

Eligible Areas

An eligible project must be located in a Missouri Enhanced Enterprise Zone. 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

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. Gambling establishments, retail trade, and food and drinking places are prohibited from receiving the state tax credits. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. DED will consult with the local government in determining eligibility. The following minimum new job and investment requirements must be met as compared to the base year:

- New or expanded business facility - 2 new business facility employees and \$100,000 new investment.
- Replacement business facility - 2 new business facility employees and \$1,000,000 new investment

How the Program Works

The Enhanced Enterprise Zone Program is a discretionary program offering state tax credits to Enhanced Business Enterprises. 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.

A facility may not earn tax credits for more than one ten-year period. New jobs and new investments must be added after the date the zone is certified by the state to be eligible for benefits.

Eligible investments 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.

Eligible Use of Tax Credits

This tax credit can be applied to Chapter 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 and new capital investment that the project will create. Program funding is discretionary and contingent upon available tax credits.

Application Procedure

DED must first offer program benefits to the business in the form of a formal proposal.

The business will accept and sign the state proposal and then submit a Notice of Intent which must be approved by DED prior to adding new jobs or new capital investment. Notices of Intent 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 facility must file the tax credit application and supporting documents each year for calculation of facility's state tax benefits. The deadline for submitting the tax credit application is during the tax period immediately after the tax period for which the credits are being requested.

Effective August 28, 2005, and pursuant to Section 620.1900, RSMo, this tax credit program is subject to a fee of 2.5% of the amount of tax credits issued. Applicants will be invoiced for the fee after the tax credit application has been approved. Tax credits will be issued upon receipt of the fee.

Special Program Requirements

Applicants are eligible for at least ten years' real property tax abatement at 50% pursuant to the local enhanced enterprise zone plan.

A business cannot earn tax credit under this program if earning Enterprise Zone, Business Facility, Rebuilding Communities, Missouri Quality Jobs or Brownfield Jobs and Investment tax credits. If a project is eligible for more than one such program, the business must choose only one program.

Contact

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INDEPENDENCE ENHANCED ENTERPRISE ZONE



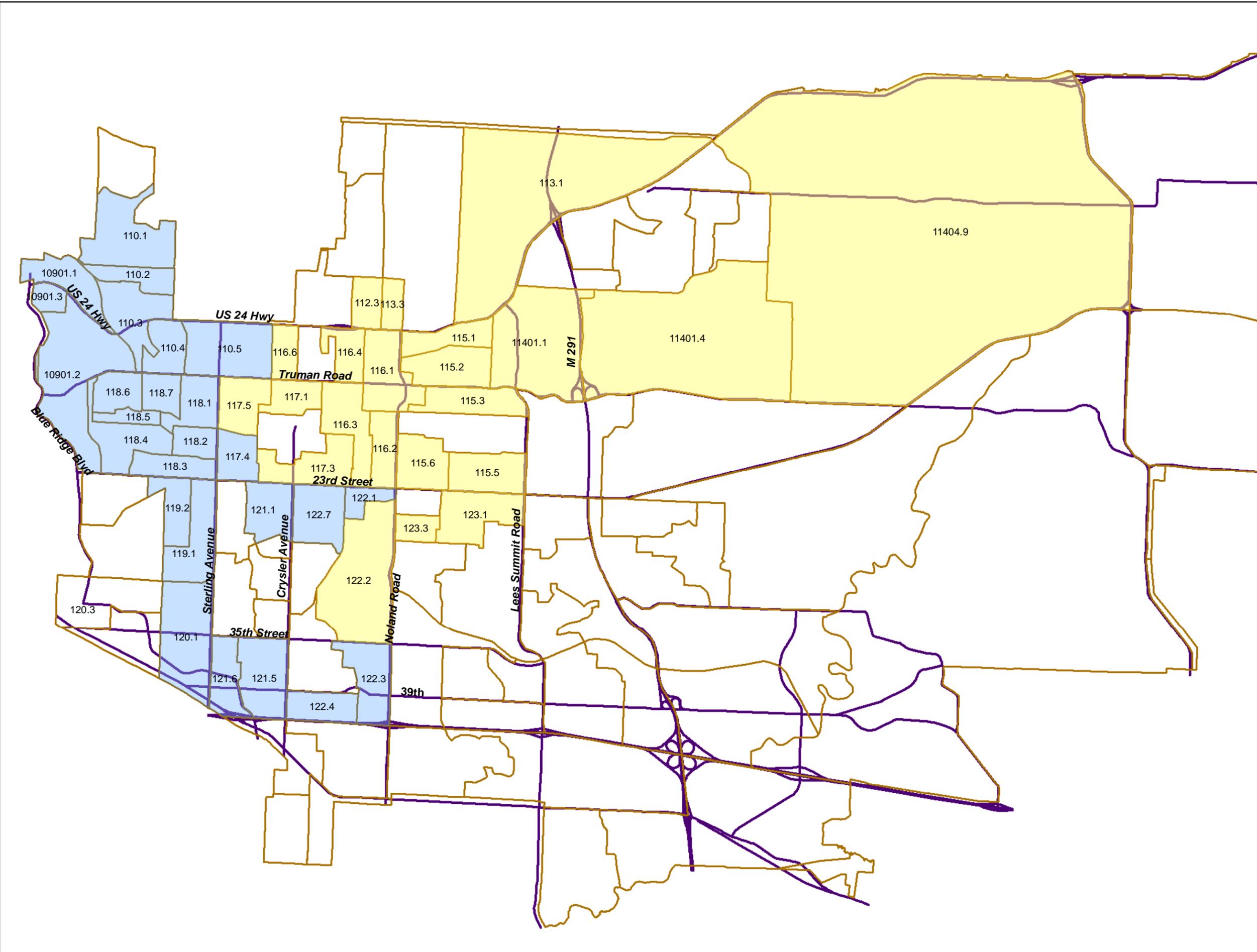
BENEFIT LEVEL OPTIONS

Qualification Requirements	Abatement Level/Term
Minimum Requirements – As determined by DED: 2 new FT employees – \$100,000 (minimum) capital investment	50% abatement/10 years

ADDITIONAL ABATEMENT INCREMENT BENEFITS	
5+ new FT employees	5% additional abatement
10+ new FT employees	7% additional abatement
15+ new FT employees	10% additional abatement
25+ new FT employees	15% additional abatement
50+ new FT employees	20% additional abatement
100+ new FT employees	25% additional abatement
250+ new FT employees	30% additional abatement
Avg. new payroll at 100% of County avg.	5% additional abatement
Avg. new payroll at 110% of County avg.	10% additional abatement
Avg. new payroll at 120% of County avg.	15% additional abatement
Avg. new payroll at 130% of County avg.	20% additional abatement
Capital investment exceeding \$5M	5% additional abatement
Capital investment exceeding \$10M	10% additional abatement
Capital investment exceeding \$25M	15% additional abatement
Capital investment exceeding \$50M	20% additional abatement
Capital investment exceeding \$75M	30% additional abatement

Any combination can be used but total abatements cannot exceed 80% for 10 year period without action of the Independence City Council.

*Enhanced Enterprise
Zones for
Independence, MO*



Legend

- EEZ West
- Independence EEZ

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1 inch = 4,700 feet