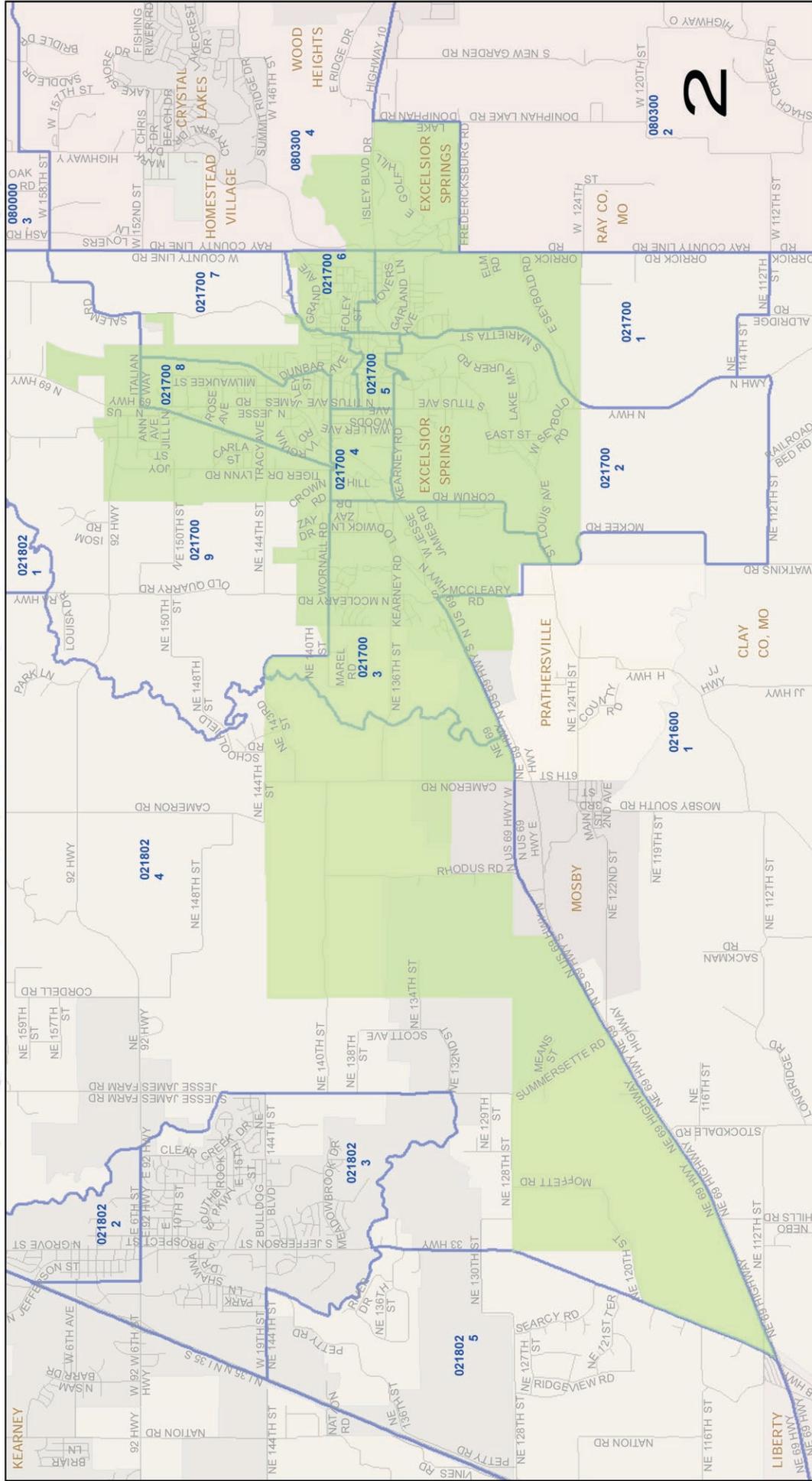




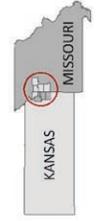
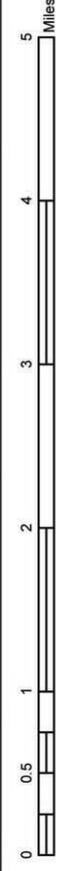
# **ENHANCED ENTERPRISE ZONE PROGRAM**

Contact:  
David Haugland  
City Manager  
201 East Broadway  
Excelsior Springs, MO 64024  
Phone: 816-630-0752  
E-mail: [dhaugland@ci.excelsior-springs.mo.us](mailto:dhaugland@ci.excelsior-springs.mo.us)

# Excelsior Springs Enhanced Enterprise Zone (with Census Block Block Groups)



Excelsior Springs EEZ (11,607 acres)  
 Census block groups (2000)  
 Roads



## **Excelsior Springs, Missouri Enhanced Enterprise Zone**

### **Purpose**

Provide tax credits and property tax abatement to new or expanding businesses in a Excelsior Springs designated Enhanced Enterprise Zone.

### **What qualifies a business for tax credits –**

Company is planning to locate or expand within a designated EEZ and is an Eligible business selected by City of Excelsior Springs City Council.

- New or expanded business facility creates 2 new jobs and \$100,000 in new investment
- Replacement business creates 2 new jobs and \$1 million in new investment (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.)
- Health insurance provided at all times, of which 50% is paid by the employer.
- Wages for new jobs must exceed 75% of the State's average wage of \$41,730 to be eligible for state benefits (wage valid until 7/1/13)

### **Eligible Businesses –**

Businesses are to be identified by NAICS codes. The company cannot have announced or construction started prior to the approval process. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Approved business clusters include:

- Agriculture, Forestry, Fishing and Hunting (NAICS 11);
- Mining (NAICS 21);
- Utilities (NAICS 22);
- Construction (NAICS 22);
- Manufacturing (NAICS 31 – 33);
- Wholesale Trade (NAICS 42);
- Transportation and Warehousing (NAICS 48 49);
- Information (NAICS 51);
- Finance and Insurance (NAICS 52);
- Real Estate and Rental and Leasing (NAICS 53);
- Professional, Scientific, and Technical Services (NAICS 54);
- Management of Companies and Enterprise (NAICS 55);
- Administrative and Support and Waste Management and Remediation Disposal Services (NAICS 56 with the exclusion of NAICS 562112-Hazardous Waste Collection, 562119-Other Waste Collection, 562211-Hazardous Waste Treatment and, 562212-Solid Waste Landfill, 562213-Solid Waste Combustor and Incinerators, and 562219-Other Nonhazardous Waste Treatment and Disposal)
- Health Care and Social Assistance (NAICS 62);
- Arts, Entertainment, And Recreation (NAICS 71 with the exclusion of NAICS group 7132-Gambling Establishments);
- Accommodation and Food Services (NAICS 72 with the exclusion of NAICS subsector 722-Food and Drinking Places);
- Other Services (NAICS 81 with the exclusion of NAICS group 8131-Religious Organizations);

### **What are the state benefits –**

Tax credits may be provided each year for up to 5 tax years, after the project commences operations.

- 2% of Payroll
- ½% of new investment
- Tax credits may be provided each year for up to five tax years, based on tax credits reserved for the project.
- A company may request a proposal for one additional five-year period for a subsequent expansion if all program and minimum new job/investment requirements are met.
- Tax credits are refundable; or may be transferred, sold or assigned.

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), and receive the Approval Letter before the start of construction, and/or purchase of machinery and equipment.

### **Duration of the Zone – 25 years**

### **What are the local benefits –**

Within zone, the City Council must abate at least 50% of taxes on improvements to real property for a period of at least 10 years; in no case can the abatement exceed 25 years.



# 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. The company cannot have been announced or construction started prior to the approval process. 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 administrators (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 receive the Approval Letter before the start of construction, and/or purchase of machinery and equipment. 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.

## **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 submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

## **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 • 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](mailto:dedfin@ded.mo.gov) • Web: [www.MissouriDevelopment.org](http://www.MissouriDevelopment.org)**

