

Missouri Enhanced Enterprise Zone in Kearney

Purpose

Provide tax credits and property tax abatement to new or expanding businesses in a Missouri 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 Kearney Board of Aldermen.

- 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.

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. Cannot include educational services (61), religious organizations (8131), public administration (92), retail or gaming and specifically excluded is eating and drinking establishments (722). Approved business clusters include:

- 311 Frozen Food Manufacturing
- 326 Plastic Product Manufacturing
- 332 Fabricated Metal Product Manufacturing
- 334 Computer/Electronic Product Manufacturing
- 423 Merchant Wholesalers, Durable Goods
- 541 Marketing Consulting Services

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 – until 2034

What are the local benefits –

Within zone, local government 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