

A map of the state of Missouri is shown in the background. The map is light blue with white lines representing major roads and highways. Several cities are labeled in black text, including Kansas City, St. Joseph, St. Louis, Springfield, and Cape Girardeau. Overlaid on the map is the text "Enhanced Enterprise Zone Program" in large blue font, "Guide for Businesses" in smaller orange font, and "March 2008" in black font.

Enhanced Enterprise Zone Program

Guide for Businesses

March 2008

Eligible Applicants

- Determined by Local board during the original zone designation application process by NAICS code.
 - **Ineligible: Gambling establishments, retail trade, educational services, religious organizations, public administration, & food and drinking places.**
- New or Expanded business facility: 2 new business facility employees AND \$100,000 New Business Facility Investment greater than the base year.
- Replacement Business Facility – 2 New Business Facility Employees AND \$1,000,000 New Business Facility Investment greater than the base year.
- Business facility employees must be full time scheduled at least 35 hours / week or more.
- Business must provide health insurance at all times of which at least 50% is paid by employer.
- Cannot earn tax credits under EEZ if earning EZ, business facility, rebuilding communities, quality jobs, Brownfield jobs, & investment tax credits for the same project for the same tax period.

How the Program Works

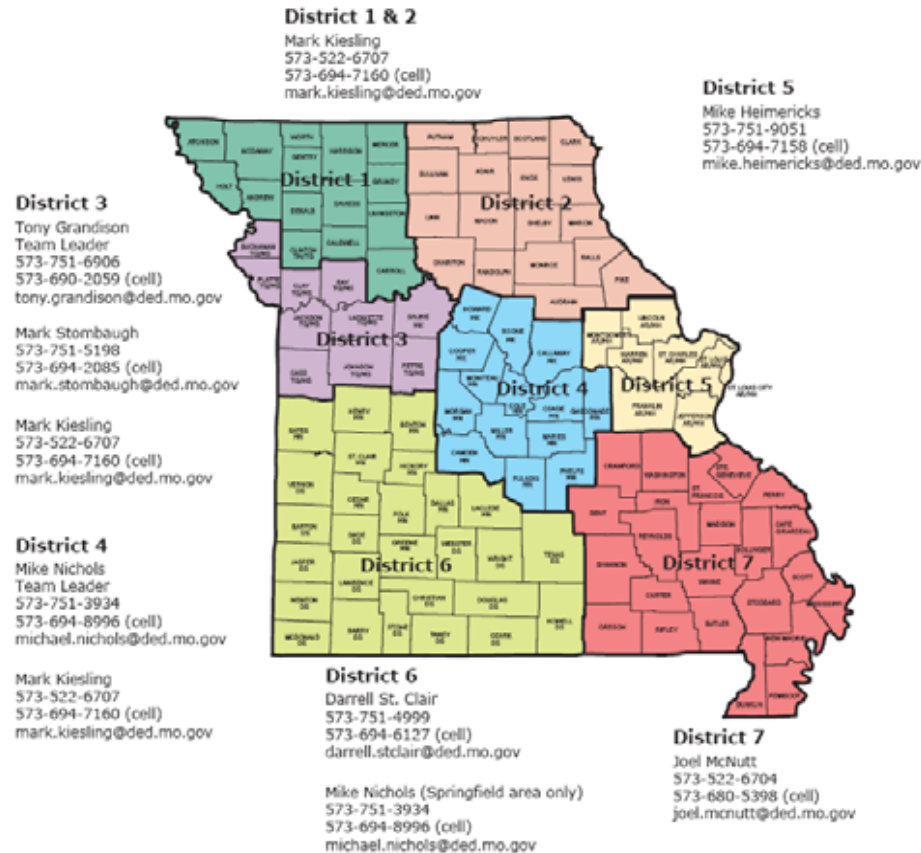
- **Approval :**
 - Discretionary by DED
- **Formula:**
 - 2% of new payroll /year
 - .5% of new investment/year
 - 5 years
- **Example:**
 - 15 new jobs (in year 1) @ \$33,493 avg. wage
 - \$10,031,008 new investment
 - Tax credits:
 - \$304,121 over 5 years

Steps to Apply for Businesses

- The Enhanced Enterprise Zone (EEZ) must be approved by the Missouri Department of Economic Development
- Contact Area Project Manager and / or Zone Contact to discuss Proposal process and qualifying incentives.
- If applicable, a proposal will be drafted by the Missouri Department of Economic Development (DED) outlining qualifying programs for submission to business.
- The business must choose a program, sign and return the proposal within 90 days.
- Once the proposal has been approved by MO DED, then the business must submit a Notice of Intent (NOI).
 - NO new investment or jobs will be counted until the NOI has been approved.

Business & Community Services Sales Team Project Areas

Fax 573-751-7384



Upon Approval of NOI

- If approved – a letter is sent to the business and the state representatives of the zone.
- The last page of the Approval letter will outline the calculated benefits reserved for the five year period.
- The 'Calculated Program Benefit' (Last Line) details the maximum amount of the tax credit reserved for each year.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
New Jobs (from base)	15	15	15	15	15	
Average Payroll/New Job	\$ 33,493	\$ 34,498	\$ 35,533	\$ 36,599	\$ 37,697	
New Payroll (from base)	\$ 502,400	\$ 517,472	\$ 532,996	\$ 548,986	\$ 565,456	
Payroll Tax Credits (2%)	\$ 10,048	\$ 10,349	\$ 10,660	\$ 10,980	\$ 11,309	\$ 53,346
New Investment (from base)	\$ 10,031,008	\$ 10,031,008	\$ 10,031,008	\$ 10,031,008	\$ 10,031,008	
Investment Tax Credits (1/2%)	\$ 50,155	\$ 50,155	\$ 50,155	\$ 50,155	\$ 50,155	\$ 250,775
Calculated Program Benefit	\$ 60,203	\$ 60,504	\$ 60,815	\$ 61,135	\$ 61,464	\$ 304,121

Applying for Tax Credits

- The business must file the tax credit application and provide supporting documentation each year for calculation of the facility tax credits.
- The deadline for the first year application is due by the end of the tax year immediately following the tax year in which the NOI was filed.
- Subsequent years (Years 2 - 5) filing deadline for the Annual Application is no later than twelve months after the end of the tax period being claimed. (i.e. Jan. – Dec. 2006 is the tax year being claimed – Annual application and supporting documents must be submitted to DED before December 31, 2007)
- Questions regarding:
 - Local incentives (e.g. tax abatement) **Contact** the local governing authority.
 - EEZ designation, NOI and / or tax credit process, deadlines, filing (e.g. NOI / Tax Credit application) **Contact** the Missouri Department of Economic Development – Finance Management Division. Contact info provided on the next slide.

Forms & Guidelines

- Go To: www.missouridevelopment.org
- In the Left Column:
 - Click 'BCS Programs'
 - Click 'Enhanced Enterprise Zone'
 - All Forms & guidelines are available in the box labeled 'Download'
- For more information:
 - Call 573.522.4216 for Tax Credit inquiries
 - Call 573.526.0308 for Notice of Intent (NOI) inquiries