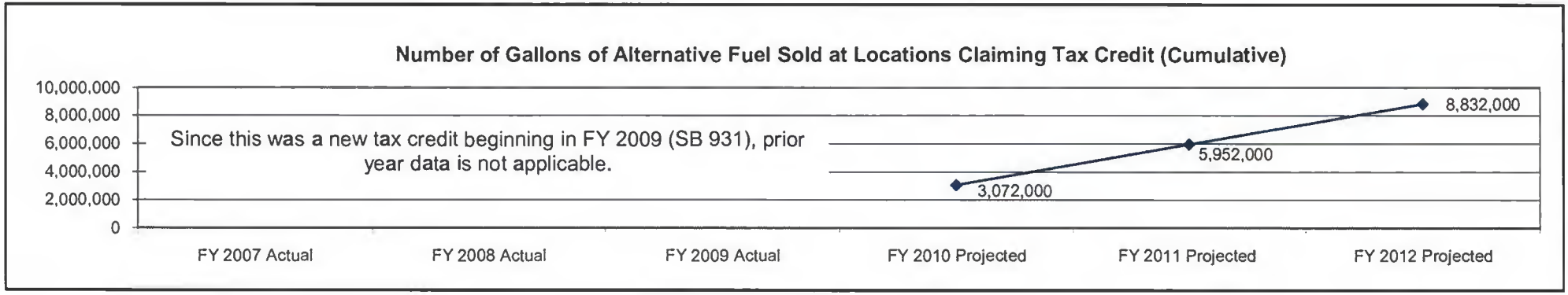
TAX CREDIT ANALYSIS

Program Name: Alternative Fuel Stations	**Department:** Natural Resources	**Date:** October, 2009

PERFORMANCE MEASURE(S)



Since this was a new measure in FY 2009, prior year projected data is not available.



Missouri Revised Statutes

Chapter 135
Tax Relief
Section *135.313*

August 28, 2009

Credit for charcoal producers.

135.313. 1. Any person, firm or corporation who engages in the business of producing charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income taxes otherwise due pursuant to chapter 143, RSMo, except sections 143.191 to 143.261, RSMo, as an incentive to implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of charcoal in the state of Missouri or, if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service. The credit may be claimed for a period of eight years beginning with the 1998 calendar year and is to be a tax credit against the tax otherwise due.

2. Any amount of credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed seven years.

3. The charcoal producer may elect to assign to a third party the approved tax credit. Certification of assignment and other appropriate forms must be filed with the Missouri department of revenue and the department of economic development.

4. When applying for a tax credit, the charcoal producer specified in subsection 1 of this section shall make application for the credit to the division of environmental quality of the department of natural resources. The application shall identify the specific best available control technology equipment and the purchase price, or manufacturing cost of such equipment. The director of the department of natural resources is authorized to require permits to construct prior to the installation of best available control technology equipment and other information which he or she deems appropriate.

5. The director of the department of natural resources in conjunction with the department of economic development shall certify to the department of revenue that the best available control technology equipment meets the requirements to obtain a tax credit as specified in this section.

(L. 1998 H.B. 1656)

Effective 1-1-99

CROSS REFERENCE:

Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

© Copyright

Missouri General Assembly

TAX CREDIT ANALYSIS

Program Name: Charcoal Producers Tax Credit	**Department:** Natural Resources	**Date:** October, 2009
Program Category: Environmental	**Type: Tax Credit_X__ Other (specify)____**	
Statutory Authority: RSMo 135.313	**Applicable Taxes:** State, corporate, and individual income taxes	

Program Description and Eligibility Requirements:

Any person, firm or corporation who engages in the business of producing charcoal or charcoal products in the state of Missouri shall be eligible for a tax credit on income taxes otherwise due pursuant to chapter 143 RSMo, except sections 143.191 to 143.261, RSMo, as an incentive to implement safe and efficient environmental controls. The tax credit shall be equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of the charcoal in the state of Missouri or, if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service. The credit may be claimed for a period of eight years beginning with the 1998 calendar year and is to be a tax credit against the tax otherwise due.

Explanation of How Award is Computed: Entitlement _X___ Discretionary _____

The tax credit is equal to fifty percent of the purchase price of the best available control technology equipment connected with the production of charcoal in the state of Missouri, or if the taxpayer manufactures such equipment, fifty percent of the manufacturing cost of the equipment, to and including the year the equipment is put into service.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X____

Explanation of cap: N/A

Explanation of Expiration of Authority: The credit may be claimed for a period of eight years beginning with the 1998 calendar year. The eight year window for applying for this credit ended at the end of calendar year 2005. Carryforward provisions will allow redemption in subsequent taxable years, not to exceed seven years. Therefore, any credits remaining may be redeemed through calendar year 2012.

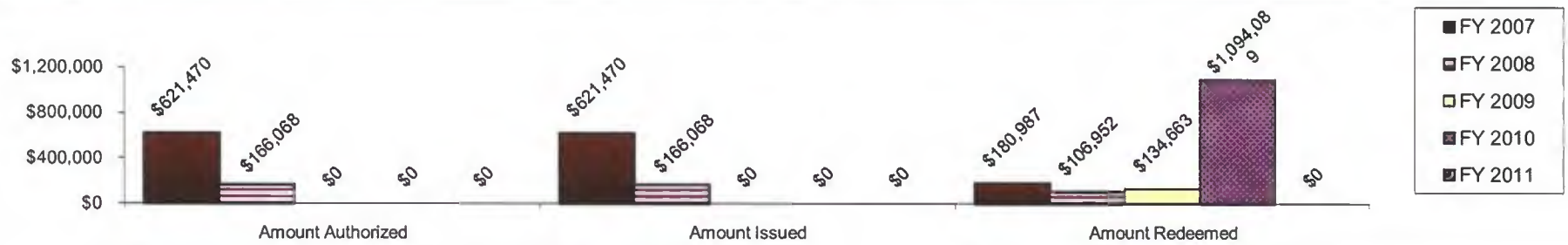
Specific Provisions: (if applicable)

Carry forward __7__ years Carry Back _____ years Refundable _____ Sellable/Assignable ___X_ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2	2	0	0	0
Projects (#)	2	2	0	0	0
Amount Authorized	$621,470	$166,068	$0	$0	$0
Amount Issued	$621,470	$166,068	$0	$0	$0
Amount Redeemed	$180,987	$106,952	$134,663	$1,094,089	$0
EST. Amount Outstanding	N/A	N/A	$1,094,089	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Charcoal Producers Tax Credit	**Department:** Natural Resources	**Date:** October, 2009

Comments on Historical and Projected Information:
Tax credits issued in prior years include $101,369 in FY 2000, $193,887 in FY 2001, $420,354 in FY 2003, $193,568 in FY 2004, $146,606 in FY 2005 and $248,966 in FY 2006.

Because the tax credit has a roll forward provision, making timing of redemptions unknown, the assumption used is that all outstanding authorized and issued credits will be claimed in the current year.

The cost of the controls and expected tax credits are based upon the charcoal kiln industry implementing mandatory controls. The estimated expenditures for best available control technology (BACT) equipment are derived from discussions with the charcoal kiln industry.

The tax credit expired at the end of calendar year 2005, at which time the expense had to be incurred in order to claim the credit. There are no estimated tax credit issuances for Fiscal Year 2011.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

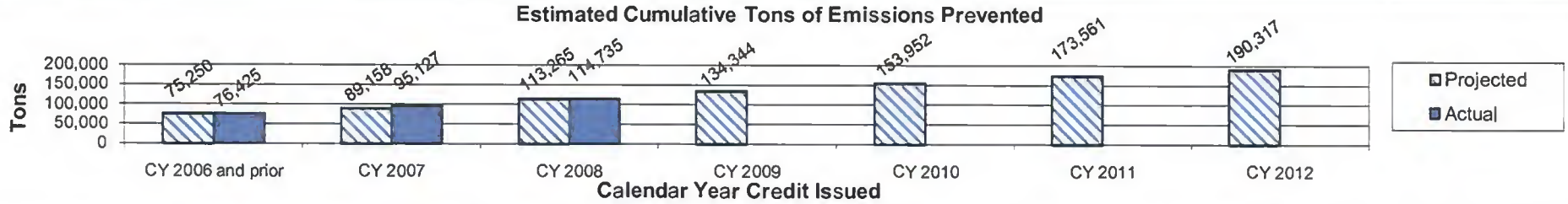
	FY 2008 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

Derivation of Benefits:
We are unable to quantify the dollar value benefit of a ton of emission prevented.

Other Benefits: Using estimated data for the tax credits, the cost to implement controls is approximately $299 per ton of emission based on the total cost of the control technology installed as compared to the tons of emissions prevented by that technology. Assuming a useful life of 10 years, the annualized cost would be approximately $29.90 per ton. This can be compared to the following information obtained from recent permits:

Average Costs per Ton of Control Equipment Installed: Cost per Ton for Carbon Monoxide Control - $5,000

PERFORMANCE MEASURE(S)



Comments on Performance Measure: The performance measure is based on estimates for emissions prevented by installing control equipment. Projected emission prevention is based on historical information and control equipment now in place. Tax credits issued since inception of the program through FY2009 totaled $2,092,288. The benefit of reduced emissions will continue to accumulate through the life of the control equipment.

Section X

Department of Revenue

- Bank Franchise
- Bank Tax Credit
- Disabled Access
- Food Pantry
- Homestead Preservation
- Public Safety Surviving Spouse
- Accessibility
- Rolling Stock
- Self-Employed Health Insurance
- Senior Citizens Property Tax
- Special Needs Adoption

Missouri Department of Revenue

Bank Franchise Tax Credit (BFT)

Purpose

- Permits corporations to claim a bank franchise tax credit if the bank is unable to use the credit on its financial institution tax return.

Eligible Applicants

- For tax returns filed on or after January 1, 2001, including returns based on income in the year 2000 and after, a banking institution shall be entitled to an annual tax credit equal to one-sixtieth of one percent of its outstanding shares and surplus employed in this state if the outstanding shares and surplus exceed one million dollars.

How the Program Works

- In the event the corporation franchise tax in Chapter 147, RSMo, is repealed by the general assembly, there shall also be a reduction in the taxation of banks as follows: in lieu of the loss of the corporation franchise tax credit reduction in Subdivision (1) of Subsection 2 of Section 148.030, the bank shall receive a tax credit equal to one and one-half percent of net income as determined in this chapter. This Subsection shall take effect at the same time the corporation franchise tax in Chapter 147, RSMo is repealed.

Eligible Use of Tax Credit

- This credit is nonrefundable and cannot be carried forward or carried back.

Procedures to Claim the Credit

- This tax credit shall be taken as a dollar-for-dollar credit against the bank tax provided for in Subdivision (2) of Subsection 2 of Section 148.030; if such bank tax was already reduced to zero by other credits, then against the corporate income tax provided for in Chapter 143, RSMo.
- Attach a copy of your completed Form INT-2, INT-2-1, and MO-TC to your corporate income tax return.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- INT-2, INT-2-1
- Business Tax Forms

Contact Missouri Department of Revenue, Taxation Division:

- Email: taxcredit@dor.mo.gov
- Phone: 573-751-4541 (for business tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Bank Franchise Tax Credit	**Department:** Revenue	**Date:** October 2009
Program Category: Financial and Insurance	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 148.064 RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

A banking institution shall be entitled to an annual tax credit equal to 1/60th of 1 percent of its outstanding shares and surplus employed in this state if the outstanding shares and surplus

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

This tax credit shall be taken as a dollar-for-dollar credit against the bank tax provided for in Section 148.030.2(2), RSMo, if such bank tax was already reduced to zero by other credits, then against the corporate income tax provided for in Chapter 143, RSMo. Section 148.030.2(2) RSMo, indicates how the tax credit shall be taken: "The amount determined under this subdivision shall be 7 percent of the taxpayer's net income for the income period, from which product shall be subtracted the sum of the amount determined under subdivision 1 of this subsection and the credits allowable under subsection 3 of this section. However, the amount determined under this subdivisions shall not be less than zero."

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: N/A

Explanation of Expiration of Authority:

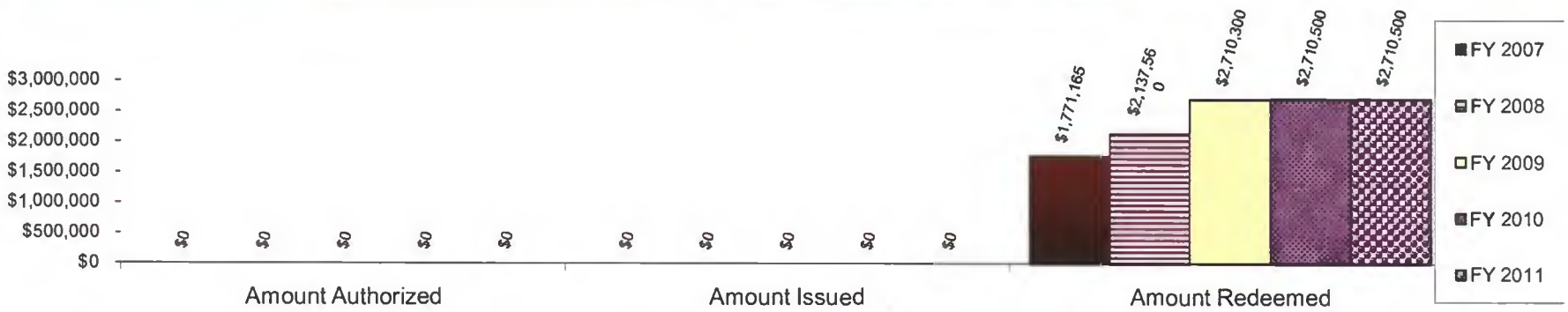
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$1,771,165	$2,137,560	$2,710,300	$2,710,500	$2,710,500
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Bank Franchise Tax Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$156,679	$156,679
Total	$156,679	$156,679
COSTS		
Direct Fiscal Costs	$2,710,300	$2,710,300
Indirect Fiscal Costs		
Total	$2,710,300	$2,710,300
BENEFIT: COST	**0.06**	**0.06**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
$2,710,300 reduction in monetary authorities and bank production costs in 2009.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits return:

$0.55	in new personal income totaling	$1.48	million
$1.21	in new value-added/GSP totaling	$3.28	million
$1.95	in new economic output totaling	$5.29	million

Over five years, every dollar of redeemed program tax credits returns:

$0.55	in new personal income totaling	$1.48
$1.21	in new value-added/GSP totaling	$3.28
$1.95	in new economic output totaling	$5.29

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Bank Tax Credit (BTC)

Purpose

- This tax credit is available to shareholders of subchapter S corporations that are banks, bank holding companies, savings and loan associations, and/or credit institutions.

Eligible Applicants

- The tax credit authorized in this subsection shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period.

How the Program Works

- A pro rata share of the tax credit for the tax payable pursuant to Chapter 148, RSMo, shall be allowed against each S corporation shareholders' state income tax as follows, provided the bank otherwise complies with Section 148.112, savings and loan association otherwise complies with Section 148.655, and/or the credit institution otherwise complies with Section 148.657.

Eligible Use of Tax Credit

- If the shareholder cannot use all or part of the tax credit in the taxable period of receipt, the shareholder may carry forward the tax credit for a period of the lesser of five years or until used, provided such credits are used as soon as the taxpayer has Missouri taxable income.

Procedures to Claim the Credit

- The credit allowed by this subsection shall be equal to the bank franchise tax calculated, or the savings and loan association tax calculated, or a credit institution tax calculated pursuant to Chapter 148, RSMo. The credit is based on bank income, savings and loan association income, or a credit institution income that makes an election pursuant to 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying shareholder according to stock ownership, determined by multiplying a fraction, where the numerator is the shareholder's stock, and the denominator is the total stock issued by such bank, savings and loan association, or credit institution.
- To file a claim for the credit with the Missouri Department of Revenue, banks and bank holding companies need to attach a copy of the Federal K-1, Form Int-2, and Form MO-BTC. Savings and loan associations need to attach a copy of the Federal K-1, Form Int-3, and Form MO-BTC. Credit institutions need to attach a copy of the Federal K-1, Form 2823, and Form MO-BTC.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form MO-BTC

- Individual Income Tax Forms
- Business Tax Forms

Contact Missouri Department of Revenue, Taxation Division:

- Email: taxcredit@dor.mo.gov
- Phone: 573-522-6864 (for individual tax) 573-751-4541 (for business tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Bank Tax Credit for S Corporation Shareholders	**Department:** Revenue	**Date:** October 2009
Program Category: Financial and Insurance	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 143.471, RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

The tax credit authorized in Section 143.471 RSMo, shall be permitted only to the shareholders that qualify as S corporation shareholders, provided the stock at all times during the taxable period qualifies as S corporation stock as defined in 26 U.S.C. Section 1361, and such stock is held by the shareholder during the taxable period. A pro rata share of the tax credit for the tax payable pursuant to Chapter 148, RSMo, shall be allowed against each S corporation shareholder's state income tax as follows, provided the bank otherwise complies with Section 148.112, RSMo.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The credit allowed by Section 143.471 shall be equal to the bank tax calculated pursuant to Chapter 148, RSMo, based on bank income in 1999 and after, on a bank that makes an election pursuant to 26 U.S.C. Section 1362, and such credit shall be allocated to the qualifying sharehold according to stock ownership, determined by multiplying a fraction where the numerator is the shareholder's stock, and the denominator is the total stock issued by such bank or bank holding company.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: N/A

Explanation of Expiration of Authority:

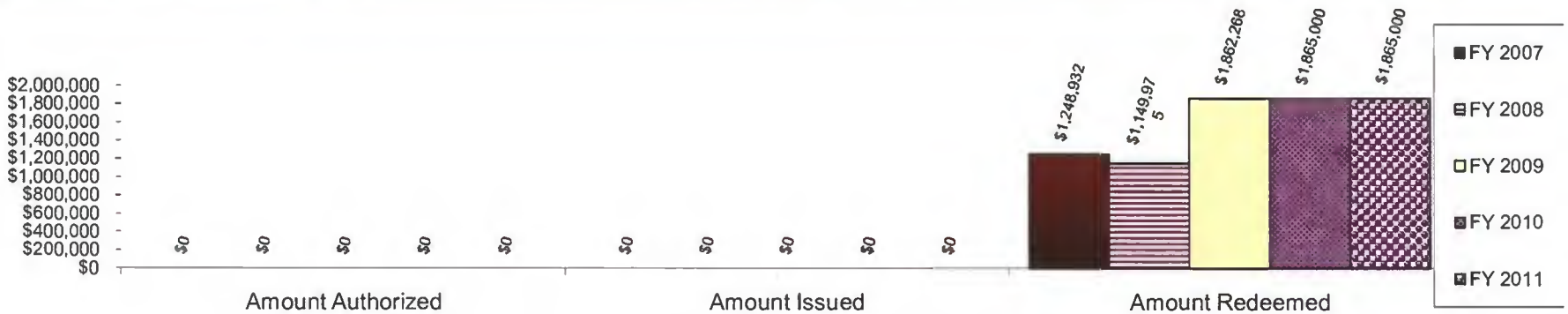
Specific Provisions: (if applicable)

Carry forward __5___ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$1,248,932	$1,149,975	$1,862,266	$1,865,000	$1,865,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Bank Tax Credit for S Corporation Shareholders	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$27,881.00	$27,881.00
Total	$27,881.00	$27,881.00
COSTS		
Direct Fiscal Costs	$1,862,266.00	$1,862,266.00
Indirect Fiscal Costs		
Total	$1,862,266.00	$1,862,266.00
BENEFIT: COST	**0.01**	**0.01**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for the tax credit programs as required under Section 33.282 RSMo.

REMI 8.0.5 model assumptions:
$1,862,266 reduction to personal income taxes in 2009.

Other Benefits:

In Fiscal year 2009 every dollar of redeemed program tax credits return:

$0.33	in new personal income totaling	$0.61 million
$0.68	in new value-added/GSP totaling	$1.27 million
$1.08	in new economic output totaling	$2.02 million

Over five years, every dollar of redeemed program tax credits returns:

$0.33	in new personal income totaling	$0.61 million
$0.68	in new value-added/GSP totaling	$1.27 million
$1.08	in new economic output totaling	$2.02 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Disabled Access Tax Credit (DAC)

Purpose

- Provides a tax credit to individuals and corporations who make their business more accessible to people with disabilities

Eligible Applicants

- A small business whose gross receipts did not exceed $1 million dollars for preceding tax year or who did not employee more than 30 full-time employees during the preceding year.

How the Program Works

- The DAC is available to Missouri small businesses that have access expenditures that exceed the $10,250 federal credit limit. A Missouri small business may take a state income tax credit of up to 50 percent of "eligible access expenditures" which exceed $10,250. The maximum credit is $5,000 a year.

Eligible Use of Tax Credit

- If the amount of the tax credit exceeds the total tax liability for the year the tax credit is claimed, the amount that exceeds the state liability may be carried forward till the credit is used in full. The credit is not transferable and is not refundable.

Procedures to Claim the Credit

- A copy of Federal Form 8826 and Missouri Form 8826 must be attached with the individual income tax return or corporation income tax return for the year the credit is being claimed, along with a completed Form MO-TC.

Authorization

- This tax credit may be applied to the taxpayer's individual income tax, or corporation income tax, or any other tax incurred under the provisions of Chapter 143, RSMo, excluding state withholding tax.

Forms

- Federal Form 8826
- Missouri Form 8826
- Form MO-TC, Miscellaneous Tax Credits
- Individual Income Tax Forms
- Business Tax Forms

Contact Missouri Department of Revenue, Taxation Division

- E-mail: taxcredit@dor.mo.gov
- Phone: 573-522-6864 (for individual tax)
- Phone: 573-751-4541 (for business tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Disabled Access Tax Credit-Small Business	**Department:** Revenue	**Date:** October 2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 135.490, RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

An eligible small business, defined in Section 44 of the Internal Revenue Code (IRC), shall be allowed a credit not to exceed $5,000 against the tax otherwise due pursuant to Chapter 143, RSMo, not including Sections 143.191 to 143.265, RSMo, in an amount equal to 50 percent of all eligible access expenditures exceeding the monetary cap provided by Section 44 of the IRC. The term "eligible access expenditures" means amounts paid or incurred by the taxpayer in order to comply with applicable access requirement provided by the Americans with Disabilities Act of 1990, as further defined in Section 44 of the IRC and federal rulings interpreting Section 44 of the IRC.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The taxpayer shall claim the tax credit allowed by this section at the time such taxpayer files a return. Any amount of tax credit that exceeds the tax due shall be carried over to any subsequent taxable year but shall not be refunded and shall not be transferable.

Program Cap: Cumulative $5,000 per taxpayer (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: N/A

Explanation of Expiration of Authority:

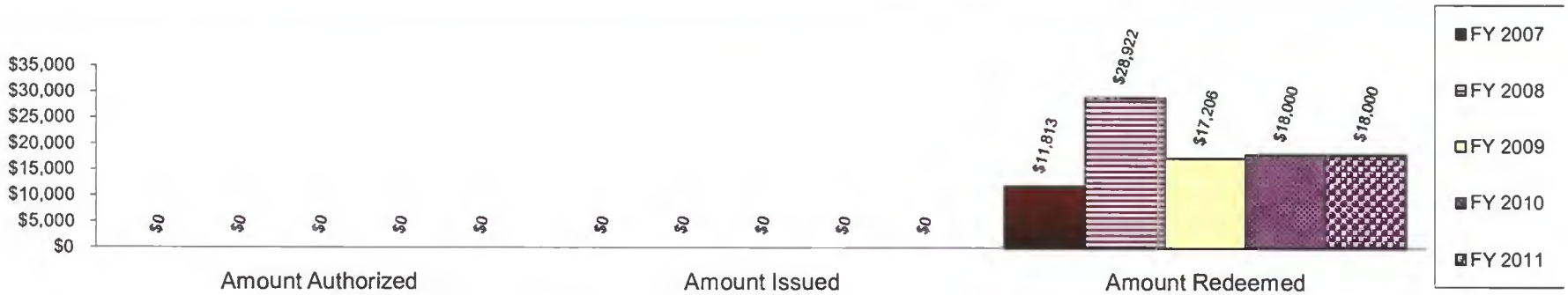
Specific Provisions: (if applicable)

Carry forward Unlimited years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$11,813	$28,922	$17,206	$18,000	$18,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Disabled Access Tax Credit-Small Business	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$795.00	$795.00
Total	$795.00	$795.00
COSTS		
Direct Fiscal Costs	$17,206.00	$17,206.00
Indirect Fiscal Costs		
Total	$17,206.00	$17,206.00
BENEFIT: COST	**0.05**	**0.05**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required by Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
$17,206 reduction in production costs in retail and accommodation establishments in Fiscal Year 2009.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits returns:

$0.53	in new personal income totaling	$0.01 million
$1.07	in new value-added/GSP totaling	$0.02 million
$1.07	in new economic output totaling	$0.02 million

Over five years, every dollar of redeemed program tax credits returns:

$0.53	in new personal income totaling	$0.01 million
$1.07	in new value-added/GSP totaling	$0.02 million
$1.07	in new economic output totaling	$0.02 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

RSMo 135.300-311
Wood Energy Tax Credit

A Missouri wood energy producer is eligible for a tax credit of five dollars per ton of processed material. The credit may be claimed for a period of five years and is to be a credit against the tax otherwise due. The Division of Energy evaluates the tax credit applications and certifies to the Department of Revenue each applicant that qualifies as a wood energy-producing facility. Download the application form.

- http://www.moga.state.mo.us/statutesearch/Default.aspx
- http://www.moga.state.mo.us/statutes/c100-199/1350000305.htm
- http://www.moga.state.mo.us/statutes/c100-199/1350000311.htm
- http://www.moga.state.mo.us/statutes/c100-199/1350000309.htm
- http://www.moga.state.mo.us/statutes/c100-199/1350000307.htm
- http://www.sos.mo.gov/adrules/csr/current/10csr/10c140-4.pdf

TAX CREDIT ANALYSIS

Program Name: Wood Energy	**Department:** Natural Resources	**Date:** October, 2009
Program Category: Environmental	**Type: Tax Credit**__X__ **Other (specify)**____	
Statutory Authority: 135.300-135.311	**Applicable Taxes:** Tax credit on taxes otherwise due under Chapter 143 RSMo, except sections 143.191 to 143.261 (withholding of tax).	

Program Description and Eligibility Requirements:

A Missouri wood energy producer (any person, firm or corporation that engages in the business of producing processed wood products from Missouri forest industry residue to be used as an energy source) is eligible for a tax credit on taxes otherwise due. Reenacted in 1996 by the 88th General Assembly, the credit applies to all tax periods beginning on or after January 1, 1997. The credit can only be used against the income tax otherwise due and is not available for use against withholding tax liabilities.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

Credit of $5/ton for wood products from processed wood residue.

Credit of $5/ton for wood used in charcoal production. Wood usage is inferred at 4 tons of wood residue used per ton of wood char produced.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ____X____

Explanation of cap:

Explanation of Expiration of Authority: HB 2058 (2008) states that no new wood energy tax credits shall be authorized after June 30, 2013.

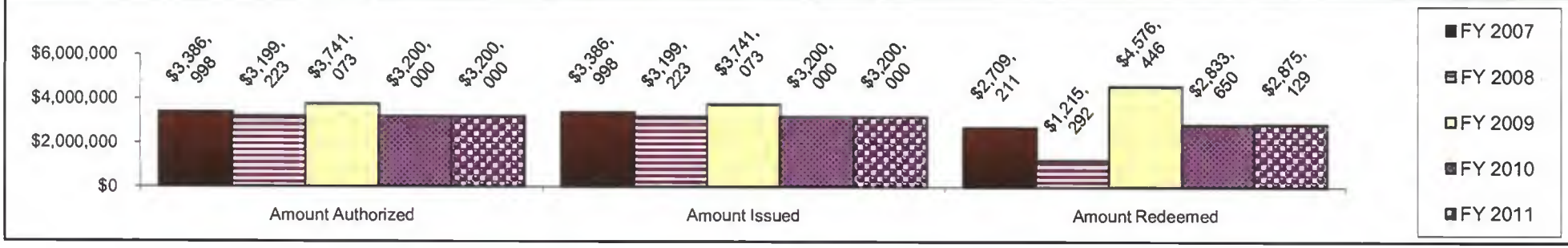
Specific Provisions: (if applicable)

Carry forward __4__ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	13	13	15	14	14
Projects (#)	13	13	15	14	14
Amount Authorized	$3,386,998	$3,199,223	$3,741,073	$3,200,000	$3,200,000
Amount Issued	$3,386,998	$3,199,223	$3,741,073	$3,200,000	$3,200,000
Amount Redeemed	$2,709,211	$1,215,292	$4,576,446	$2,833,650	$2,875,129
EST. Amount Outstanding	N/A	N/A	$3,601,119	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Wood Energy	**Department:** Natural Resources	**Date:** October, 2009

Comments on Historical and Projected Information: (1) Credits issued are based on amount of credits processed and forwarded to the Department of Revenue (DOR) during a fiscal year. It is assumed that all credits authorized by the department are issued by DOR immediately upon receipt of our authorization. (2) Actual redeemed Credit information was provided by DOR.

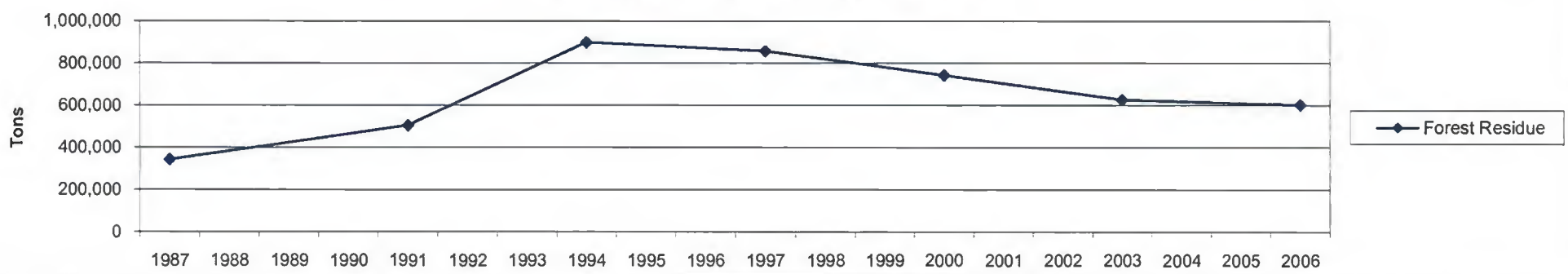
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	See Performance Measure	
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST		

Derivation of Benefits:

Other Benefits:

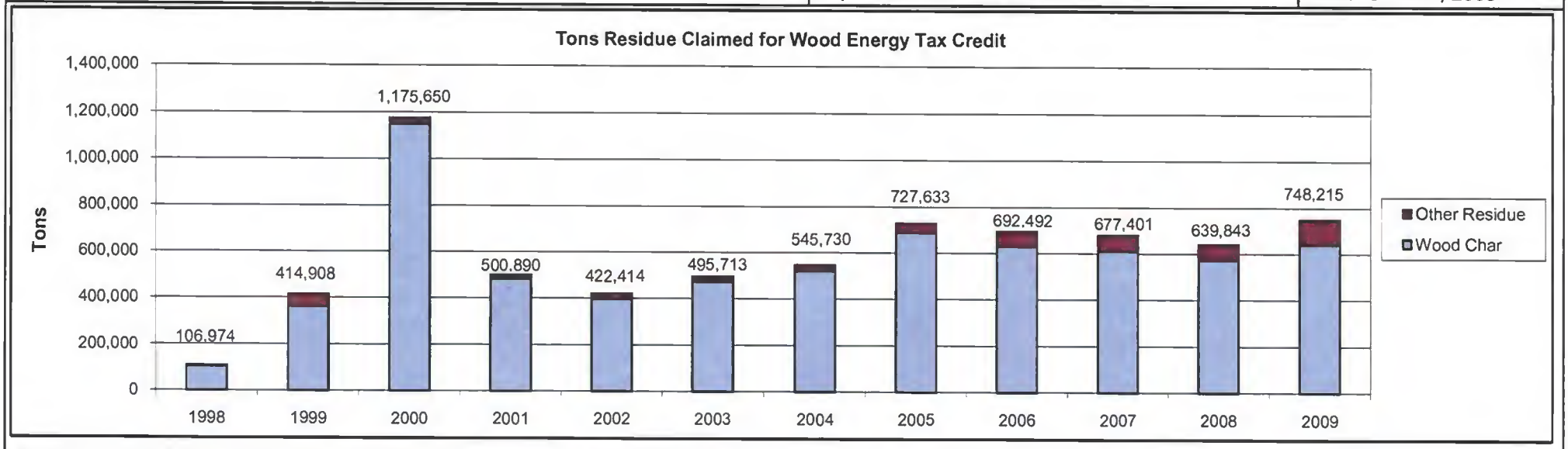
PERFORMANCE MEASURE(S)



Data source: surveys of the Missouri Timber Industry conducted by the U.S Forest Service. The surveys are completed every three years while the Missouri Timber Industry book is published every two years. The most recent information is for 2006.

TAX CREDIT ANALYSIS

Program Name: Wood Energy	**Department:** Natural Resources	**Date:** October, 2009



Data source: DNR Energy Center, and is based on the fiscal year that the claim was filed, not the year the product was sold.

Missouri Department of Revenue

Food Pantry Tax Credit (FPT)

Purpose

- Provides a tax credit for taxpayers who make donations of cash or food supplies to a qualified food pantry.

Eligible Food Pantries and Applicants

- A food pantry is defined as an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and distributes emergency food supplies to low-income people in the area the taxpayer claiming the tax credit resides.
- Any taxpayer (individual, corporation or trust) that makes a donation of cash or food supplies to a food pantry may receive a credit of up to $2,500 per taxpayer per year. The taxpayer may take a credit of 50% of their donations.

How to Claim the Food Pantry Credit

- To claim the Food Pantry Credit, the claimant must attach the following to their Missouri tax return:
  - A completed Miscellaneous Income Tax Credits form (MO-TC).
  - A completed Food Pantry Tax Credit form (MO-FPT) or documentation from the food pantry which specifies the name of the food pantry, the dates and amounts of donations, and the name of the person making the donations. A separate MO-FPT or letter documenting the donations must be submitted for each food pantry to which donations were made.

Eligible Use of Tax Credit

- The amount of the credit claimed may not exceed the amount of the claimant's tax liability. If the credit exceeds the claimant's tax liability, the excess amount may be carried forward three subsequent years.
- If the claimant reports donations used to calculate the Food Pantry Tax Credit as a charitable contribution on their federal Schedule A, the donation amount must be reported as a modification (addition) on Missouri Individual Income Tax Adjustments form (MO-A).
- Anyone employing persons not authorized to work in the United States under federal law is not eligible for the credit.

Authorization

- This Food Pantry Tax Credit may be applied to individual income tax, corporation income tax, and fiduciary tax, or any other tax incurred under the provisions of Chapter 143, RSMo, excluding state withholding tax.
- The Food Pantry Tax Credit is nonrefundable and is nontransferable.

Due Date and Funding Limits

- Returns claiming the Food Pantry Tax Credit must be filed by April 15th of each fiscal year.
- The total amount available for the Food Pantry Tax Credit is $2,000,000 in any one fiscal year. A fiscal year begins on July 1st and ends on June 30th.
- All claims will be held until after April 15th to determine if the total claimed exceeds $2,000,000. If claims exceed $2,000,000, the department will apportion credits in an equal ratio among all valid returns filed.
- If the Food Pantry Tax Credit is reduced because of apportionment, an amended return may be filed on or after July 1st to be considered for the following fiscal year beginning July 1, or the credit may be carried forward to the next year's tax return. Amended returns may be filed until the credit is exhausted

or the returns go out of statute. Generally, a return goes out of statute three years from the due date of that year's return.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- MO-A, Missouri Individual Income Tax Adjustments
- MO-FPT, Food Pantry Tax Credit

Contact Missouri Department of Revenue, Taxation Division:

- Email: taxcredit@dor.mo.gov
- Telephone: 573-526-8733 (for individual and fiduciary tax) 573-751-4541 (for corporation income tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Food Pantry Tax Credit	**Department: Revenue**	**Date: October 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: Section 135.647, RSMo	**Applicable Taxes: Chapter 143, RSMo**	

Program Description and Eligibility Requirements:

For all tax years beginning on or after January 1, 2007, any taxpayer who donates cash or food to any local food pantry shall be allowed a credit against the tax otherwise due under Chapter 143, RSMo, excluding withholding tax, in an amount equal to fifty percent of the value of the donations made to the extent such amounts that have been subtracted from federal adjusted gross income or federal taxable income are added back in the determination of Missouri adjusted gross income or Missouri taxable income before the credit can be claimed.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

Any taxpayer who donates cash or food to any local food pantry shall be allowed a credit against the tax due under Chapter 143, RSMo, excluding withholding tax, in an amount equal to fifty percent of the value of the donations made. Donations accepted by a local food pantry shall be valued at fair market value or wholesale value if the taxpayer making the donation is a retail grocery store, food broker, wholesaler, or restaurant. The amount of credit claimed shall not exceed the amount of the taxpayer's state tax liability for the year the credit is claimed and shall not exceed $2,500 per taxpayer. The director of revenue shall establish procedures where the credit is apportioned among all taxpayers claiming the credit if the $2 million cap is

Program Cap: Cumulative $2,000,000 (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: The cumulative amount to tax credits allocated to all taxpayers in any one fiscal year shall not exceed $2 million. The director of revenue shall establish procedures where the credit is apportioned among all taxpayers claiming the credit if the $2 million cap is reached.

Explanation of Expiration of Authority: Under Section 23.253, RSMo of the Missouri Sunset Act, the food pantry credit shall automatically sunset four years after the effective date or August 28, 2011.

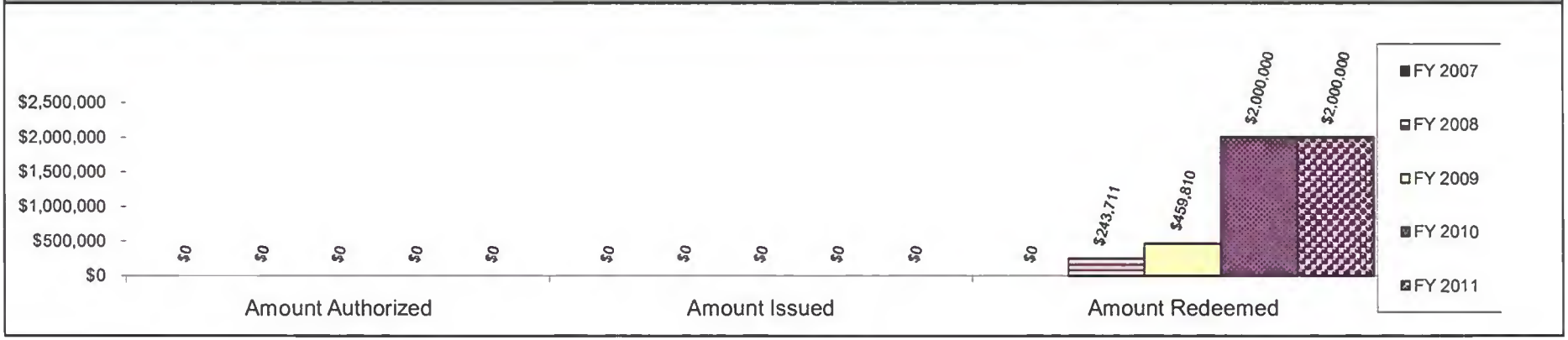
Specific Provisions: (if applicable)

Carry forward ___3__ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$0	$243,711	$459,810	$2,000,000	$2,000,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Food Pantry Tax Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$5,675	$5,675
Total	$5,675	$5,675
COSTS		
Direct Fiscal Costs	$459,810	$459,810
Indirect Fiscal Costs		
Total	$459,810	$459,810
BENEFIT: COST	**0.01**	**0.01**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
$459,810 reduction in personal income taxes for Fiscal Year 2009 and the maximum cap of $2,000,000 in future years.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits returns:

$0.30 in new personal income totaling	$0.14 million
$0.68 in new value-added/GSP totaling	$0.31 million
$1.04 in new economic output totaling	$0.48 million

Over five years, every dollar of redeemed program tax credits returns:

$0.30 in new personal income totaling	$0.14 million
$0.68 in new value-added/GSP totaling	$0.31 million
$1.04 in new economic output totaling	$0.48 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Homestead Preservation Credit

The Homestead Preservation Credit (HPC) Program was not extended during the 2010 legislative session. The HPC program will sunset (expire) on August 28, 2010. There will not be a 2010 Homestead Preservation Credit.

For persons who were approved to receive a credit on your 2009 HPC application, letters will be mailed in August 2010 to inform you of the credit you will receive on your real estate tax statement.

Note: The Property Tax Credit (Circuit Breaker) is still available for eligible seniors/disabled people. For more information, please visit http://dor.mo.gov/tax/personal/ptc/.

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Homestead Preservation Credit	**Department:** Revenue	**Date:** October 2009
Program Category: Domestic and Social	**Type:** Tax Credit____ Other (specify)____	
Statutory Authority: Section 137.106 RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

This tax credit shall be allowed to eligible owners, if in the prior tax year, the property tax liability on any parcel of real property increased by more than the homestead exemption limit. An eligible owner is any individual owner of property who is 65 years old or older as of January 1 of the tax year in which the individual is claiming the credit or who is disabled, and who had an income of equal to or less than the maximum upper limit in the prior year to completing an application.

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

Pursuant to Article X, Section 6(a) of the Constitution of Missouri, if in the prior tax year, the property tax liability on any parcel of subclass (1) real property increased by more than the homestead exemption limit, then any eligible owner of the property shall receive a homestead exemption credit to be applied to the current tax year property tax liability to offset the prior year increase in the tax liability that exceeds the homestead exemption.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: N/A

Explanation of Expiration of Authority: The Homestead Preservation Credit is set to sunset June 28, 2010. Pursuant to Section 137.106, subsection 18(2), the credit shall terminate September first of the year following the year in which the section is sunset, or September 1, 2011.

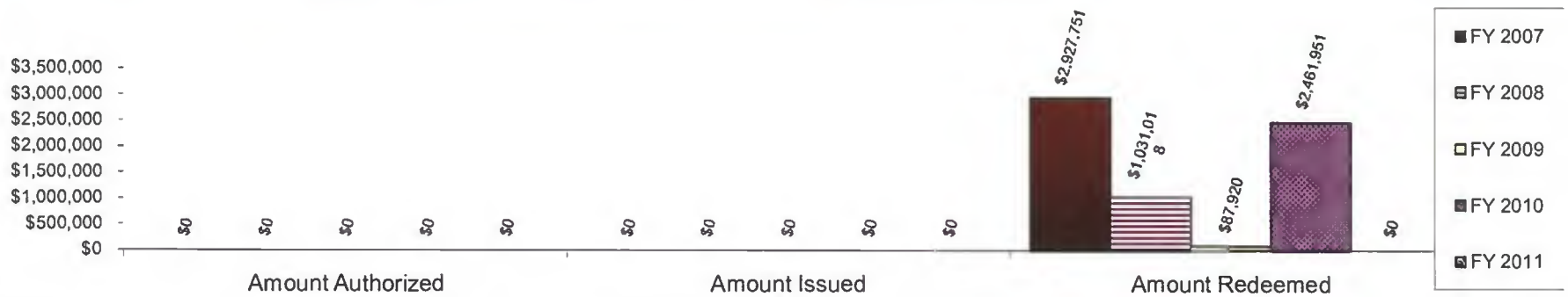
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$2,927,751	$1,031,018	$87,920	$2,461,951	$0
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Homestead Preservation Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$1,236	$1,236
Total	$1,236	$1,236
COSTS		
Direct Fiscal Costs	$87,920	$87,920
Indirect Fiscal Costs		
Total	$87,920	$87,920
BENEFIT: COST	**0.01**	**0.01**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
$87,920 reduction in property taxes in Fiscal Year 2009 and $2,461,951 in Fiscal Year 2010.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits returns:

$0.31	in new personal income totaling	$0.03	million
$0.67	in new value-added/GSP totaling	$0.06	million
$1.04	in new economic output totaling	$0.09	million

Over five years, every dollar of redeemed program tax credits returns:

$0.31	in new personal income totaling	$0.03	million
$0.67	in new value-added/GSP totaling	$0.06	million
$1.04	in new economic output totaling	$0.09	million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Public Safety Officer Surviving Spouse (SSC) Tax Credit

Purpose

- Provides a tax credit for a surviving spouse of a public safety officer killed in the line of duty.

Eligible Applicants

- Any surviving spouse of a public safety officer who was killed in the line of duty may be eligible for a credit against the tax due under Chapter 143, RSMo, excluding withholding tax, equal to the amount of property taxes paid on their homestead.

Qualifications

- The surviving spouse must own a homestead in Missouri and pay property taxes on the dwelling and surrounding land. If the homestead includes land in excess of five acres, a Form MO-948 must be completed by the county assessor to determine the appropriate credit.
- Eligible public safety officers are any firefighter, police officer, capitol police officer, parole officer, probation officer, correctional employee, water patrol officer, park ranger, conservation officer, commercial motor enforcement officer, emergency medical technician, first responder, or highway patrolman employed by the state of Missouri or a political subdivision in Missouri, who was killed in the line of duty.
- The surviving spouse may not be remarried.
- The homestead may not be occupied by more than two families.

How the Program Works

- For tax years beginning on or after January 1, 2008, the credit may be claimed for the tax year beginning the year of the death of the public safety officer until the surviving spouse remarries. No credit will be allowed the year the surviving spouse remarries.
- The credit is a refundable credit.

Procedures to Claim the Credit

- To claim the Public Safety Officer Surviving Spouse credit, the taxpayer must complete and attach Forms MO-SSC and MO-TC to their individual income tax return.

Funding Limits

- There are no funding restrictions.

Filing Period

- No specific due date, returns filed on an extension may claim the Public Safety Officers Surviving Spouse credit.

Authorization

- This credit may be applied to the individual income tax incurred under the provisions of Chapter 143, RSMo, excluding state withholding tax.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form MO-SSC, Public Safety Officer Surviving Spouse Credit
- Individual Income Tax Forms

Contact Missouri Department of Revenue, Taxation Bureau

- E-mail: taxcredit@dor.mo.gov
- Phone: 573-522-6864

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Peace Officer Surviving Spouse	**Department:** Revenue	**Date:** October 2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 135.090, RSMo	**Applicable Taxes:** Chapter 143	

Program Description and Eligibility Requirements:

For all tax years beginning on or after January 1, 2008, a surviving spouse of a public safety officer shall be allowed a credit against the tax otherwise due under Chapter 143, RSMo, excluding withholding tax, in an amount equal to the total amount of the property taxes on the surviving spouse's homestead paid during the tax year for which the credit is claimed. A surviving spouse may claim the credit for each tax year beginning the year of death of the public safety officer spouse until the tax year in which the surviving spouse remarries.

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

A surviving spouse of a public saftey officer may claim a credit equal to the total amount of the property taxes paid on the surviving spouse's homestead. A surviving spouse may claim the credit for each tax year beginning the year of death of the public safety officer spouse until the tax year in which the surviving spouse remarries. No credit shall be allowed for the tax year in which the surviving spouse remarries.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: N/A

Explanation of Expiration of Authority: Pursuant to Section 23.253, RSMo, of the Missouri Sunset Act, the peace officer surviving spouse tax credit shall sunset six years after the effective date or August 28, 2013.

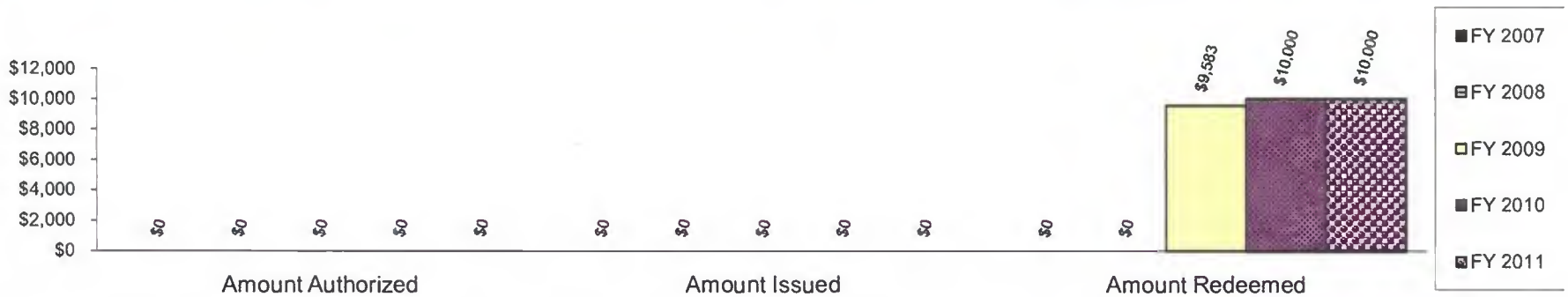
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$0	$0	$9,583	$10,000	$10,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Peace Officer Surviving Spouse	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$24	$24
Total	$24	$24
COSTS		
Direct Fiscal Costs	$9,583	$9,583
Indirect Fiscal Costs		
Total	$9,583	$9,583
BENEFIT: COST	**0.00**	**0.00**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Models, Inc. (REM) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions:
$9,583 reduction in personal income taxes for Fiscal Year 2009.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits return:

$0.48	in new personal income totaling	$0.00	million
$0.96	in new value-added/GSP totaling	$0.01	million
$0.77	in new economic output totaling	$0.01	million

Over five years, every dollar of redeemed program tax credits returns:

$0.48	in new personal income totaling	$0.00	million
$0.96	in new value-added/GSP totaling	$0.01	million
$0.77	In new economic output totaling	$0.01	million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Residential Dwelling Accessibility (DAT) Tax Credit

Purpose

- To provide a tax credit for making a taxpayer's principal residential dwelling accessible for individuals with disabilities. The disabled individual must be a permanent resident of the dwelling.

Eligible Applicants

- Any individual or married couple filing a combined return with a federal adjusted gross income of $30,000 or less, may receive a tax credit equal to the lesser of 100 percent of the costs incurred or $2,500 per taxpayer, per year.
- Any individual or married couple filing combined return with a federal adjusted gross income of over $30,000, but less than or equal to $60,000, may receive a tax credit equal to the lesser of 50 percent of the costs incurred or $2,500 per taxpayer, per year.
- No applicant shall be eligible to receive the credit in any year immediately following a year in which they received a Residential Dwelling Accessibility tax credit.

How the Program Works

- Beginning January 1, 2008, a credit may be claimed in the same taxable year as costs were incurred. If you incurred costs in more than one calendar year, you may combine the expenses and file one tax credit claim.
- The credit must be reduced by any amount of costs already deducted from the taxpayer's federal adjusted gross income or to the extent any other credit has been claimed for the costs.
- The credit is issued on a first come first served basis.
- Eligible costs include constructing entrance or exit ramps, widening exterior or interior doorways, widening hallways, installing handrails or grab bars, moving electrical outlets and switches, installing stairway lifts, installing or modifying fire alarms, smoke detectors, and other alerting systems, modifying hardware of doors and modifying bathrooms.
- Credit is a refundable tax credit up to $2,500 per taxpayer.

Procedures to Claim the Credit

- To claim the Residential Dwelling Accessibility tax credit, the taxpayer must complete and attach Forms MO-DAT and MO-TC to their tax return.

Funding Limits

- Funding for the DAT credit is provided from the Rebuilding Communities tax credit, as long as there are funds available for the fiscal year.
- The total amount of Residential Dwelling Accessibility tax credits issued is limited to $100,000 per fiscal year.

Filing Period

- All claimants that claim the Residential Dwelling Accessibility tax credit must file their return by April 15 of the applicable fiscal tax year.

Authorization

- The credit may be applied to the taxpayer's individual income tax incurred under the provisions of Chapter 143, RSMo, excluding state withholding tax.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form DAT, Residential Dwelling Accessibility
- Individual Income Tax Forms

Contact Missouri Department of Revenue, Taxation Bureau

- E-mail: taxcredit@dor.mo.gov
- Phone: 573-526-8733

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Residential Dwelling Accessibility Tax Credit	**Department:** Revenue	**Date:** October 2009
Program Category: Domestic and Social	**Type:** Tax Credit_X___ Other (specify)____	
Statutory Authority: Section 135.562, RMSo	**Applicable Taxes:** Individual Income Tax	

Program Description and Eligibility Requirements:

Any taxpayer who incurs costs for the purpose of making all or any portion of their principal dwelling accessible to an individual with a disability and permanently resides with the taxpayer, may receive a tax credit against the taxpayer's Missouri income tax liability. The credit begins in taxable year 2008.

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

A taxpayer with a federal adjusted income of $30,000 or less shall receive a tax credit against their Missouri income tax liability in an amount equal to the lesser of 100% of such costs or $2,500 per taxpayer, per tax year. A taxpayer with a federal adjusted gross income greater than $30,000 but less than $60,000 shall receive a tax credit against their Missouri income tax liability in an amount equal to the lesser of 50% of such costs or $2,500 per taxpayer, per tax year.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $100,000 None _____

Explanation of cap: In no event shall the aggregate amount of all tax credits allowed pursuant to Section 135.562, RSMo, exceed $100,000 in any given fiscal year. The tax credits issued pursuant to this section shall be on a first-come, first-served basis.

Explanation of Expiration of Authority: The tax credit expires December 31, 2013.

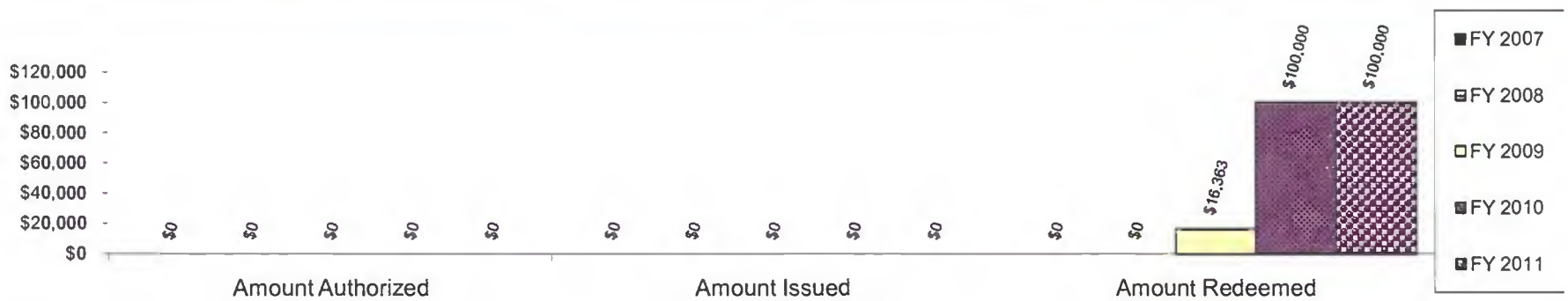
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$0	$0	$16,363	$100,000	$100,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Residential Dwelling Accessibility Tax Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$151	$151
Total	$151	$151
COSTS		
Direct Fiscal Costs	$16,363	$16,363
Indirect Fiscal Costs		
Total	$16,363	$16,363
BENEFIT: COST	**0.01**	**0.01**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Model, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required by Section 33.282 RSMo.

REMI 8.0.5 Model Assumptions:
$16,363 reduction in personal income taxes for Fiscal Year 2009 and the maximum cap of $100,000 in future years.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits return:

$0.37	in new personal income totaling	$0.01	million
$0.79	in new value-added/GSP totaling	$0.01	million
$0.90	in new economic output totaling	$0.01	million

Over five years, every dollar of redeemed program tax credits returns:

$0.37	in new personal income totaling	$0.01	million
$0.79	in new value-added/GSP totaling	$0.01	million
$0.90	in new economic output totaling	$0.01	million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Rolling Stock

Missouri Revised Statutes

Chapter 137
Assessment and Levy of Property Taxes
Section *137.1018*

August 28, 2009

Statewide average rate of property taxes levied, ascertained by the commission--report submitted--taxes collected, how determined--tax credit authorized--sunset provision.

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes levied the preceding year, based upon the total assessed valuation of the railroad and street railway companies and the total property taxes levied upon the railroad and street railway companies. It shall determine total property taxes levied from reports prescribed by the commission from the railroad and street railway companies. Total taxes levied shall not include revenues from the surtax on subclass three real property.

2. The commission shall report its determination of average property tax rate for the preceding year, together with the taxable distributable assessed valuation of each freight line company for the current year to the director no later than October first of each year.

3. Taxes on property of such freight line companies shall be collected at the state level by the director on behalf of the counties and other local public taxing entities and shall be distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such property based upon the distributable assessed valuation attributable to Missouri of each freight line company, using the average tax rate for the preceding year of the railroad and street railway companies certified by the commission. Such tax shall be due and payable on or before December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty equal to that specified in section 140.100, RSMo.

4. (1) As used in this subsection, the following terms mean:

(a) "Eligible expenses", expenses incurred in this state to manufacture, maintain, or improve a freight line company's qualified rolling stock;

(b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars subject to the tax levied under this section.

(2) For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied under this section for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

(3) A freight line company may apply for the credit by submitting to the commission an application in the form prescribed by the state tax commission.

(4) Subject to appropriation, the state shall reimburse, on an annual basis, any political subdivision of this state for any decrease in revenue due to the provisions of this subsection.

5. Pursuant to section 23.253, RSMo, of the Missouri sunset act:

(1) The provisions of the new program authorized under this section shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

(L. 1999 S.B. 219, A.L. 2008 S.B. 711)

Sunset date 8-28-14, unless reauthorized

Termination date 9-01-15, unless reauthorized

© Copyright

Missouri General Assembly

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Rolling Stock Tax Credit	**Department:** Revenue	**Date:** 09/2009
Program Category: N/A	**Type: Tax Credit** __X__ **Other (specify)**____	
Statutory Authority: Section 137.1018.4	**Applicable Taxes:** Private Car Ad Valorem Tax	

Program Description and Eligibility Requirements: Freight Line Tax Credit Subject to Appropriations Not to Exceed Maximum Tax Liability

For tax year beginning January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied for the applicable tax year. The tax credit amount shall be equal to the amount of eligible expenses incurred during the calendar year immediately preceding the tax year for which the credit under this section is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under this section for the tax year for which the credit is claimed.

Explanation of How Award is Computed: Entitlement __X__ Discretionary _____

Private car ad valorem tax is assessed to the freight line companies by the following formula:
The State Tax Commission determines the assessed value for freight line companies. The Tax Commission determines an average tax rate based on the actual taxes collected from the previous tax year paid by the operating railroads in Missouri. The tax rate is applied by the tax commission's calculated assessed value. This produces the "tax levied". This is returned to the Department of Revenue for central collection by October 1st and is due and payable by December 31st. For all taxable years beginning on or after January 1, 2009, a freight line company shall, subject to appropriation, be allowed a credit against the tax levied. The tax credit amount is equal to the amount of eligible expenses (eligible expenses are those incurred in this state to manufacture, maintain, or improve a freight line company's rolling stock)and are incurred during the calendar year immediately preceding the tax year for which the credit is claimed. The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied for which the credit is claimed. If the appropriation is not totally funded, each company would receive a pro-rata share (based on their claim to total claims).

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual __X_____ None _____

Explanation of cap: The amount of the tax credit issued shall not exceed the freight line company's liability for the tax levied under Section 137.1018 for the tax year for which the credit is claimed.

Explanation of Expiration of Authority: The provision of the new program shall automatically sunset six years after August 28, 2008, unless reauthorized by an act of the general assembly and if reauthorized, the program shall automatically sunset twelve years after the effective date of the reauthorization.

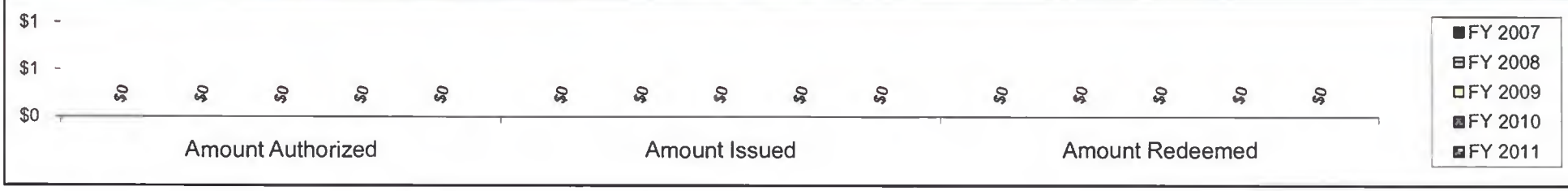
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: N/A

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$0	$0	$0	$0	$0
EST. Amount Outstanding	N/A	N/A	N/A	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Rolling Stock Tax Credit	**Department:** Revenue	**Date:** 09/2009

Comments on Historical and Projected Information: The Private Car Ad Valorem tax credit was appropriated by the General Assembly through the budget process for FY-2010 in the amount of $4,000,000; however, the Governor line item vetoed the appropriation , thus there is no current or historical data available. If appropriations would have been authorized, the claim would have been for the total taxes due for calendar year 2009 which was $3,757,140. Historical data reflects the following for private car taxes due:

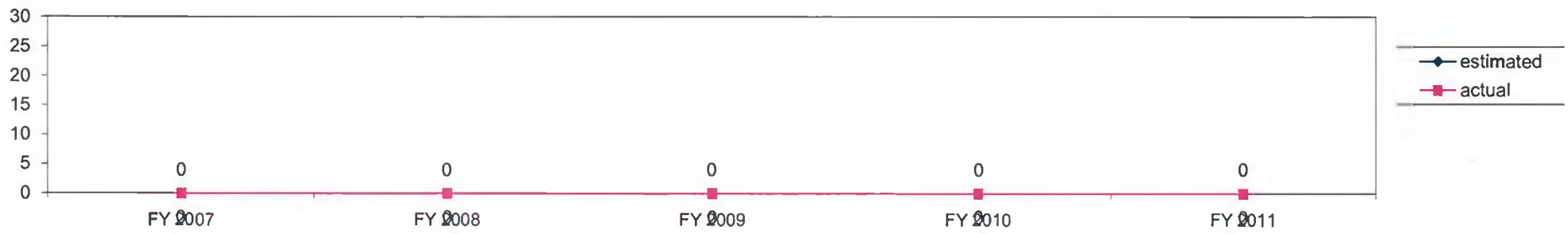
BENEFIT: COST ANALYSIS (Includes only state revenue Impacts)

	FY 2009 ACTUAL	Other Fiscal Period (FY-2010)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total		
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total		
BENEFIT: COST	**#DIV/0!**	**#DIV/0!**

Derivation of Benefits: N/A

Other Benefits: N/A

PERFORMANCE MEASURE(S)



Comments on Performance Measure:
N/A

Missouri Revised Statutes

Chapter 143
Income Tax
Section *143.119*

August 28, 2009

Federal health insurance deduction, state tax credit--rulemaking authority.

143.119. 1. A self-employed taxpayer, as such term is used in the federal internal revenue code, who is otherwise ineligible for the federal income tax health insurance deduction under Section 162 of the federal internal revenue code shall be entitled to a credit against the tax otherwise due under this chapter, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount equal to the portion of such taxpayer's federal tax liability incurred due to such taxpayer's inclusion of such payments in federal adjusted gross income. The tax credits authorized under this section shall be nontransferable. To the extent tax credit issued under this section exceeds* a taxpayer's state income tax liability, such excess shall be considered an overpayment of tax and shall be refunded to the taxpayer.

2. The director of the department of revenue shall promulgate rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

(L. 2007 H.B. 818)

*Word "exceed" appears in original rolls.

© Copyright

Missouri General Assembly

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Self-Employed Health Insurance Tax Credit	**Department: Revenue**	**Date: October 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: Section 143.119, RSMo	**Applicable Taxes: Chapter 143, excluding withholding**	

Program Description and Eligibility Requirements:

A self-employed taxpayer, as such term is used in the federal Internal Revenue Code (IRC), who is ineligible for the federal income tax health insurance deduction under Section 162 of the

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

A self-employed taxpayer may claim a credit in an amount equal to the portion of the taxpayer's federal tax liability incurred due to the taxpayers inclusion of the federal income tax health insurance payment in their federal adjusted gross income.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap:

Explanation of Expiration of Authority:

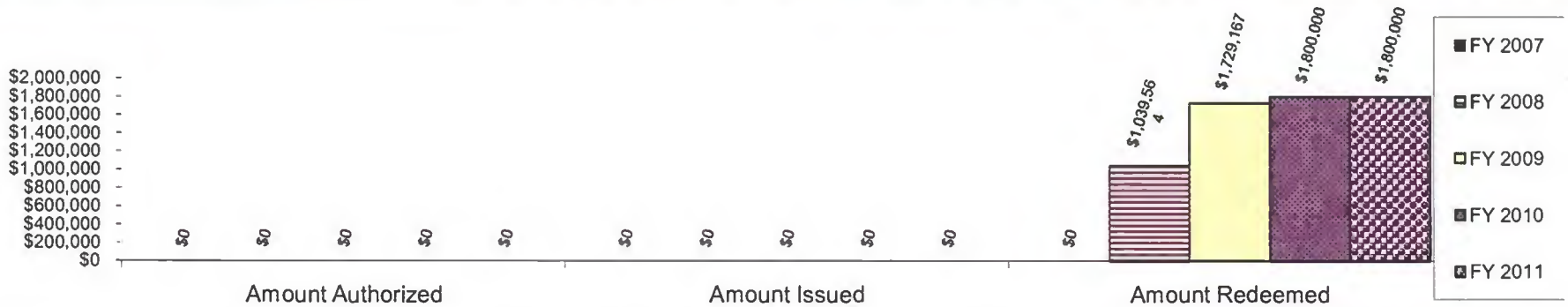
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$0	$1,039,564	$1,729,167	$1,800,000	$1,800,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Self-Employed Health Insurance Tax Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$27,221	$27,221
Total	$27,221	$27,221
COSTS		
Direct Fiscal Costs	$1,729,167	$1,729,167
Indirect Fiscal Costs		
Total	$1,729,167	$1,729,167
BENEFIT: COST	**0.02**	**0.02**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Model, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282 RSMo.

REMI 8.0.5 Model Assumptions:
$1,729,167 reduction in personal income taxes in Fiscal Year 2009.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits return:

$0.34	in new personal income totaling	$0.58	million
$0.68	in new value-added/GSP totaling	$1.17	million
$1.10	in new economic output totaling	$1.91	million

Over five years, every dollar of redeemed program tax credits returns:

$0.34	in new personal income totaling	$0.58	million
$0.68	in new value-added/GSP totaling	$1.17	million
$1.10	in new economic output totaling	$1.91	million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

SENIORS

Missouri Department of Revenue

Property Tax Credit

The Missouri Property Tax Credit Claim gives credit to certain senior citizens and 100 percent disabled individuals for a portion of the real estate taxes or rent they have paid for the year. The credit is for a maximum of $750 for renters and $1,100 for owners who owned and occupied their home. The actual credit is based on the amount of real estate taxes or rent paid and total household income (taxable and nontaxable). **If you rent from a facility that does not pay property taxes, you are not eligible for a Property Tax Credit.** Click here for the Property Tax Credit Qualification Chart.

Tax Information

- What's New?
- Frequently Asked Questions
- Filing Options
- Tax Forms
- Returned Refund Checks
- Mailing Addresses/Phone Numbers
- Pension Exemption and Social Security/Social Security Disability Deduction
- Property Tax Credit Claim Assistance
- Email Us at PropertyTaxCredit@dor.mo.gov

Electronic Services

- Electronic Filing
- Tax Form Selector
- Income Tax Calculator
- Fill-In Forms That Calculate
- Paying Taxes Online
- Return Inquiry (Refund or Balance Due Status)

Other Links

- Missouri Revised Statutes (RSMo)
- Federal (IRS) Forms
- Missouri Code of State Regulations (CSR)
- Missouri Department of Revenue Publications

© 2010 Missouri Department of Revenue. All rights reserved.

AM I ELIGIBLE?

Use this diagram to determine if you or your spouse are eligible to claim the

PROPERTY TAX CREDIT

START DIAGRAM BY CHOOSING BOX 1 OR BOX 2 AND FOLLOW TO CONCLUSION.

1 RENTERS / PART YEAR OWNERS -- If **single**, is your total household income $27,500 or less? If **married filing combined**, is your total household income $29,500 or less? If you are a 100% service connected disabled veteran, do not include VA payments.

NO → NOT ELIGIBLE

YES ↓

OR **2** OWNED AND OCCUPIED YOUR HOME THE ENTIRE YEAR -- If **single**, is your total household income $30,000 or less? If **married filing combined**, is your total household income $34,000 or less? If you are a 100% service connected disabled veteran, do not include VA payments.

NO → NOT ELIGIBLE

YES ↓

Did you pay real estate taxes or rent on the home you occupied?

RENTERS: If you rent from a facility that does not pay property taxes, you are not eligible for a Property Tax Credit.

NO → NOT ELIGIBLE

YES ↓

Can you truthfully state that you do not employ illegal or unauthorized aliens?

NO → NOT ELIGIBLE

YES ↓

Were you or your spouse 65 years of age or older as of December 31, 2009, and were you or your spouse a Missouri resident the entire 2009 calendar year? If so, check **Box A** on Form MO-PTC.

NO →

Are you or your spouse 100 percent disabled as a result of military service? If so, check **Box B** on Form MO-PTC.

NO →

Are you or your spouse 100 percent disabled? If so, check **Box C** on Form MO-PTC.

NO →

Were you 60 years of age or older as of December 31, 2009, and did you receive surviving spouse social security benefits? If so, check **Box D** on Form MO-PTC.

NO → NOT ELIGIBLE

YES ↓ YES ↓ YES ↓ YES ↓

ELIGIBLE

This information is for guidance only and does not state complete law.

2-D Barcode Returns — If you plan on filing a paper return, you should consider 2-D barcode filing. The software encodes all your tax information into a 2-D barcode, which allows your return to be processed in a fraction of the time it takes to process a traditional paper return. If you use software to prepare your return, check our web site for approved 2-D barcode software companies. Also, check out the department's fill-in forms that calculate and have a 2-D barcode. **ALL** 2-D barcode returns should be mailed to: **Department of Revenue, P.O. Box 3385, Jefferson City, MO 65105-3385.**

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Senior Citizens Property Tax Credit	**Department:** Revenue	**Date:** October 2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: Section 135.010 to Section 135.035, RSMo	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

Sections 135.010 - 135.035, RSMo, allows certain senior citizens who have lived in Missouri the entire year, are 65 years of age or older, or 100% disabled and meet the income levels to file a claim for a refund of a portion of their property taxes or rent. The maximum total household income upper limit for renters or if the home is not owned the entire year is $27,500 for single individuals or married couples filing a separate return and $29,500 for married couples filing a combined return. If they own their home the entire year, the maximum income is $30,000 for single individuals or married couples filing separate return and $34,000 for married couples filing a combined return. The minimum base for tax year 2008 is $14,300.

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

Sections 135.010 - 135.035 RSMo, allows certain senior citizens who have lived in Missouri the entire year, are 65 years of age or older, or 100% disabled and meet the income levels to file a claim for a refund of a portion of their property taxes or rent. If the income on a return is equal to or less than the maximum upper limit for calendar year for which the return if filed, the property tax credit shall be determined from a table of credits based upon the amount by which the total property tax described in Section 135.025, RSMo, exceeds the percent of income. The property tax shall be in increments of $25 and the income in increments of $300. The credit shall be the amount rounded to the nearest whole dollar computed on the basis of the property tax and income at the midpoints of each increment.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None _____

Explanation of cap: Section 135.030, RSMo, sets the cap at $750 per claim for rent paid and $1,100 for property taxes paid.

Explanation of Expiration of Authority:

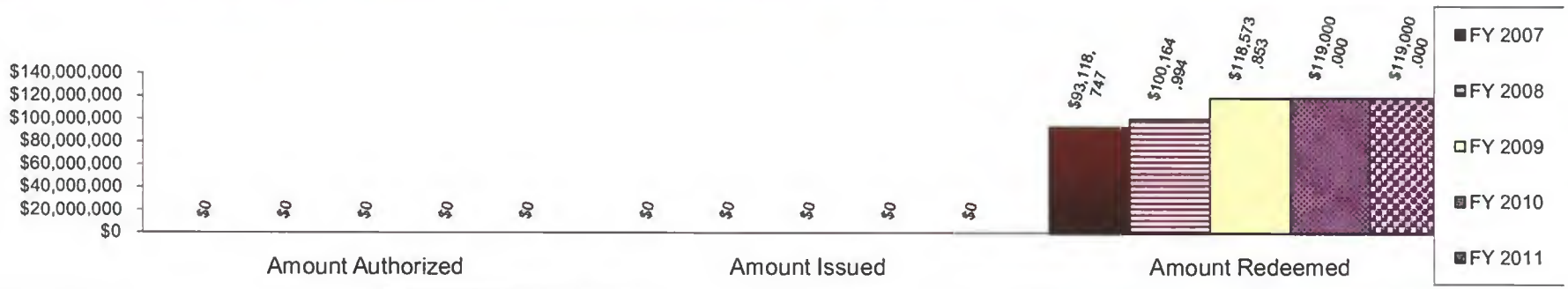
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable __X___ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$93,118,747	$100,164,994	$118,573,853	$119,000,000	$119,000,000
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Senior Citizens Property Tax Credit	Department: Revenue	Date: October 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$1,928,777	$1,928,777
Total	$1,928,777	$1,928,777
COSTS		
Direct Fiscal Costs	$118,573,853	$118,573,853
Indirect Fiscal Costs		
Total	$118,573,853	$118,573,853
BENEFIT: COST	**0.02**	**0.02**

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED) used the Regional Economic Model, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282 RSMo.

REMI 8.0.5 Model Assumptions:
$118,573,853 reduction in personal income taxes in Fiscal Year 2009.

Other Benefits:

In Fiscal Year 2009, every dollar of redeemed program tax credits returns:

$0.35 in new personal income totaling	$41.35 million
$0.70 in new value-added/GSP totaling	$82.79 million
$1.10 in new economic output totaling	$130.26 million

Over five years, every dollar of redeemed program tax credits returns:

$0.35 in new personal income totaling	$41.35 million
$0.70 in new value-added/GSP totaling	$82.79 million
$1.10 in new economic output totaling	$130.26 million

PERFORMANCE MEASURE(S)

Comments on Performance Measure:

Missouri Department of Revenue

Special Needs Adoption Tax Credit (ATC)

Purpose

- Provides a credit to assist in the nonrecurring adoption expenses for a special needs child.

Eligible Applicants

- Any person residing in this state that legally adopts a special needs child is eligible to receive a tax credit up to $10,000 for nonrecurring adoption expenses for each child.
- Any business entity providing funds to an employee to legally adopt a special needs child may be eligible to receive a credit of up to $10,000 for nonrecurring adoption expenses for each child.

Eligible Activities

- The child must be a special needs child as determined by the Department of Social Services, Children's Division, a child-placing agency licensed by the state, or by a court of competent jurisdiction.

How the Program Works

- To claim the Adoption Tax Credit, the parent, or their employer if the employer is claiming the full credit, must complete Form MO-ATC.
- The claimant must attach a copy of the completed Form MO-ATC along with the tax return the first year the credit is being claimed.
- Effective January 1, 2000, up to 50 percent of any tax credits earned for adoptions finalized after January 1, 2000, may be claimed upon placement of the child and the remaining 50 percent claimed after the special needs adoption is final.

Eligible Use of Tax Credit

- The credit may be carried forward four subsequent years. During the year of adoption, or any year in which the credit is carried forward, the credit will be reduced by the state's cost of providing care, treatment, maintenance, and services when the child is placed, with no intent to return to the adoptive home, in foster care or residential treatment licensed or operated by the Department of Social Services, Children's Division, the Division of Youth Services, or the Department of Mental Health, or when a juvenile court temporarily or finally relieves the adoptive parents of custody of the child.

Authorization

- This tax credit may be applied to adopting parents' or the qualifying business' state income tax, corporation income tax, fiduciary tax, franchise tax, or any other tax incurred under the provisions of Chapter 143, RSMo excluding state withholding tax.
- This credit may be assigned, sold, or transferred. When first claiming the credit as the result of a sale or assignment, attach a statement signed by the seller including the names, addresses, phone numbers,

and social security numbers of the buyer and seller, the date the credit was sold, and a copy of the original Form MO-ATC completed by the adoptive parents.

Funding Limits

- The total dollars available for Adoption Tax Credit (ATC) is $4 million. Initially $2 million is allocated for Missouri resident special needs children, and $2 million is for nonresident special needs children.
- If claims exceed the amount available for either category, the total amount available will be apportioned among all valid claims for that category based on the amount of ATC's claimed on each valid return filed regardless of the order received.
- If the Special Needs Adoption Credit is apportioned and a tax liability remains, an amended return may be filed. Amended returns may continue to be filed until the credit is satisfied up to the tax liability for a particular tax year or the return goes out of statute. Generally, a return goes out of statute three years from the due date of that year's return.
- The cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses shall not be less than $4 million but may be increased by appropriation in any one fiscal year.

Due Date

- Beginning July 1, 2006, applications to claim the ATC for children who were a Missouri resident when the adoption was initiated must be filed between July 1 and April 15 of each fiscal year. Also beginning July 1, 2006, applications to claim the ATC for children who were not Missouri residents when the adoption was initiated must be filed between July 1 and December 31 of each fiscal year. ATC refunds are issued during the month of June.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form MO-ATC, Adoption Tax Credit (Revised)
- Individual Income Tax Forms
- Business Tax Forms

Contact Missouri Department of Revenue, Taxation Division:

- Email: taxcredit@dor.mo.gov
- Phone: 573-526-8733 (for individual tax) 573-751-4541 (for business tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

Program Name: Community Development Bank Tax Credit (CDC)	**Department:** Economic Development	**Date:** October, 2009
Program Category: Redevelopment	**Type:** Tax Credit __X__ Other (specify)_____	
Statutory Authority: 135.400 to 135.430 RSMo.	**Applicable Taxes:** Income Tax, excluding withholding tax; Corporate franchise tax; Bank tax; Insurance premium tax; Other financial institution tax; Express companies tax; Insurance co. retaliatory tax	

Program Description and Eligibility Requirements:

Credit of 50% for a contribution/investment into a pre-approved community bank or CDC. Funds targeted to induce investment into distressed areas. The types of investments identified in the application could fall into one of the three following categories: micro loans to new or growing small businesses, real estate development/redevelopment or housing in-fill/rehabilitation projects.

Expanation of How Award is Computed: Entitlement_____ Discretionary __X____

Based upon 50% of a contribution/investment into a pre-approved community bank or CDC. The level of funding is determined during the application phase. Approval is subject to the amount of credits available, the application meeting the program requirements, and the projected outcomes attainable.

Program Cap: Cumulative $ 6 Million___ (remainder of cumulative cap) $ __0___ Annual $_____ None _____

Explanation of cap: When the program was initiated it received a one time allocation of $6 million. In 2000 SB 894 was passed that would have allowed for an annual allocation of tax credits. However, SB 894 was found to be unconstitutional by the Missouri Supreme Court. Currently all of the initial allocation has been authorized to approved community banks/CDC's. While those approved community banks/CDC's continue to produce results no new applications are being accepted.

Explanation of Expiration of Authority:

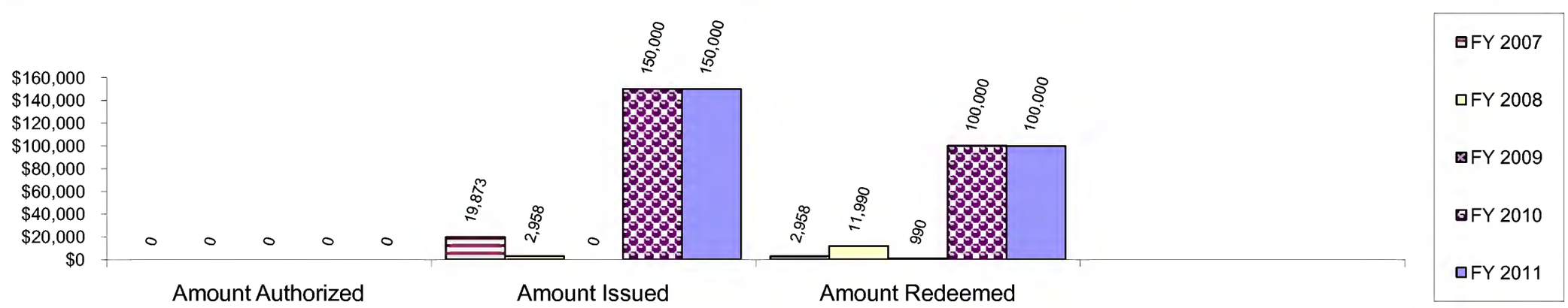
Specific Provisions: (if applicable)

Carry forward 10 years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (budget year)	FY 2011 (budget year)
Certificates Issued (#)	3	1	0	5	5
Projects (#)	2	1	0	3	3
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$19,873	$2,957	$0	$150,000	$150,000
Amount Redeemed	$2,958	$11,990	$990	$100,000	$100,000
EST. Amount Outstanding	N/A	N/A	$56,000	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Community Development Bank Tax Credit (CDC)	**Department:** Economic Development	**Date:** October, 2009

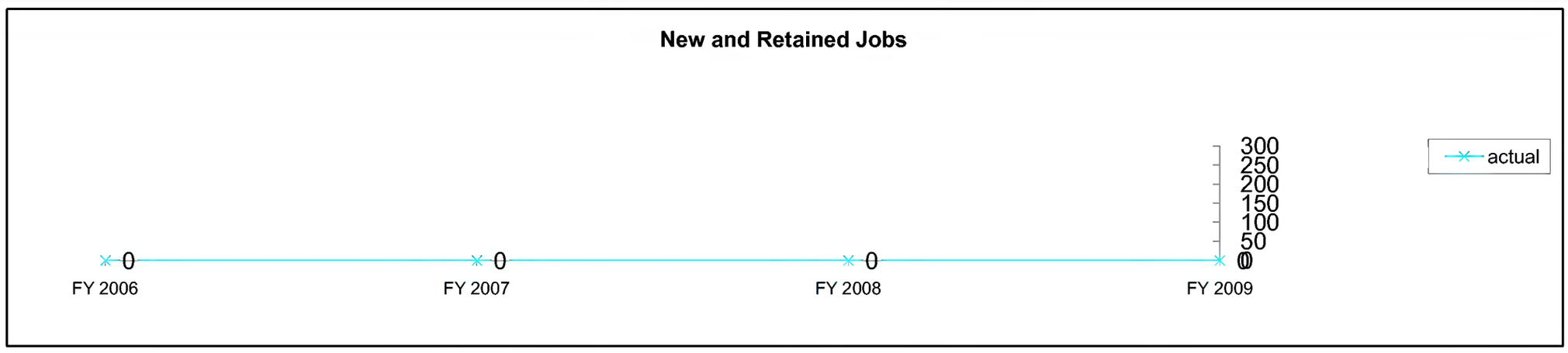
BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	**#DIV/0!**	**#DIV/0!**

Derivation of Benefits:

No authorizations in FY 09.

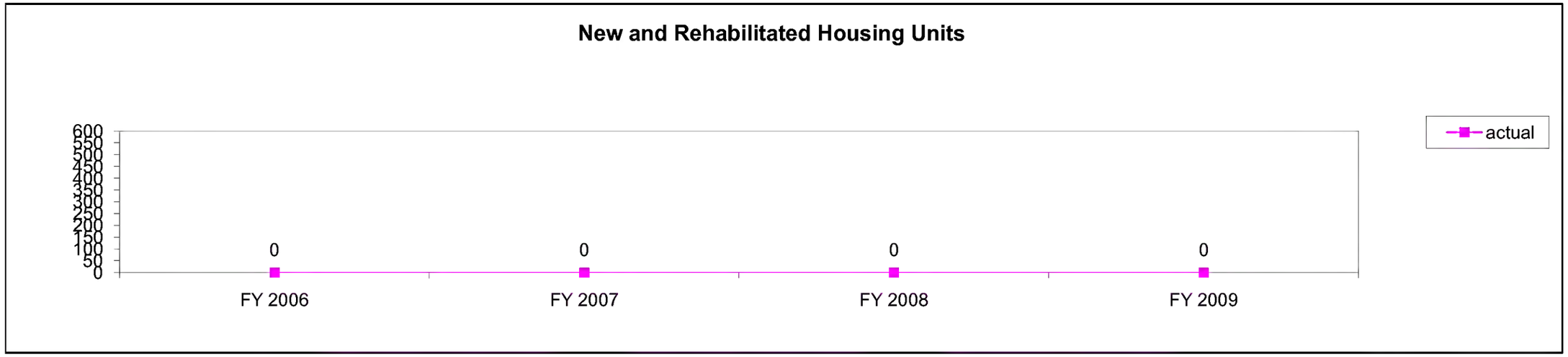
PERFORMANCE MEASURE(S)



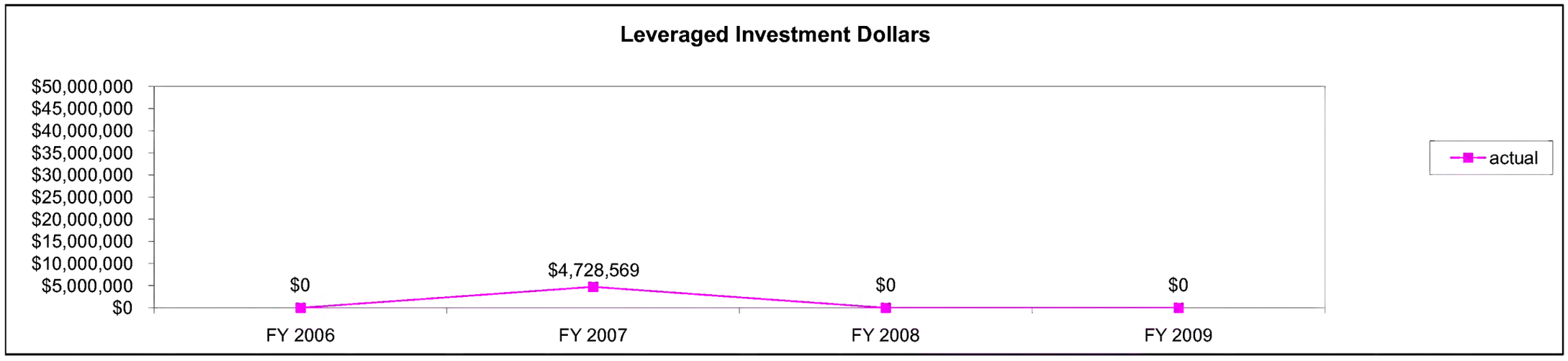
Comments on Performance Measure: FY 2003 85 New Jobs and 114 Retained Jobs = 199 Total Jobs; FY 2004 148 New Jobs and 59 Retained Jobs = 207 Total Jobs; FY 2005 79 New Jobs and 0 Retained Jobs = 97 Total Jobs.

TAX CREDIT ANALYSIS

Program Name: Community Development Bank Tax Credit (CDC)	**Department:** Economic Development	**Date:** October, 2009



Comments on Performance Measure: FY 2003 15 New Housing Units and 567 Rehabilitated Housing Units = 582 Total Units; FY 2004 83 New Housing Units and 123 Rehabilitated Housing Units = 206 Total Units; FY 2005 12 New Housing Units and 25 Rehabilitated Housing Units = 37 Total Units.



Comments on Performance Measure: Leveraged dollars reflect the amount of investment that occurred in targeted distressed areas as a result of program approved projects.

Historical and Projected Information

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Amount Authorized	0	0	0	0	0
Amount Issued	19,873	2,958	0	150,000	150,000
Amount Redeemed	2,958	11,990	990	100,000	100,000

DO NOT CHANGE data on "Historical and Projected Information" table above - it is linked to data entered on the Tax Credit Analysis Form

Examples of Performance Measures - Fill in Yellow Boxes With Actuals

	FY 2006	FY 2007	FY 2008	FY 2009
actual	0	0	0	0

	FY 2006	FY 2007	FY 2008	FY 2009
actual	0	0	0	0

	FY 2006	FY 2007	FY 2008	FY 2009
actual	$0	$4,728,569	$0	$0

	FY 2005
actual	

Agricultural

- Agricultural Product Utilization Contributor
- New Generation Cooperative Incentive
- Wine and Grape Production

Business Recruitment

- Business Facility
- Enterprise Zone
- Business Use Incentives for Large-Scale Development Programs (BUILD)
- Development Tax Credit
- Rebuilding Communities
- Film Production

Community Development

- Neighborhood Assistance
- Family Development Account
- Dry Fire Hydrant
- Transportation Development

Domestic and Social

- Youth Opportunities
- Shelter for Victims of Domestic Violence
- Senior Citizen or Disabled Person Property Tax
- Special Needs Adoption
- Maternity Home
- Shared Care

Environmental

- Charcoal Producer
- Wood Energy
- Manufacturing & Recycling Flexible Cellulose Casing

Entrepreneurial

- Capital
- Certified Capital Company
- Seed Capital
- New Enterprise Creation
- Research
- Small Business Incubator
- Guarantee Fee
- New Generation Cooperative

Housing

- Neighborhood Preservation
- Low Income Housing
- Affordable Housing

Redevelopment

- Historic Preservation
- Brownfield Redevelopment
- Community Development Corporations
- Infrastructure
- Bond Guarantee
- Disabled Access

Training & Educational

- Community College New Jobs
- Skills Development Account
- Mature Worker (deleted in SB 1155, 2004?)
- Sponsorship and Mentoring

TAX CREDIT ANALYSIS

Program Name: Loan Guarantee Fee Tax Credit	**Department:** Economic Development	**Date:** October, 2009
Program Category: Entrepreneurial	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.766, RSMo	**Applicable Taxes:** Income taxes	

Program Description and Eligibility Requirements:

Tax credit to an eligible small business that pays a guarantee fee to the US Small Business Administration or the US Department of Agriculture for a small business loan.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The tax credit is equal to 100% of the guarantee fee.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X_____

Explanation of cap: Per section 33.282, RSMo, the Senate Appropriations Committee did not aprove the estimations for this program. Therefore, no credits will be issued after 12/31/2007. In 2008, the Committee did approve the estimations, therefore, credits will again be issued beginning January 1, 2009. No new issuances may occur after Sept. 27, 2009 per HB191 (2009).

Explanation of Expiration of Authority:

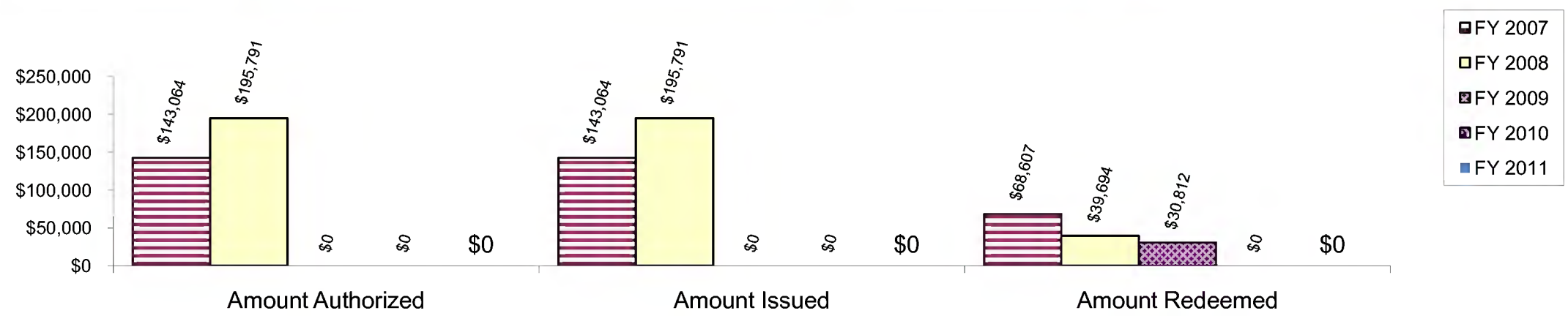
Specific Provisions: (if applicable)

Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions: This credit has no special attributes and must be applied to tax liability for the year it was earned.

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	17	21	0	0	0
Projects (#)	17	21	0	0	0
Amount Authorized	$143,064	$195,791	$0	0	0
Amount Issued	$143,064	$195,791	$0	0	0
Amount Redeemed	$68,607	$39,694	$30,812	0	0
EST. Amount Outstanding	N/A	N/A	$0	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



TAX CREDIT ANALYSIS

Program Name: Loan Guarantee Fee Tax Credit	**Department:** Economic Development	**Date:** October, 2009

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (5 years)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits		
Total	$0	$0
COSTS		
Direct Fiscal Costs		
Indirect Fiscal Costs		
Total	$0	$0
BENEFIT: COST	**#DIV/0!**	**#DIV/0!**

Derivation of Benefits:

No authorizations in FY2009.

PERFORMANCE MEASURE(S)

Historical and Projected Information

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Amount Authorized	$143,064	$195,791	$0	$0	$0
Amount Issued	$143,064	$195,791	$0	$0	$0
Amount Redeemed	$68,607	$39,694	$30,812	$0	$0

DO NOT CHANGE data on "Historical and Projected Information" table above - it is linked to data entered on the Tax Credit Analysis Form

Examples of Performance Measures

	FY 2007	FY 2008	FY 2009
actual	$0	$0	$0

Agricultural

- Agricultural Product Utilization Contributor
- New Generation Cooperative Incentive
- Wine and Grape Production

Business Recruitment

- Business Facility
- Enterprise Zone
- Business Use Incentives for Large-Scale Development Programs (BUILD)
- Neighborhood Assistance
- Rebuilding Communities
- Film Production
- Enhanced Enterprise Zones
- Missouri Quality Jobs

Community Development

- Neighborhood Assistance
- Family Development Account
- Dry Fire Hydrant
- Transportation Development

Domestic and Social

- Youth Opportunities
- Shelter for Victims of Domestic Violence
- Senior Citizen or Disabled Person Property Tax
- Special Needs Adoption
- Children in Crisis
- Maternity Home
- Pregnancy Resource Center
- Shared Care
- Residential Treatment Agency
- Food Pantry
- Health Care Access Fund
- Peace Office Surviving Spouse
- Disabled Access for Homeowners

Environmental

- Charcoal Producer
- Wood Energy
- Manufacturing & Recycling Flexible Cellulose Casing

Entrepreneurial

- Capital
- Certified Capital Company
- Seed Capital
- New Enterprise Creation
- Research
- Small Business Incubator
- Guarantee Fee
- New Generation Cooperative

Housing

- Neighborhood Preservation
- Low Income Housing
- Affordable Housing

Redevelopment

- Historic Preservation
- Brownfield Redevelopment
- Community Development Corporations
- Infrastructure
- Bond Guarantee
- Disabled Access

Training & Educational

- Community College New Jobs
- Skills Development Account (deleted in 2004)
- Mature Worker (deleted in 2004)
- Community College Job Retention

Note: This list may not be exhaustive.

Section XI

Department of Social Services

- Children in Crisis
- Domestic Violence Shelters
- Maternity Home
- Pregnancy Resources
- Residential Treatment

Missouri Department of Revenue

Children in Crisis (CIC) Tax Credit

Purpose

- Provides a tax credit for contributions made to a qualified agency as determined by the Department of Social Services.

Eligible Applicants

- Any individual or corporation that has income tax due under Chapter 143, RSMo, excluding taxes withheld under sections 143.191 to 143.265, RSMo, and that makes a contribution to a qualified agency.

How the Program Works

- Beginning January 1, 2006, a credit may be claimed in an amount equal to fifty percent of a contribution made to a qualified agency. The minimum credit issued will not be less than fifty dollars.

Eligible Use of Tax Credit

- Any amount of tax credit which exceeds the tax due or which is applied for and otherwise eligible for issuance but not issued, may be carried forward to the next four subsequent taxable years. The CIC credit is nonrefundable.

Procedures to Claim the Credit

- To claim the Children in Crisis credit, the taxpayer must attach a copy of the contribution verification provided by the qualifying agency to the taxpayer's return along with a completed Form MO-TC.

Funding Limits

- The cumulative amount of tax credits redeemed shall not exceed the unclaimed portion of the resident adoption category allocation. In the event the total amount of tax credits claimed exceeds the amount available, the amount redeemed will be apportioned equally to all eligible taxpayers claiming the credit.

Filing Period

- All claimants that claim the Children in Crisis credit must file a return between July 1 through April 15 of the fiscal year.

Authorization

This credit may be applied to the taxpayer's individual income tax, or corporation income tax, or any other tax incurred under the provisions of Chapter 143, RSMo, excluding state withholding tax.

Forms

- Form MO-TC, Miscellaneous Tax Credits
- Form CIC, Children In Crisis
- Individual Income Tax Forms
- Business Tax Forms

Contact Missouri Department of Revenue, Taxation Division

- E-mail: taxcredit@dor.mo.gov
- Phone: 573-522-6864 (for individual tax)
- Phone: 573-751-4541 (for business tax)

© 2010 Missouri Department of Revenue. All rights reserved.

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Special Needs Adoption and Children in Crisis Tax Credits	**Department: Revenue**	**Date: October 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: Sections 135.325-135.327	**Applicable Taxes: Chapter 143, excluding 143.191 to 143.265 RSMo**	

Program Description and Eligibility Requirements:
Provides a tax credit of up to $10,000 for non-recurring adoption expenses for any person residing in Missouri who legally adopts a special needs child. To be eligible for the credit, the

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

Non-recurring adoption expenses up to $10,000 may be used as a tax credit under Chapter 143, RSMo. Contributor receives a tax credit for 50% of the contribution to an approved agency in the amount of $100 or more under Chapter 143, RSMo.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $4,000,000 None _____

Explanation of cap:
The Special Needs Tax credit is authorized by Section 135.327 RSMo. According to statute, "...The cumulative amount of tax credits that may be claimed by taxpayers claiming the credit for nonrecurring adoption expenses shall not be more than four million dollars but may be increased by appropriation...." "The director shall calculate the level of appropriation necessary to issue all tax credits for nonresident special needs adoptions applied for under this section and provide such calculations to the speaker of the house of representatives, the president pro-tempore of the senate, and the director of the division of budget and planning in the office of administration by January thirty-first of each year."

The non-resident special needs adoption credit claim must be filed between July 1 and December 31 of each fiscal year. If the claims exceed the $2 million cap, the department may request an additional appropriation to pay all claims, or each claim will be prorated based on the dollar amount of claims. If the allotted $2 million is not met, the excess will be transferred to the resident pool.

The resident special needs adoption tax credit must be filed between July 1 and April 15 of each fiscal year. Historically, the resident adoption tax credits are allowed 100% and the anticipated excess will be available for the Children in Crisis Tax Credit.

Explanation of Expiration of Authority: The Children in Crisis tax credit automatically sunsets August 28, 2012 unless reauthorized by an act of the general assembly.

Specific Provisions: (if applicable)
Carry forward ___5__ years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

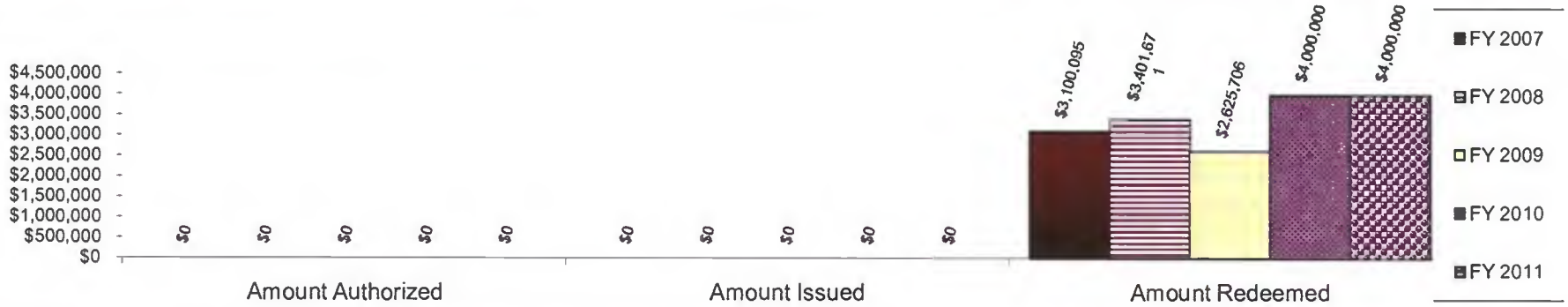
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	0	0	0	0	0
Projects (#)	0	0	0	0	0
Amount Authorized	$0	$0	$0	$0	$0
Amount Issued	$0	$0	$0	$0	$0
Amount Redeemed	$3,100,095	$3,401,671	$2,625,706	$4,000,000	$4,000,000
EST. Amount Outstanding	N/A	N/A	$2,573,945	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Special Needs Adoption and Children in Crisis Tax Credits	Department: Revenue	Date: October 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits		
Indirect Fiscal Benefits	$40,941	
Total	$40,941	$40,941
COSTS		
Direct Fiscal Costs	$2,625,706	$2,625,706
Indirect Fiscal Costs		
Total	$2,625,706	$2,625,706
BENEFIT: COST	0.02	0.02

Derivation of Benefits:
The Department of Revenue, with the assistance of the Missouri Department of Economic Development (DED), used the Regional Economic Model, Inc. (REMI) model for generating cost-benefit analysis for tax credit programs as required under Section 33.282, RSMo.

REMI 8.0.5 Model Assumptions
$2,625,706 reduction to personal income taxes in 2009 and $4,000,000 in future periods.

Other Benefits:
The Special Needs Tax Credit provides a social benefit to Missouri families by providing a tax credit to those taxpayers who adopted children with special needs. The tax credit may result in less taxes owed and more funds available for families; funds that could possibly be used to purchase food, clothing, or other items needed to support families. As a result of these purchases, state sales tax receipts could increase.

In Fiscal Year 2009, every dollar of redeemed program tax credits returns:

$0.34 in new personal income totaling	$0.89 million
$0.70 in new value-added/GSP totaling	$1.84 million
$1.09 in new economic output totaling	$2.86 million

Over five years, every dollar of redeemed program tax credits returns:

$0.34 in new personal income totaling	$0.89 million
$0.70 in new value-added/GSP totaling	$1.84 million
$1.09 in new economic output totaling	$2.86 million

Finance and Administrative Services

Domestic Violence Shelter Tax Credit

What is the Domestic Violence Shelter Tax Credit?

By donating cash, stock, bonds, real property or other marketable securities to a qualified domestic violence shelter, Missouri taxpayers:

- Help fund temporary shelters for victims of domestic violence, and
- Can receive a tax credit for up to 50% of their contribution of $100 or more.

What is a qualified shelter?

DOMESTIC VIOLENCE
(RSMo 455.200)

. . . attempting to cause or causing bodily injury to a family or household member, or placing a family or household member by threat of force in fear of imminent physical harm . . .

Qualified shelters meet the following statutory requirements:

- A facility established to provide temporary residential service or facilities to family or household members who are victims of domestic violence, or
- A shelter which:
  - Is incorporated in Missouri as a nonprofit corporation;
  - Has trustees representative of the community serviced, with at least one member possessing personal experience in confronting or mitigating the problems of domestic violence;
  - Receives 25% of its funds from sources other than marriage license fees or surcharges on civil cases filed in the circuit court
  - Provides residential service or facilities for children when accompanied by a parent, guardian or custodian who is a victim of domestic violence and who is receiving temporary residential service at the shelter;
  - Requires employees and volunteers to maintain the confidentiality of individuals served by the shelter; and,
  - Informs individuals served by the shelter of the nature and scope of the confidentiality before providing advocacy services.

How does a domestic violence shelter become a qualified shelter?

To qualify, each year the shelter submits:

- A completed Application for Agency Eligibility Verification form;

- A copy of their certificate of incorporation;
- A tax-exempt certificate from the Internal Revenue Service; and,
- A brief statement of their primary business functions including facility capacity and number of people served annually.

Where are the qualified domestic violence shelters located?

The link below lists where qualified domestic violence shelters are located for the current state fiscal year.

View contact information.

What role does Department of Social Services' (DSS) play for this tax credit?

DSS administers the tax credit.

Who can claim this tax credit?

- A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143 RSMo;
- A corporation subject to the annual corporation franchise tax imposed in chapter 147 RSMo;
- An insurance company paying an annual tax on its gross premium receipts in this state;
- Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148 RSMo;
- An express company which pays an annual tax on its gross receipts in this state pursuant to Chapter 153 RSMo;
- An individual subject to the state income tax imposed in Chapter 143, RSMo.
- Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo.

The amount of the claimed tax credit may not exceed the amount of the taxpayer's state income tax liability for the year the credit is being claimed and can not exceed fifty thousand dollars ($50,000) per taxable year.

Any tax credit that cannot be claimed in the tax year associated with the contribution may be carried forward and used against a taxpayer's state tax liability for four subsequent years.

How does the credit work?

- (Step 1) Annually, domestic violence shelters desiring to participate in this tax credit program must submit an Agency Eligibility Verification application and supporting documentation to DSS to determine qualification status for the next state fiscal year.
- (Step 2) DSS notifies domestic violence shelters of their eligibility and equally apportions the total available tax credits among eligible agencies. These credits are available beginning July 1 of each state fiscal year. The total amount of credits available can not exceed $2 million in any state fiscal year (July 1 through June 30).
- (Step 3) If determined eligible by DSS, the domestic violence center may begin receiving contributions eligible for the tax credit beginning July, 1. Note: Centers are permitted to decline a contribution from a taxpayer.

  Annually, DSS publishes a list of qualified agencies which are eligible for the Domestic Violence Shelter Tax Credit. To request a copy, call (573) 751-7533 or write to the following address:

  Department of Social Services
  Attention: Domestic Violence Shelter Tax Credit Program
  PO Box 216
  Jefferson City, MO 65102-0216

  If a domestic violence shelter has a change in business functions that impacts their qualifying status, they must contact the Department of Social Services within 30 days. The Department of Social Services will review the eligibility to participate in the tax credit and notify the agency of the determination within 30 days of receiving the notification of change.
- (Step 4) A donor contributes to a qualified domestic violence shelter. Note: There is a $100 minimum contribution, of which 50% is tax-credit-eligible. Donors can claim up to a $50,000 credit per tax year.
- (Step 5) The domestic violence shelter and the taxpayer must complete their portion of the Domestic Violence Shelter Tax Credit Application. Applications and supporting documentation must be submitted to DSS by the qualified shelter within twelve (12) months of the donation date. Applications received after one year of the donation date will be void and the right to the tax credit is forfeited. Required documentation varies depending on the type of donation:

  Supporting Documentation Required:

  - For a cash contribution, a legible receipt indicating the name and address of the domestic violence shelter; name, address and telephone number of the contributor; amount and date the contribution was received; and, signature of a representative of the domestic violence shelter receiving the contribution.

- For a contribution made by check, a photocopy of the canceled check, front and back (if not possible, then a copy of the original check and a receipt from the domestic violence shelter including the same information required of a cash donation).
- For a contribution made by credit card, a legible transaction receipt with the name and address of the domestic violence shelter; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the domestic violence shelter receiving the contribution. Note: Receipts should have the credit card account number blacked out.
- For a contribution made by money order or cashiers check, a legible copy of the original document with the name and address of the domestic violence shelter; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the domestic violence shelter receiving the contribution.
- For a contribution made by stock, bonds and other marketable securities, values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange [NYSE], National Association of Securities Dealers Automated Quotations [NASDAQ], etc.) Required information includes the source, value and date the stock was valued and how the bond amount was determined.
- For a contribution of real estate, the value of contributions of real estate shall be equal to the lower of at least two qualified independent appraisals for commercial, vacant or residential property with a value of more than $25,000. Commercial, vacant or residential property having a value of $25,000 or less requires one appraisal.
- For contributions that include a benefit to the donor, documentation will depend on how the type of contribution is made (i.e., cash, check, etc., please see above.) Additional information required includes the type of function or event from which the benefit was received, description of the benefit received (if an auction item, identify the item received), gross amount of the contribution, fair market value of the benefit and how the fair market value of the benefit was determined.

- (Step 6) Within 45 days of receipt of the tax credit application, DSS determines tax credit eligibility and will notify the following parties:
  1. Taxpayer (notification will include the approved tax credit amount);
  2. Missouri Director of Revenue.

Note: DSS issues tax credits in the order applications are received.

How are the tax credits redistributed?

- At least quarterly, DSS reviews the cumulative amount of approved tax credits. If a domestic violence shelter fails to use all or some percentage of its apportioned tax credits during a predetermined period, DSS may redistribute unused tax credits to other eligible shelters. Redistribution during a fiscal year will ensure, to the maximum extent possible, that taxpayers can claim all available tax credits.

- DSS will notify domestic violence shelters affected by the reapportionment of tax credits. DSS will allow a 30-day comment period on redistribution and consider planned future uses of the tax credit allocation. DSS decisions regarding reapportionment are final.

Important Domestic Violence Shelter Tax Credit Links:

- Domestic Violence Shelter Tax Credit Statutes (RSMo 455.200, 455.220, 488.445)
- Form and Instructions to Apply to Become an Agency Benefiting from This Credit
- Domestic Violence Shelter Tax Credit Application
- To Claim the Tax Credit Missouri Department of Revenue
- Regulations Governing the Processing And Awarding of Tax Credits (13 CSR 40-79.010)
- Where Can I Donate? (Addresses for qualified agencies)
- To Learn More About Agency Eligibility Contact Department of Social Services at 573-751-7533 (M-F, 8:00-5:00)
- To Learn More About Claiming the Tax Credit Contact Department of Revenue, E-mail: taxcredit@dor.mo.gov or Phone 573-522-6864 (for individual tax) or Phone 573-751-4541 (for business tax)

10/21/09

Information

- Office of the Director
- DSS Divisions
- Caseload Counter & Reports
- Toll Free Numbers
- Contact DSS

Missouri Office of Health Information Technology

FLU.GOV
Know what to do about the flu.
VISIT FLU.GOV

SHARE THIS WIDGET

Federal Recovery Funding

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Domestic Violence Shelter	**Department:** Social Services	**Date:** October, 2009
Program Category: Domestic and Social	**Type:** Tax Credit__X__ Other (specify)____	
Statutory Authority: 135.550	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

Allows a tax credit available for taxpayers to apply to their state liability taxes in the amount not to exceed fifty percent of a contribution made to a qualifying domestic violence shelter. Contributions can include cash, stocks, bonds or other marketable securities, or real property, with a value of not less than one hundred dollars ($100).

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

Taxpayers are eligible for a tax credit equivalent to up to fifty percent of an eligible contribution to a qualified domestic violence shelter. Contributions must have a value of at least $100 ($50 tax credit) and can not exceed $100,000 ($50,000 tax credit) per taxpayer during any fiscal year. Eligible tax credits can not exceed the taxpayers state income tax liability for the year the credit is claimed. The credit may be carried over for four years until fully claimed. Total tax credits may not exceed $2 million in any fiscal year.

Annually, shelters must submit an application to be classified as a qualifying agency to receive donations eligible for the Domestic Violence Shelter Tax Credit.
At least quarterly a review is conducted to determine the cumulative amount of approved tax credits. If a domestic violence shelter fails to use all, or some percentage of its apportioned tax credits during a predetermined period of time, the unused tax credits may be reapportioned to those domestic violence shelters that have used all, or most of their apportionment. Reapportionment may occur more than once during a fiscal year; to the maximum extent possible to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $2,000,000 None _____

Explanation of cap: Annually the $2 million is allocated to those qualifying domestic violence shelters that have submitted an application and supporting documentation to the Department of Social Services. Allotments may be revised during the year at the Departments discretion in an effort to fully utilize the maximum tax credit possible. The cap is established in statute. Since the programs inception in 1997, the cap has never been reached or exceeded.

Explanation of Expiration of Authority:

Specific Provisions: (if applicable)

Carry forward __4__years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	2,276	1,954	1,676	1,600	1,600
Projects (#)	2,276	1,954	1,676	1,600	1,600
Amount Authorized	$899,043	$1,029,681	$858,589	$900,000	$900,000
Amount Issued	$899,043	$1,029,681	$858,589	$900,000	$900,000
Amount Redeemed	$696,720	$757,734	$612,456	$625,000	$625,000
EST. Amount Outstanding	N/A	N/A	$923,151	N/A	N/A

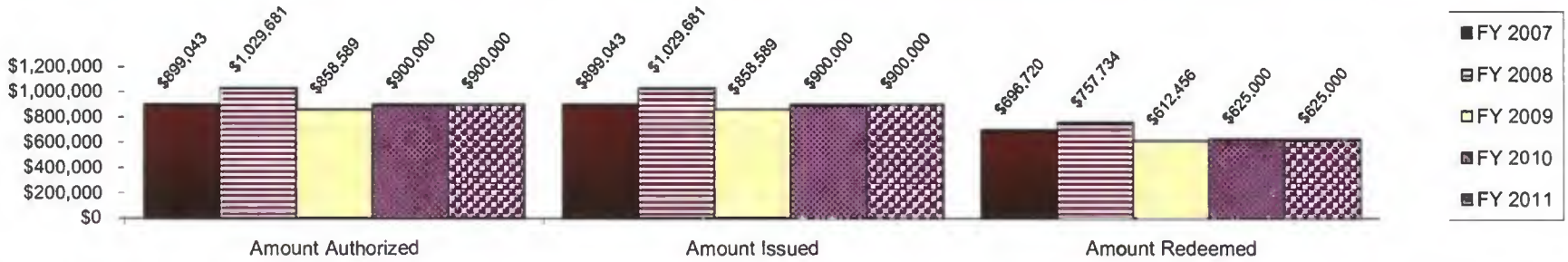
FY2007 Amount Authorized and Issued includes tax credit applications received after the end of that fiscal year. Agencies have twelve months from the date of donation to submit tax credit applications on behalf of their donors. Therefore, many certificates issued during the current fiscal year are the result of donations recieved in the previous fiscal year. As a result, those credits are applied toward the actual fiscal year the donation was received.

This tax credit was transferred to the Department of Social Services from the Department of Public Safety on August 28, 2006. There are 46 domestic violence shelters classified to be eligible to receive contributions that may qualify for this tax credit.

TAX CREDIT ANALYSIS

Program Name: Domestic Violence Shelter	Department: Social Services	Date: October, 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: This tax credit was transferred to the Department of Social Service from the Department of Public Safety on August 28, 2006. There are 46 domestic violence shelters classified to be eligible to receive contributions that may qualify for this tax credit.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

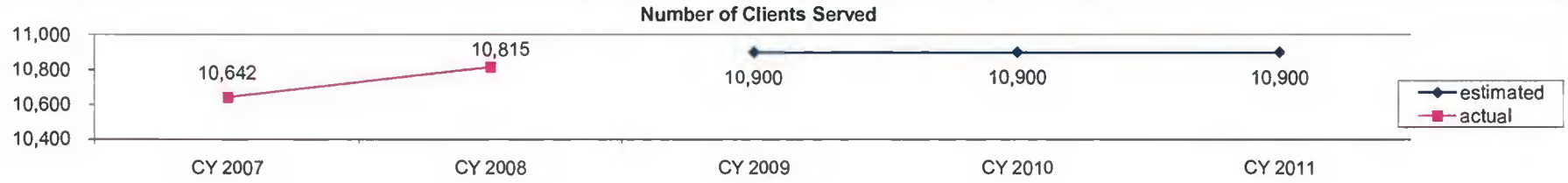
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	N/A	
Indirect Fiscal Benefits	$1,717,178	
Total	$1,717,178	
COSTS		
Direct Fiscal Costs	$858,589	
Indirect Fiscal Costs	N/A	
Total	$858,589	
BENEFIT: COST	**2.00**	

Derivation of Benefits: Indirect fiscal benefits are the total amount of donations received by qualifying agencies that contributed toward the cost of assisting their clients who may have, otherwise, accessed state assistance. (Credits issued reflect 50% of total donations received)

Direct costs are the amount of credits that are eligible for redemption, therefore, reducing taxpayer liability. Thus, reducing tax liabilities owed to the state, which decreases general revenue funds.

Other Benefits:

PERFORMANCE MEASURE(S)



Comments on Performance Measure:
Calculated on calendar year (January-December).

Finance and Administrative Services

Maternity Home Tax Credit

What is the Maternity Home Tax Credit?

By donating cash, stock, bonds, real property or other marketable securities to a qualified maternity home, Missouri taxpayers:

- Help fund maternity homes to assist pregnant women carry their pregnancies to term, and
- Can receive a tax credit for up to 50% of their contribution of $100 or more.

What is a qualified maternity home?

Qualified maternity homes meet the following requirements:

- Residential facility located in the state of Missouri
- Established for the purpose of providing housing and assistance to pregnant women who are carrying their pregnancies to term;
- Exempt from income taxation

How does maternity home become a qualified agency?

To qualify, each year the maternity home submits:

- A completed Application form
- A copy of their certificate of incorporation;
- A tax-exempt certificate from the Internal Revenue Service; and,
- A brief statement of their primary business functions including number and ages of women served annually, facility capacity and services provided
- Facilities serving women under the age of eighteen (18) must provide proof of licensure with the Department of Social Services Children's Division (i.e. license certificate or letter of good standing).
- Facilities considered exempt from licensure, as described in section 210.516 RSMo, must attest to that status.

Where are qualified maternity homes located?

The link below lists where qualified maternity homes for the current state fiscal year are located.

View contact information

What role does Department of Social Services' (DSS) play for this tax credit?

Department of Social Services (DSS) administers the tax credit.

Who can claim this tax credit?

- A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143 RSMo;
- A corporation subject to the annual corporation franchise tax imposed in chapter 147 RSMo;
- An insurance company paying an annual tax on its gross premium receipts in this state;
- Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148 RSMo;
- An express company which pays an annual tax on its gross receipts in this state pursuant to Chapter 153 RSMo;
- An individual subject to the state income tax imposed in Chapter 143, RSMo.
- Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo.

The amount of the claimed tax credit may not exceed the amount of the taxpayer's state income tax liability for the year the credit is being claimed and can not exceed fifty thousand dollars ($50,000) per taxable year.

Any tax credit that cannot be claimed in the tax year associated with the contribution may be carried forward and used against a taxpayer's state tax liability for four consecutive years until the full credit has been claimed or until the carry over period expires, whichever is sooner.

How does the credit work?

- (Step 1) Annually, maternity homes desiring to participate in this tax credit program must submit an Agency Eligibility Verification application and supporting documentation to DSS to determine qualification status for the next state fiscal year.
- (Step 2) DSS notifies maternity homes of their eligibility and equally apportions the total available tax credits among the eligible homes. These credits are effective beginning July 1 of each state fiscal year. The amount of credits available cannot exceed $2.0 million in a state fiscal year (July 1 through June 30).
- (Step 3) If determined eligible by DSS, the maternity home may begin receiving contributions eligible for the tax credit beginning July 1. Note: Maternity homes are permitted to decline a contribution from a taxpayer.

Annually, DSS publishes a list of qualified maternity homes which are eligible for the Maternity Home Tax Credit. To request a copy you may call (573) 751-7533 or write to us at the following address:

Department of Social Services
Attention: Maternity Home Tax Credit Program
PO Box 626
Jefferson City, MO 65102-0626

If a maternity home has a change in business functions that impacts their qualifying status, they must contact the Department of Social Services within 30 days. The Department of Social Services will review the eligibility to participate in the tax credit and notify the agency of the determination within 30 days of receiving the notification of change.

- (Step 4) A donor contributes to a qualified maternity home. Note: There is a $100 minimum contribution, of which 50% is tax-credit-eligible. Donors can claim up to a $50,000 credit per tax year.

- (Step 5) The maternity home and the taxpayer must complete their portion of the Maternity Home Tax Credit Application. Applications and supporting documentation must be submitted to DSS by the qualified home within twelve (12) months of the donation date. Applications received after one year of the donation date will be void and the right to the tax credit is forfeited. Required documentation varies depending on the type of donation:

  Supporting Documentation Required:

  - For a cash contribution, a legible receipt indicating the name and address of the maternity home; name, address and telephone number of the contributor; amount and date the contribution was received; and, signature of a representative of the maternity home receiving the contribution.
  - For a contribution made by check, a photocopy of the canceled check, front and back (if not possible, then a copy of the original check and a receipt from the maternity home including the same information required of a cash donation).
  - For a contribution made by credit card, a legible transaction receipt with the name and address of the maternity home; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the maternity home receiving the contribution. Note: Receipts should have the credit card account number blacked out.
  - For a contribution made by money order or cashiers check, a legible copy of the original document with the name and address of the maternity home; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the maternity home receiving the contribution.
  - For a contribution made by stock, bonds and other marketable securities, values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange [NYSE], National Association of Securities Dealers Automated Quotations [NASDAQ], etc.) Required information includes the

source, value and date the stock was valued and how the bond amount was determined.

- For a contribution of real estate, the value of contributions of real estate shall be equal to the lower of at least two qualified independent appraisals for commercial, vacant or residential property with a value of more than $25,000. Commercial, vacant or residential property having a value of $25,000 or less requires one appraisal.
- For contributions that include a benefit to the donor, documentation will depend on how the type of contribution is made (i.e., cash, check, etc., please see above.) Additional information required includes the type of function or event from which the benefit was received, description of the benefit received (if an auction item, identify the item received), gross amount of the contribution, fair market value of the benefit and how the fair market value of the benefit was determined.

- (Step 6) Within 45 days of receipt of the tax credit application, DSS determines tax credit eligibility and will notify the following parties:
  1. Taxpayer (notification will include the approved tax credit amount);
  2. Missouri Director of Revenue.

Note: DSS issues tax credits in the order applications are received.

How are tax credits redistributed?

- At least quarterly, DSS will review the cumulative amount of approved tax credits. If a maternity home fails to use all or some percentage of its apportioned tax credits during a predetermined period, DSS may redistribute unused tax credits to maternity homes that have used all or most of their apportionment. Redistribution during a fiscal year will ensure, to the maximum extent possible, that taxpayers can claim all available tax credits.
- DSS will notify maternity homes affected by the reapportionment of tax credits. DSS will allow a 30-day comment period on redistribution and consider planned future uses of the tax credit allocation. DSS decisions regarding reapportionment are final.

Important Maternity Home Tax Credit Links:

- Maternity Home Tax Credit Statute (RSMo 135.600)
- Form and Instructions to Apply to Become an Agency Benefiting from This Credit
- To Claim the Tax Credit - Missouri Department of Revenue
- Maternity Home Tax Credit Form and Instructions
- Where Can I Donate?
- To learn more about Maternity Home Eligibility Contact the Department of Social Services at 573-751-7533 (M-F, 8:00-5:00)
- To Learn More About Claiming the Tax Credit Contact the Department of Revenue, E-mail: taxcredit@dor.mo.gov or Phone 573-522-6484 (for individual tax) or Phone 573-751-4541 (for business tax)

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Maternity Homes	**Department: Social Services**	**Date: October, 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: Statute 135.600	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

The Maternity Homes tax credit program provides a tax credit against a taxpayer's state tax liability equal to fifty percent of contributions to Maternity Homes. Those eligible for the tax credit include-a person, firm, partner in a firm, etc., doing business in Missouri or a charitable firm who contributes to a maternity home. The amount of tax credit issued may be equivalent to up to fifty percent of the contribution to the agency. Credits shall not be less than fifty dollars and cannot exceed fifty thousand dollars to an individual taxpayer in a fiscal year.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent (50%) of the amount such taxpayer contributed to a pregnancy resource center. The taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution to the centers is at least one hundred dollars ($100) in value. The amount of the tax credit claimed must not be in excess of the taxpayer's state tax liability for the taxable year that the credit is claimed and shall not exceed fifty thousand ($50,000) dollars per taxable year. Any tax credit that cannot be claimed in the taxable year during which the contribution is made, may be carried over to the next four (4) consecutive taxable years until the full credit has been claimed.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $2,000,000 None _____

Explanation of cap: The cap of $2,000,000 is applied to the amount claimed. The Department works with 14 Maternity Homes and allocates the tax credits to be issued to ensure that the amount issued does not exceed $2,000,000. Since the inception of this tax credit (January 1, 2000) the cap has not been reached.

Explanation of Expiration of Authority:

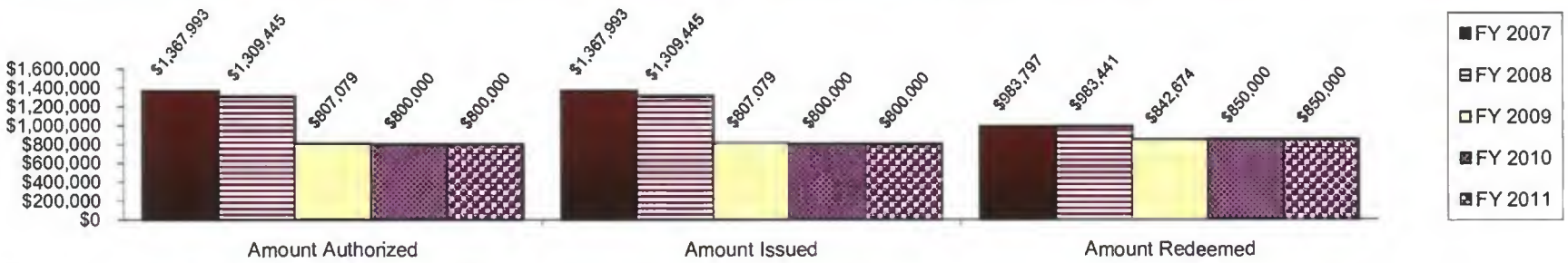
Specific Provisions: (if applicable)

Carry forward __4__years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	1,997	2,110	1,343	1,300	1,300
Projects (#)	1,997	2,110	1,343	1,300	1,300
Amount Authorized	$1,367,993	$1,309,445	$807,079	$800,000	$800,000
Amount Issued	$1,367,993	$1,309,445	$807,079	$800,000	$800,000
Amount Redeemed	$983,797	$983,441	$842,674	$850,000	$850,000
EST. Amount Outstanding	N/A	N/A	$775,778	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information:

TAX CREDIT ANALYSIS

Program Name: Maternity Homes	Department: Social Services	Date: October, 2009

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

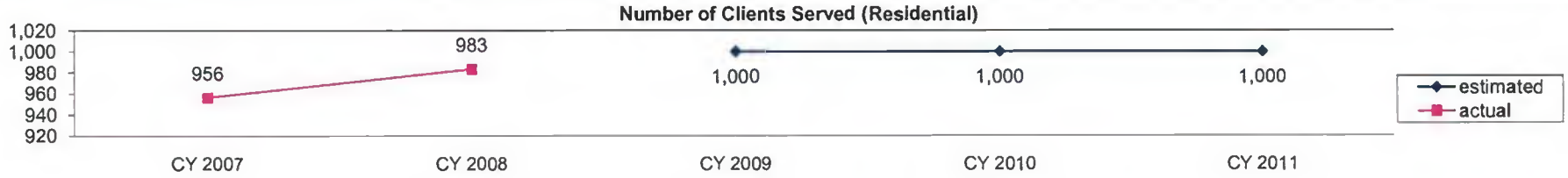
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	N/A	
Indirect Fiscal Benefits	$1,614,158	
Total	$1,614,158	
COSTS		
Direct Fiscal Costs	$807,079	
Indirect Fiscal Costs	N/A	
Total	$807,079	
BENEFIT: COST	**2.00**	

Derivation of Benefits: Indirect fiscal benefits are the total amount of donations received by qualifying agencies that contributed toward the cost of assisting their clients who may have, otherwise, accessed state assistance. (Credits issued reflect 50% of total donations received).

Direct costs are the amount of credits that are eligible for redemption, therefore, reducing taxpayer liability. Thus reducing tax liabilities owed to the state, which decreases general revenue funds.

Other Benefits: These donations help the Maternity Homes to provide housing and assistance to pregnant women who are carrying their pregnancies to term.

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

Calculated on calendar year (January-December).

Pregnancy

What role does Department of Social Services' (DSS) play for this tax credit?

Department of Social Services (DSS) administers the tax credit.

Who can claim this tax credit?

- A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143 RSMo;
- A corporation subject to the annual corporation franchise tax imposed in chapter 147 RSMo;
- An insurance company paying an annual tax on its gross premium receipts in this state;
- Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148 RSMo;
- An express company which pays an annual tax on its gross receipts in this state pursuant to Chapter 153 RSMo;
- An individual subject to the state income tax imposed in Chapter 143, RSMo.
- Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo.

The amount of the claimed tax credit may not exceed the amount of the taxpayer's state income tax liability for the year the credit is being claimed.

Any tax credit that cannot be claimed in the tax year associated with the contribution may be carried forward and used against a taxpayer's state tax liability for four subsequent years.

How does the credit work?

- (Step 1) Annually, pregnancy resource centers desiring to participate in this tax credit program must submit an Agency Eligibility Verification application and supporting documentation to DSS to determine qualification status for the next state fiscal year.
- (Step 2) DSS notifies pregnancy resource centers of their eligibility and equally apportions the total available tax credits among the eligible centers. These credits are effective beginning July 1 of each state fiscal year. The amount of credits available cannot exceed $2.0 million in a state fiscal year (July 1 through June 30).
- (Step 3) If determined eligible by DSS, the pregnancy resource center may begin receiving contributions eligible for the tax credit beginning July 1. Note: Centers are permitted to decline a contribution from a taxpayer.

  Annually, DSS publishes a list of qualified pregnancy resource centers which are eligible for the Pregnancy Resource Center Tax Credit. To request a copy you may call (573) 751-7533 or write to us at the following address:

Department of Social Services
Attention: Pregnancy Resource Center Tax Credit Program
PO Box 863
Jefferson City, MO 65102-0863

If a pregnancy resource center has a change in business functions that impacts their qualifying status, they must contact the Department of Social Services within 30 days. The Department of Social Services will review the eligibility to participate in the tax credit and notify the agency of the determination within 30 days of receiving the notification of change.

- (Step 4) A donor contributes to a qualified pregnancy resource center. Note: There is a $100 minimum contribution, of which 50% is tax-credit-eligible. Donors can claim up to a $50,000 credit per tax year.

- (Step 5) The pregnancy resource center and the taxpayer must complete their portion of the Pregnancy Resource Center Tax Credit Application. Applications and supporting documentation must be submitted to DSS by the qualified center within twelve (12) months of the donation date. Applications received after one year of the donation date will be void and the right to the tax credit is forfeited. Required documentation varies depending on the type of donation:

  Supporting Documentation Required:

  - For a cash contribution, a legible receipt indicating the name and address of the pregnancy resource center; name, address and telephone number of the contributor; amount and date the contribution was received; and, signature of a representative of the domestic violence shelter receiving the contribution.
  - For a contribution made by check, a photocopy of the canceled check, front and back (if not possible, then a copy of the original check and a receipt from the pregnancy resource center including the same information required of a cash donation).
  - For a contribution made by credit card, a legible transaction receipt with the name and address of the pregnancy resource center; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the pregnancy resource center receiving the contribution. Note: Receipts should have the credit card account number blacked out.
  - For a contribution made by money order or cashiers check, a legible copy of the original document with the name and address of the pregnancy resource center; contributor's name, address and telephone number; amount and date the contribution was received; and, signature of a representative of the pregnancy resource center receiving the contribution.
  - For a contribution made by stock, bonds and other marketable securities, values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange [NYSE], National Association of Securities Dealers Automated Quotations [NASDAQ], etc.) Required information includes the source, value and date the stock was valued and how the bond amount was determined.

- For a contribution of real estate, the value of contributions of real estate shall be equal to the lower of at least two qualified independent appraisals for commercial, vacant or residential property with a value of more than $25,000. Commercial, vacant or residential property having a value of $25,000 or less requires one appraisal.
- For contributions that include a benefit to the donor, documentation will depend on how the type of contribution is made (i.e., cash, check, etc., please see above.) Additional information required includes the type of function or event from which the benefit was received, description of the benefit received (if an auction item, identify the item received), gross amount of the contribution, fair market value of the benefit and how the fair market value of the benefit was determined.

  Note: Donations of furniture, appliances, clothing, etc., are not considered qualifying contributions eligible for the Pregnancy Resource Center Tax Credit.

- (Step 6) Within 45 days of receipt of the tax credit application, DSS determines tax credit eligibility and will notify the following parties:

  1. Taxpayer (notification will include the approved tax credit amount);
  2. Missouri Director of Revenue.

  Note: DSS issues tax credits in the order applications are received.

  Once the tax credit application has been received by DSS and verification of the appropriate documentation has been determined, DSS will verify with the Department of Revenue any outstanding balances due from the donor's prior year's state tax liability. If a balance due is outstanding, the amount of tax credit issued will be reduced by that amount.

Is this tax credit transferable?

- Yes, the owner of the tax credit certificate may assign, transfer, sell, or otherwise convey the certificate. The new owner will have the same rights as the original owner. When a certificate is assigned, transferred, sold, or otherwise conveyed a notarized Department of Social Services tax credit transfer form must be submitted to DSS 30 days of the transaction.

How are tax credits redistributed?

- At least quarterly, DSS will review the cumulative amount of approved tax credits. If a pregnancy resource center fails to use all or some percentage of its apportioned tax credits during a predetermined period, DSS may redistribute unused tax credits to pregnancy resource centers that have used all or most of their apportionment. Redistribution during a fiscal year will ensure, to the maximum extent possible, that taxpayers can claim all available tax credits.

- DSS will notify pregnancy resource centers affected by the reapportionment of tax credits. DSS will allow a 30-day comment period on redistribution and consider planned future uses of the tax credit allocation. DSS decisions regarding reapportionment are final.

Important Pregnancy Resource Center Tax Credit Links:

- Pregnancy Resource Center Tax Credit Statute (RSMo 135.630)
- Pregnancy Resource Center Tax Credit Regulation (13 CSR 35-100.020)
- Pregnancy Resource Center Tax Credit Application
- Addresses for Qualified Pregnancy Resource Centers
- To Claim the Tax Credit Missouri Department of Revenue
- To Learn More About Claiming the Tax Credit Contact Department of Revenue, E-mail: taxcredit@dor.mo.gov
- Form and Instructions to Apply to Become an Agency Benefiting from this Credit.
- Pregnancy Resource Centers wanting to learn more should contact Department of Social Services at 573-751-7533 (M-F, 8:00-5:00)

10/19/09

Information

- Office of the Director
- DSS Divisions
- Caseload Counter & Reports
- Toll Free Numbers
- Contact DSS

Missouri Office of Health Information Technology
FLU.GOV
Know what to do about the flu.
VISIT FLU.GOV
SHARE THIS WIDGET
Federal Recovery Funding

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Pregnancy Resource Center	**Department: Social Services**	**Date: October, 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.630	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

A qualified pregnancy resource center may apply for tax credits on behalf of taxpayers who make contributions to the agency. The amount of tax credit issued may be equivalent to up to fifty percent of the contribution to the agency. Credits shall not be less than fifty dollars ($50) and can not exceed fifty thousand dollars ($50,000) to an individual taxpayer in a fiscal year. The total tax credits may not exceed $2 million in any fiscal year.

Pregnancy resource centers must submit an application to the Department to be certified to received donations eligible for the Pregnancy Resource Center Tax Credit. An agency must be a non-residential facility located in this state which is exempt from income taxation under the United States Internal Revenue Code and is established for the purpose of providing assistance to women with unplanned or crisis pregnancies, or similar services to encourage and assist women in carrying their pregnancies to term. These facilities do not perform childbirths nor do they perform, induce or refer for abortion. All services are provided in accordance with Missouri statute at no cost to clients.

Explanation of How Award is Computed: Entitlement __X___ Discretionary _____

The Pregnancy Resource Center Tax Credit program became effective January 1, 2007. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent (50%) of the amount such taxpayer contributed to a pregnancy resource center. The taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution to the centers is at least one hundred dollars ($100) in value. The amount of the tax credit claimed must not be in excess of the taxpayer's state tax liability for the taxable year that the credit is claimed and shall not exceed fifty thousand ($50,000) dollars per taxable year. Any tax credit that cannot be claimed in the taxable year during which the contribution is made, may be carried over to the next four (4) consecutive taxable years until the full credit has been claimed.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $2,000,000 None _____

Explanation of cap: Annually the $2 million is allocated to those qualifying pregnancy resource centers that have submitted an application and supporting documentation to the Department of Social Services. Allotments may be revised during the year at the Departments discretion in an effort to fully utilize the maximum tax credit possible. There are 54 eligible agencies for FY2009.

Explanation of Expiration of Authority: Pursuant to section 23.253, RSMo, of the Missouri Sunset Act, the program will automatically sunset six years after the effective date unless reauthorized by the general assembly and if reauthorized, the program will automatically sunset twelve years after the effective date of the reauthorization of the program. The program will terminate on September 1 of the calendar year immediately following the calendar year in which the program authorized is sunset.

Specific Provisions: (if applicable)

Carry forward __4__years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

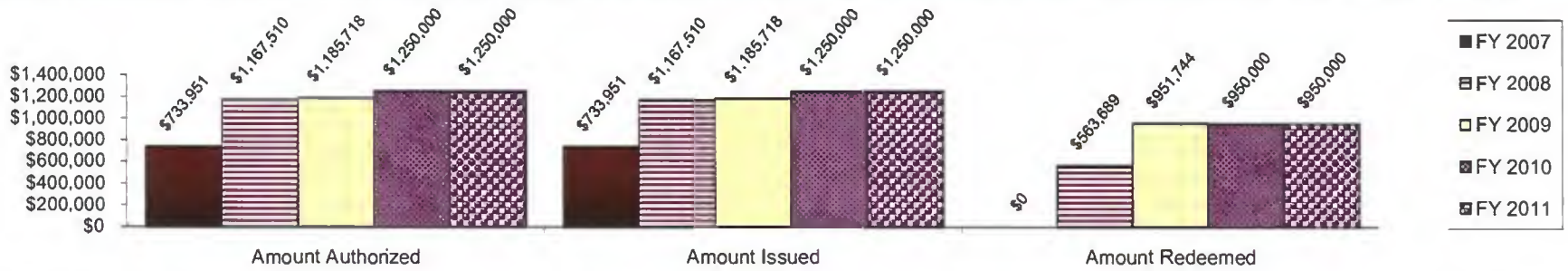
Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	1,186	2,092	2,577	2,500	2,500
Projects (#)	1,186	2,092	2,577	2,500	2,500
Amount Authorized	$733,951	$1,167,510	$1,185,718	$1,250,000	$1,250,000
Amount Issued	$733,951	$1,167,510	$1,185,718	$1,250,000	$1,250,000
Amount Redeemed	$0	$563,689	$951,744	$950,000	$950,000
EST. Amount Outstanding	N/A		$1,611,746	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Pregnancy Resource Center	Department: Social Services	Date: October, 2009

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: This program became effective January 1, 2007. FY2007 data reflects only six months. Information provided for FY2009 is projected for an entire year based on current allocations. Regarding the Amount Redeemed, amounts provided are estimates based on similar programs. Once historical data is compiled more accurate projections will be available.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

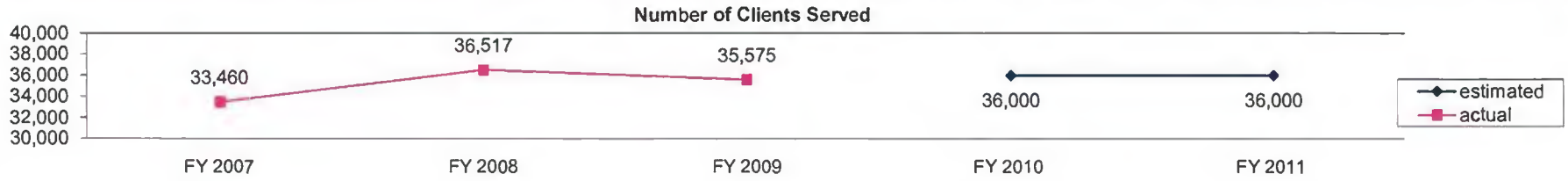
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	N/A	
Indirect Fiscal Benefits	$2,371,436	
Total	$2,371,436	
COSTS		
Direct Fiscal Costs	$1,185,718	
Indirect Fiscal Costs	N/A	
Total	$1,185,718	
BENEFIT: COST	**2.00**	

Derivation of Benefits: Indirect fiscal benefits are the total amount of donations received from qualifying agencies that contributed toward the cost of assisting women with unplanned or crisis pregnancies who may have, otherwise, accessed state assistance. (Credits issued reflect 50% of total donations received)

Direct costs are the amount of credits that are eligible for redemption, therefore, reducing taxpayer liability. Thus, reducing tax liabilities owed to the state, which decreases general revenue funds.

Other Benefits:

PERFORMANCE MEASURE(S)



Comments on Performance Measure:

Finance and Administrative Services

Residential Treatment Tax Credit

What is the Residential Treatment Tax Credit?

By contributing to a qualified residential treatment center, Missourians:

- Help fund direct services for children in residential treatment; and
- Can claim a tax credit up to 50% of their donation to apply toward their state tax liability.

What is a qualified residential treatment agency?

Residential Treatment

is care necessary for children who are status offenders or have emotional or psychological difficulties caused by abuse or neglect.

A qualified residential treatment agency is a residential treatment care facility that:

- Is licensed by the Missouri Department of Health and Senior Services;
- Is accredited by the Council on Accreditation (COA), the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or the Commission on Accreditation of Rehabilitation Facilities (CARF);
- Is under contract with the Department of Social Services (DSS) to provide treatment services for children who are residents or wards of residents of the this state; and,
- Receives eligible donations.

Who can claim this tax credit?

- A person, firm, partner in a firm, corporation, or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed in chapter 143 RSMo;
- A corporation subject to the annual corporation franchise tax imposed in chapter 147 RSMo;
- Any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, RSMo;
- An insurance company paying an annual tax on its gross premium receipts in this state;
- Any other financial institution paying taxes to the state of Missouri or any political subdivision of this state under chapter 148 RSMo;
- An express company which pays an annual tax on its gross receipts in this state pursuant to Chapter 153 RSMo;

- An individual subject to the state income tax imposed in Chapter 143, RSMo. The amount of the claimed tax credit may not exceed the amount of the taxpayer's state income tax liability for the year the credit is being claimed. Any tax credit that cannot be claimed in the tax year associated with the contribution may be carried forward and used against a taxpayer's state tax liability for four subsequent years.

How does the credit work?

- (Step 1) A donor contributes to a qualified residential treatment agency. Note: There is no minimum amount of donation
- (Step 2) Qualified residential treatment agencies accepting these donations apply for tax credits on behalf of taxpayer donors.
- (Step 3) The residential treatment agency remits the equivalent of the amount of the tax credit (50% of the donated amount), in the form of a payment, to the state of Missouri. Applications, supporting documentation and payments associated with this tax credit must be mailed to:

  Department of Social Services
  Attention: Residential Treatment Tax Credit
  P.O. Box 853
  Jefferson City, MO 65102-0853

  All applications, supporting documentation (when applicable) and payments must be submitted within 12 months of the contribution. After that time, applications are void and the right to the tax credit is forfeited.
- (Step 4) DSS verifies with the Department of Revenue if there is an outstanding tax balance due for the donor. Any outstanding balance reduces the approved tax credit amount.
- (Step 5) Within 45 days of receipt of application, DSS issues a certificate to the taxpayer indicating the approved credit amount. The original is forwarded to the taxpayer and a copy is forwarded to the Department of Revenue.

Is this tax credit transferable?

- Yes, the owner of the tax credit certificate may assign, transfer, sell, or otherwise convey the certificate. The new owner will have the same rights as the original owner. When a certificate is assigned, transferred, sold, or otherwise conveyed a notarized Department of Social Services tax credit transfer form must be submitted to DSS 30 days of the transaction.

Is there a maximum amount of tax credits available?

- The amount of credits available to each qualifying residential treatment center cannot exceed 40% of the total payments made by DSS in the preceding 12 months.

Finance and Administrative Services

Pregnancy Resource Center Tax Credit

What is the Pregnancy Resource Center Tax Credit?

By contributing to a qualified pregnancy resource center, Missouri taxpayers:

- Help fund services for women with unplanned or crisis pregnancies; and,
- Can earn a state tax credit.

What is a qualified pregnancy resource center?

Pregnancy Resource Centers

A pregnancy resource center is a tax-exempt, non-residential facility located in Missouri. These centers assist women with unplanned or crisis pregnancies and encourage women to carry their pregnancies to term by offering pregnancy testing and counseling with emotional and material support.

- Pregnancy resource centers provide cost-free, direct client services at the facility, as opposed to merely providing counseling or referral services by telephone.
- They do not perform childbirths or perform, induce or refer women for abortions.
- All medical services are provided in accordance with Missouri statute.

How does pregnancy resource center become a qualified agency?

To qualify, each year the pregnancy resource center submits:

- A completed Application for Agency Eligibility Verification form;
- A copy of their certificate of incorporation;
- A tax-exempt certificate from the Internal Revenue Service; and,
- A brief statement of their primary business functions including facility capacity and number of people served annually.

Where are qualified pregnancy resource centers located?

The link below lists where qualified resource centers for the current state fiscal year are located.

View contact information

What is an eligible donation?

An eligible donation includes cash, publicly traded stocks and bonds and real estate received by a qualified residential treatment agency from a taxpayer. The sole use of these contributions must be direct care services to children who are residents or wards of residents of Missouri.

Note: Donations other than cash require verifying documentation submitted along with taxpayers' tax credit application.

- Contributions of stock, bonds and other marketable securities, values of contributed stocks and bonds must be determined by a reputable source (e.g., *Wall Street Journal*, New York Stock Exchange [NYSE], National Association of Securities Dealers Automated Quotations [NASDAQ], etc.) on the date of transfer. Required information includes the source, value and date the stock was transferred or how the bond amount was determined.
- Real estate contributions, the value of contributions of real estate shall be equal to the lowest of at least two qualified independent appraisals for commercial, vacant or residential property with a value of more than $25,000. Commercial, vacant or residential property having a value of $25,000 or less requires one appraisal.

Important Residential Treatment Agency Tax Credit Links:

- Residential Treatment Agency Tax Credit Act (RSMo 135.1150)
- Residential Treatment Agency Tax Credit (13 CSR 35-100.10)
- Instructions and Forms to Apply for This Credit
- To Claim the Tax Credit Missouri Department of Revenue
- For Residential Treatment Agencies to Learn More, Contact Department of Social Services at 573-751-7533 (M-F, 8:00-5:00)
- To Learn More About Claiming the Tax Credit Contact Department of Revenue, E-mail: taxcredit@dor.mo.gov

03/12/09

Information

- Office of the Director
- DSS Divisions
- Caseload Counter & Reports
- Toll Free Numbers
- Contact DSS

Missouri Office of Health Information Technology

TAX CREDIT ANALYSIS

TAX CREDIT ANALYSIS

Program Name: Residential Treatment Agency	**Department: Social Services**	**Date: October, 2009**
Program Category: Domestic and Social	**Type: Tax Credit__X__ Other (specify)____**	
Statutory Authority: 135.1150 RSMo.	**Applicable Taxes:**	

Program Description and Eligibility Requirements:

A qualified residential treatment agency may apply for tax credits on behalf of taxpayers who make eligible donations to the agency. The amount of total credits available to any qualified residential treatment agency can not exceed forty percent of the total funds received from the Department of Social Services in the preceding twelve months. Those who donate to qualifying providers are eligible to receive a tax credit up to fifty percent of their donation. Qualified residential treatment agencies that accept these donations are required to remit payment equivalent to the amount of the tax credit to the state of Missouri.

Explanation of How Award is Computed: Entitlement _____ Discretionary _____

Residential Treatment is a contributory program. Taxpayers are eligible for a tax credit equivalent to up to fifty percent of an eligible donation to a qualified residential treatment agency. Donations must be at least $100 ($50 tax credit) and can not exceed $100,000 ($50,000 tax credit) per taxpayer during any fiscal year. The residential treatment agency accepting the qualified donation must remit payment to the DSS equivalent to fifty percent of the donation received (the amount of the tax credit to be issued). Since January 1, 2007, any taxpayer is allowed to claim a credit against their state tax liability equivalent to fifty percent (50%) of the eligible donation the taxpayer made to a qualified residential treatment agency. The amount of the tax credit claimed may not exceed the amount of the taxpayer's state tax liability in the tax year that the credit is being claimed. Any tax credit that cannot be claimed in the taxable year during which the contribution is made will not be refunded but allowed to be carried forward and used against the taxpayer's state tax liability for four (4) subsequent years. The tax credit issued to taxpayer(s) may be applied to state liability taxes in the amount not to exceed fifty percent of an eligible donation made to a qualifying residential treatment agency. Qualifying residential treatment agencies must have a current contract with the Children's Division. Total credits issued can not exceed 40% of the total payments made by DSS to the Residential Treatment Agency during the twelve months preceding the month the application was received by DSS. The qualifying residential treatment agency must remit payment equivalent to the total amount of eligible tax credits to be issued along with all applications submitted.

Program Cap: Cumulative $_____ (remainder of cumulative cap) $_____ Annual $_____ None ___X____

Explanation of cap: Qualifying residential treatment agencies must submit payment equivalent to the amount of tax credit issued. As a result, no cap is applied to this tax credit.

Explanation of Expiration of Authority: Pursuant to section 23.253, RSMo, of the Missouri Sunset Act, the program will automatically sunset six years after the effective date unless reauthorized by the general assembly and if reauthorized, the program will automatically sunset twelve years after the effective date of the reauthorization of the program. The program will terminate on September 1 of the calendar year immediately following the calendar year in which the program authorized is sunset.

Specific Provisions: (if applicable)

Carry forward __4__years Carry Back _____ years Refundable _____ Sellable/Assignable __X___ Additional Federal Deductions Available _____

Comments on Specific Provisions:

	FY 2007 ACTUAL	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 (current year)	FY 2011 (budget year)
Certificates Issued (#)	5	150	174	175	175
Projects (#)	5	150	174	175	175
Amount Authorized	$31,500	$530,910	$675,877	$650,000	$650,000
Amount Issued	$31,500	$530,910	$675,877	$650,000	$650,000
Amount Redeemed	$0	$214,901	$202,900	$200,000	$200,000
EST. Amount Outstanding	N/A	N/A	$832,486	N/A	N/A

TAX CREDIT ANALYSIS

Program Name: Residential Treatment Agency	Department: Social Services	Date: October, 2009

HISTORICAL AND PROJECTED INFORMATION

Comments on Historical and Projected Information:

BENEFIT: COST ANALYSIS (Includes only state revenue impacts)

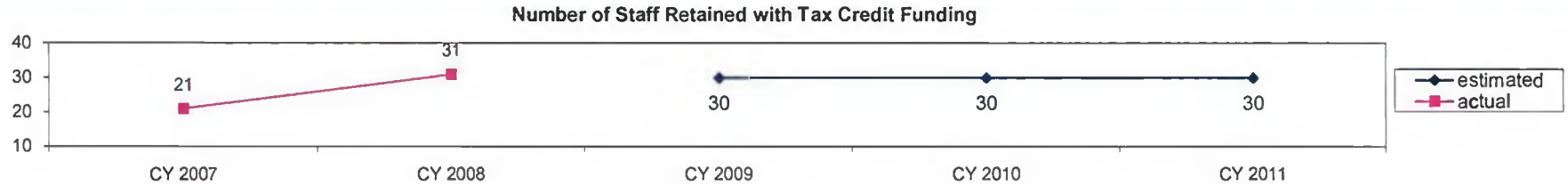
	FY 2009 ACTUAL	Other Fiscal Period (indicated time period)
BENEFITS		
Direct Fiscal Benefits	$675,877	
Indirect Fiscal Benefits		
Total	$675,877	
COSTS		
Direct Fiscal Costs	N/A	
Indirect Fiscal Costs	N/A	
Total	N/A	
BENEFIT: COST	*	

Derivation of Benefits: Direct benefits are contributions to the Residential Treatment Agencies under this program that are used soley to provide direct care services to children who are residents of this state. Direct care services include but are not limited to increasing the quality of care and services for children through improved employee compensation and training. These amounts could offset costs that may normally be the burden of the state. (Credits issued reflect 50% of total donations received)

There are no direct fiscal costs as this credit requires payment from the Residential Treatment Agency equivalent to the amount of credit to be issued, which would offset lost tax revenue resulting from the issuance of tax credits to be applied toward taxpayer's state liablity taxes.

Other Benefits: Allows agencies to generate donations to be used toward the care of children without causing a burden on the state.
*There is no cost to the state because the residential treatment agency reimburses the cost of the tax credit to the state. Therefore, a cost/benefit ratio does not apply.

PERFORMANCE MEASURE(S)



Comments on Performance Measure:
Calculated on calendar year (January-December)