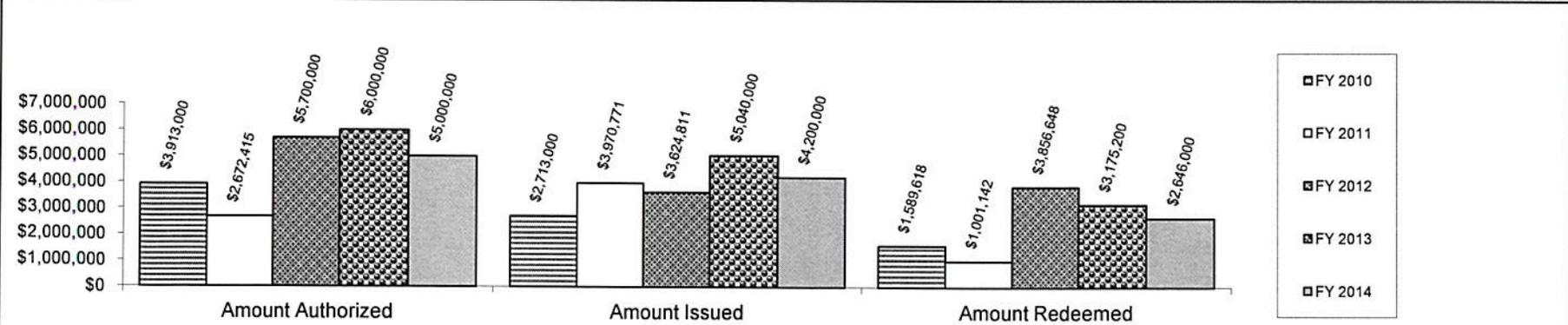


TAX CREDIT ANALYSIS

Program Name: Development Tax Credit (DTC)		
Department: Economic Development	Contact Name & No.: Brenda Horstman 751-3713	Date: October 2012
Program Category: Business Recruitment	Type: Tax Credit <input checked="" type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <u>5</u> years Carry Back _____ years Refundable _____ Sellable/Assignable <input checked="" type="checkbox"/> Additional Federal Deductions Available _____		
Comments on Specific Provisions:		

	FY 2010 ACTUAL	FY 2011 ACTUAL	FY 2012 ACTUAL	FY 2013 (Current Year)	FY 2014 (Budget Year)
Certificates Issued (#)	4	8	9	10	10
Projects (#)	6	6	7	8	8
Amount Authorized	\$3,913,000	\$2,672,415	\$5,700,000	\$6,000,000	\$5,000,000
Amount Issued	\$2,713,000	\$3,970,771	\$3,624,811	\$5,040,000	\$4,200,000
Amount Redeemed	\$1,589,618	\$1,001,142	\$3,856,648	\$3,175,200	\$2,646,000
EST. Amount Outstanding	N/A	N/A	\$5,255,431	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$4,093,833	N/A	N/A

HISTORICAL AND PROJECTED INFORMATION



Comments on Historical and Projected Information: The cap for the Development Tax Credit program is tracked through a spreadsheet that includes all proposals and approved projects. Authorizations are only reported on this form once a project has completed all paperwork and has signed agreements with DED to create jobs/investment. Reported authorizations may lag in fiscal year _____

TAX CREDIT ANALYSIS

Program Name: Development Tax Credit (DTC)
vs the fiscal year for which they are counted against the cap.

BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2012 ACTUAL	Other Fiscal Period (10 years)
BENEFITS		
Direct Fiscal Benefits	\$2,436,279	\$17,329,514
Indirect Fiscal Benefits	\$802,755	\$5,710,079
Total	\$3,239,034	\$23,039,593
COSTS		
Direct Fiscal Costs	\$950,000	\$5,441,792
Indirect Fiscal Costs	\$0	\$0
Total	\$950,000	\$5,441,792
BENEFIT: COST	3.41	4.23

Investment: (a) \$11.4 million in Durable Equipment Demand in 2012.
Employment: (a) 442 jobs in Manufacturing, Securities/Investments, Insurance, and Professional/Technical/Scientific Services at average wage rates in 2012-2021; (b) 4,494 retained jobs in Manufacturing and Securities/Investments industries at average wage rates in 2012-2021.
Other Assumptions: (a) real wage growth starting in 2013.
Incentives/Credits: (a) \$5,700,000 in authorized DTC credits, redeemed between 2012-2017. Impacts estimated using the REMI model for the Statewide Region. Assumptions provided by DED.
 The multi-year fiscal Benefit-Cost Ratio is 0.98 when other program incentives are included.

In FY-2012, every dollar of authorized program tax credits returns

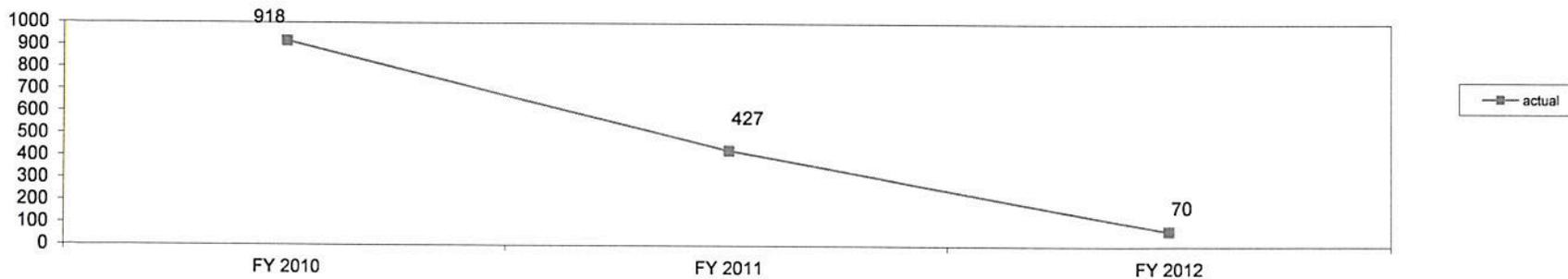
\$38.47 in new personal income totaling	\$36.54 million
\$85.00 in new value-added/GSP totaling	\$80.75 million
\$148.44 in new economic output totaling	\$141.02 million

Over 10 years, every dollar of authorized program tax credits returns

\$84.21 in new personal income totaling	\$458.25 million
\$150.34 in new value-added/GSP totaling	\$818.15 million
\$258.07 in new economic output totaling	\$1,404.36 million

PERFORMANCE MEASURE(S)

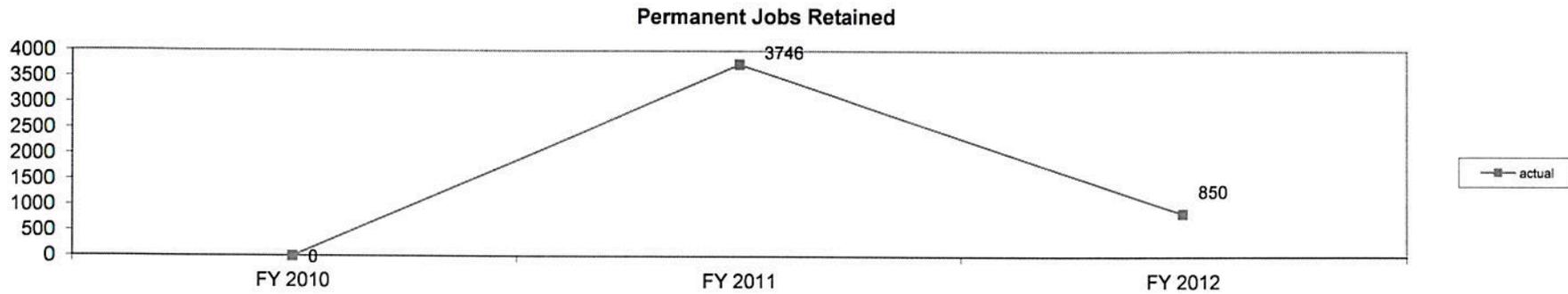
Permanent New Jobs Created



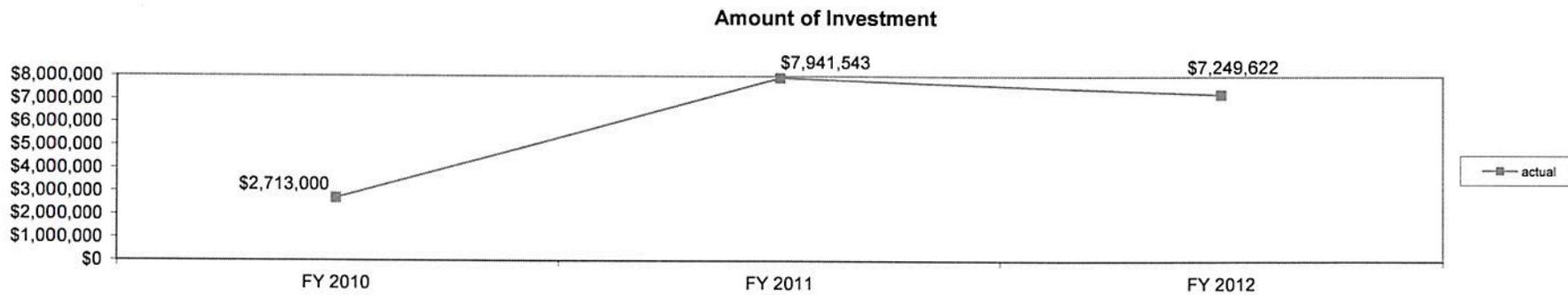
Comments on Performance Measure: Numbers reflect the companies that were within their 2-year job creation reporting period or in their 5 year maintenance reporting period during FY reported.

TAX CREDIT ANALYSIS

Program Name: Development Tax Credit (DTC)



Comments on Performance Measure: Numbers reflect the companies that were within their 2-year job creation reporting period or in their 5 year maintenance reporting period during FY reported.



Comments on Performance Measure: