

## **MISSOURI WORKS PROGRAM**

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The Missouri Works Program is an economic development tool utilized by the Missouri Department of Economic Development (MDED) to support business growth within the state. The MDED can provide withholding benefits to expanding local companies. In addition to the withholding side of Missouri Works, companies that are considering different sites for an expansion or relocation could also benefit from refundable tax credits. This tool allows the MDED to go a step further in working to bridge any gap between a Missouri site under consideration and sites in other states or countries.

The Missouri Works Program has a few distinct categories that projects may fit into. Each of these categories has its own unique requirements. For this blog, I will deal with the Statewide Works program which requires:

1. A minimum of 10 new jobs by the end of the second year of the project,
2. Wages at 90 percent of the county average, and
3. At least 50 percent of health insurance offered and paid for by the company

Statewide Works provides significant state incentives for eligible companies creating new jobs in Missouri. The incentives are a combination of the retention of state withholding tax of the new jobs and a discretionary refundable/sellable state tax credit. For example, statutory benefits for the retention of state withholding tax for the new jobs would include, but are not limited to:

- AGI of \$40 – 45,000: 3.00 percent of total new payroll
- AGI of \$45 – 50,000: 3.11 percent of total new payroll
- AGI of \$50 – 55,000: 3.21 percent of total new payroll

The above statutory retention benefit can be awarded to the company for either five or six years, based on how long the company has been in operation in Missouri.

When the state needs to go above and beyond to close a competitive gap, a Statewide Works project may be considered for discretionary benefits. Discretionary incentives must be offered in a Proposal by the Department of Economic Development to be considered for approval. When the MEDC knows it is competing for a project, they will value the project, assess the competition and utilize discretionary benefits when needed to help secure the project.



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