



MANUFACTURING JOBS PROGRAM

Notice of Intent (NOI) Application & Guidelines

October 12, 2010

Manufacturing Jobs Program Guidelines

Refer to Section 620.1910, RSMo, for the complete statute.

ELIGIBILITY REQUIREMENTS

Qualified Manufacturing Company

- The business has a NAICS Code of 33611.
- Manufactures goods at a facility located in Missouri.
- Offers health insurance for full-time jobs at the project facility and pays at least fifty percent of the premiums.
- Manufactures goods during the entire applicable withholding period.
- **Option 1: New product (as defined under 620.1910.2(9) RSMo);**
 - Capital Investment: \$75,000 per employee within 2 years of when company begins to retain withholding tax
- **Option 2: Modification or expansion of an existing product**
 - Capital Investment: \$50,000 per employee within 2 years of when company begins to retain withholding tax

Qualified Supplier

- The supplier manufactures goods at a facility located in Missouri.
- Attests to the department that it derives more than 10% of its total annual sales from sales to a “qualified manufacturing company” as defined under Section 620.1910.2(11), RSMo.
- Adds five or more new jobs (as defined under Section 620.1878, RSMo.)
- The new jobs have an average wage, as defined in Section 135.950, equal to or in excess of the lower of:
 - a. The county average wage as determined by the department using NAICS industry classifications (but not lower than 60% of the statewide average wage); or
 - b. The statewide average wage, and
- Provides health insurance for all full-time jobs and pays at least fifty percent of the premiums.

BENEFITS

Qualified Manufacturing Company

Option 1: New product (as defined under Section 620.1910.2(9) RSMo);

- Benefit: Retain 100% of the withholding on full-time employees for 10 years

Option 2: Modification or expansion of an existing Product

- Benefit: Retain 50% of the withholding on full-time employees for 7 years

Qualified Supplier

- Benefit: Retain 100% withholding tax for any new jobs for a period of 3 years
(If wages exceeding 120% of the county average wage, benefit can be extended to a 5 year period).

DEFINITIONS

“Approval”: The document provided to the qualified manufacturing company or qualified supplier by the department stating the benefits available under the Manufacturing Jobs Program.

“Capital Investment”: Expenditures made by a qualified manufacturing company to retool or reconfigure a manufacturing facility directly related to the manufacturing of a new product or the expansion or modifications of the manufacture of an existing product.

“County average wage”: The average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county. The department publishes the county average wage for each county at least annually. For any qualified company that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, the company shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their project shall be the county average wage for the county from which the employees are being relocated.

“Department”: The department of economic development.

“Full-time job”: A job for which a person is compensated for an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified manufacturing company or qualified supplier offers health insurance and pays at least fifty percent of such insurance premiums.

“NAICS industry classification”: The most recent edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget.

“New job”: The number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's payroll, one hundred percent of the employee's income from such employment is Missouri income, and the employee is paid at or above the state average wage.

“New product”: A new model or line of a manufactured good that has not been manufactured in Missouri by the qualified manufacturing company at any time prior to the date of the notice of intent, or an existing brand, model, or line of a manufactured good that is redesigned with more than seventy-five percent new exterior body parts and incorporates new powertrain options;

“Notice of Intent”: A form developed by the department, completed by the qualified manufacturing company or qualified supplier and submitted to the department which states the qualified manufacturing company's or qualified supplier's intent to create new jobs or retain current jobs and make additional capital investment, as applicable, and request benefits under this program. The notice of intent shall specify the minimum number of such new or retained jobs and the minimum amount of such capital investment.

“Qualified manufacturing company”: A business with a NAICS code of 33611 that:

- (a) Manufactures goods at a facility in Missouri;
- (b) In the case of the manufacture of a new product, commits to make a capital investment of at least seventy-five thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section, or in the case of the modification or expansion of the manufacture of an existing product, commits to make a capital investment of at least fifty thousand dollars per retained job within no more than two years of the date the qualified manufacturing company begins to retain withholding tax under this section;
- (c) Manufactures a new product or has commenced making capital improvements to the facility necessary for the manufacturing of such new product, or modifies or expands the manufacture of an existing product or has commenced making capital improvements to the facility necessary for the modification or expansion of the manufacture of such existing product; and
- (d) Continues to meet the requirements of paragraphs (a) to (c) of this subdivision for the withholding period.

“Qualified supplier”: A manufacturing company that:

- (a) Attests to the department that it derives more than ten percent of the total annual sales of the company from sales to a qualified manufacturing company;
- (b) Adds five or more new jobs;

(c) Has an average wage, as defined in section 135.950, for such new jobs that are equal to or exceed the lower of the county average wage for Missouri as determined by the department using NAICS industry classifications, but not lower than sixty percent of the statewide average wage; and

(d) Provides health insurance for all full-time jobs and pays at least fifty percent of the premiums of such insurance;

“Retained Job”: The number of full-time jobs of persons employed by the qualified manufacturing company located at the facility that existed as of the last working day of the month immediately preceding the month in which the Notice of Intent was submitted.

“Statewide average wage”: An amount equal to the quotient of the sum of the total gross wages paid for the corresponding four calendar quarters divided by the average annual employment for such four calendar quarters, which shall be computed using the Quarterly Census of Employment and Wages Data for All Private Ownership Businesses in Missouri, as published by the Bureau of Labor Statistics of the United States Department of Labor.

“Withholding period”: The seven- or ten-year period in which a qualified manufacturing company may receive benefits.

“Withholding tax”: The state tax imposed by sections 143.191 to 143.265, RSMo., as defined in section 620.1878.

SEQUENCE OF EVENTS

- 1. Notice of Intent (NOI) Application may be received by the Department no earlier than October 12, 2010.**
- 2. The Department’s Approval of the NOI**
 - a. The department shall respond within thirty (30) days to a **qualified manufacturing company** who provides a notice of intent with either an approval or a rejection of the Notice of Intent. Failure to respond on behalf of the department shall result in the Notice of Intent being deemed an approval.
 - b. The department shall respond within thirty (30) days to a **qualified supplier**, who provides a notice of intent **and** attests to the required relationships with a qualified manufacturing company. By definition, the qualified manufacturing company would have to have been previously designated as such by the department before any qualified supplier application may be submitted.
 - c. Only complete NOI applications may receive written approval from the department, and the department cannot guarantee approval for incomplete applications.
- 3. Written Agreement with the Department**
 - a. Within six months of completion of the notice of intent, a qualified manufacturing company must enter into an agreement with the department. The agreement shall include, but not be limited to, provisions memorializing the content of the notice of intent, the program requirements, and the consequences for failing to meet such requirements.
- 4. Commencement of Benefits**
 - a. A Qualified Manufacturing Company that manufactures a new product may, upon the department’s approval of a notice of intent and the execution of an agreement with the department, but no earlier than January 1, 2012, **retain one hundred percent (100%) of the withholding tax** from full-time jobs at the facility for a period of ten years.
 - b. A Qualified Manufacturing Company that modifies or expands the manufacture of an existing product may, upon the department’s approval of a notice of intent and the execution of an agreement with the department, but no earlier than January 1, 2012, **retain fifty percent (50%) of the withholding tax** from full-time jobs at the facility for a period of seven years.
 - c. A Qualified Supplier may, upon approval of a notice of intent by the department, **retain one hundred percent (100%) of the withholding tax from new jobs** for a period of three years from the date of approval of the notice of intent or for a period of five years if the supplier pays wages for the new jobs equal to or greater than one hundred and twenty percent (120%) of county average wages.

CERTIFICATION & E-VERIFY

The **E-Verify Program**, conducted jointly by the U.S. Citizenship and Immigration Services (USCIS) Verification Division and the Social Security Administration (SSA) is designed to provide employment status information to determine the eligibility of applicants for employment.

The Memorandum of Understanding Certification certifies that your organization does not employ illegal immigrants (undocumented workers) and the information contained in the application is true, correct, and complete.

E-Verify program requires participating commercial employers use the automated Verification Information System (VIS) to check the SSA and the USCIS databases to verify the employment authorization of **ALL** newly hired employees.

To certify that your business / organization do not employ illegal immigrants, **all applicants must:**

- Enroll in E-Verify. Currently an employer's participation in E-Verify is free.
- To access E-Verify website, go to: <https://e-verify.uscis.gov/enroll/>
- Check the box on the Certification confirming enrollment and participation in E-Verify
- Provide supporting documentation by including a copy of the executed Memorandum of Understanding.

PROGRAM RESTRICTIONS

1. A **qualified manufacturing company** that is awarded benefits under this section cannot simultaneously receive tax credits or exemptions from BUILD, Business Facility Tax Credit (BFC), Enterprise Zone (EZ), Rebuilding Communities, and Rural Empowerment programs for any jobs created or retained or for capital investment used to qualify for benefits under this program. If any qualified manufacturing company also participates in the New Job Training program, such qualified manufacturing company cannot retain any withholding tax that has already been allocated for use in the New Jobs Training program.
2. A **qualified supplier** cannot receive any tax credit or exemption or be entitled to retain withholdings under BUILD, BFC, EZ, Rebuilding Communities, Rural Empowerment, Enhanced Enterprise Zone (EEZ), or Missouri Quality Jobs (MQJ) for programs for the same jobs.
3. Benefits under this program will cease to be available, as provided in the Agreement under this program, if a qualified manufacturing company moves its project facility from its initial qualifying address, if the company fails to create or maintain the minimum number of jobs and capital investment or if it fails to manufacture goods during the entire withholding period.
4. The maximum amount of withholding tax that may be retained by any **one qualified manufacturing company** under this program cannot exceed ten million dollars (\$10,000,000) per calendar year.
5. The total amount of withholding tax that may be retained by **ALL qualified manufacturing companies** under this program cannot exceed fifteen million dollars (\$15,000,000) per calendar year.
6. A qualified manufacturing company must make the required capital investment within 2 years following the execution of the agreement with the department and continue manufacturing the new product during the withholding period as provided in the agreement.
7. No new qualified manufacturing companies or qualified suppliers may be authorized under this program after October 12, 2016, unless the program is reauthorized by the General Assembly.

REPORTING

Upon the department's approval of a notice of intent and the execution of an agreement, but no earlier than **January 1, 2012**:

1. A **qualified manufacturing company must** submit an annual report to the department no later than 90 days after the end of each calendar year of the withholding period that includes documentation of cumulative investment in the project, a list of full-time employees and the amount of withholding tax retained for the year reporting.
2. A **qualified supplier** must submit an annual report to the department no later than 90 days after the end of each calendar year of the applicable withholding period that includes the number of new jobs created, the total number of employees, and the average wage of the new jobs.

PENALTIES

1. Any qualified manufacturing company or a qualified supplier that is awarded benefits under this program that knowingly hires individuals who are not allowed to work legally in the U.S. shall immediately forfeit such benefits and shall repay the state an amount equal to any withholding taxes already retained.
2. If the amount of capital investment required to be made by the qualified manufacturing company is not made within the two-year period provided for such investment as provided in the agreement, the qualified manufacturing company must immediately cease retaining any withholding tax with respect to jobs at the facility and forfeit all rights to retain withholding tax for the remainder of the withholding period. In addition, the qualified manufacturing company must repay any amounts of withholding tax retained plus interest at a rate of five percent per annum.
3. If the qualified manufacturing company discontinues the manufacture of the new product and does not replace it with a subsequent or additional new product manufactured at the facility at any time during the withholding period as provided in the agreement, the qualified manufacturing company shall immediately cease retaining any withholding tax with respect to jobs at that facility and it shall forfeit all rights to retain withholding tax for the remainder of the withholding period.

CLOSED RECORDS (Sections 610.255 and 620.014, RSMo)

Prior to August 28, 2004 and pursuant to Section 620.014, RSMo, DED had the authority to close certain records except for the name of the tax credit recipient and the amount of the tax credit. SB 1099 removes this broad exception but DED retains the authority to close records or documents that “relate to financial investments in a business, or sales projections or other business plan information which may endanger the competitiveness of a business” or as also allowed by law.



**MISSOURI MANUFACTURING JOBS PROGRAM
NOTICE OF INTENT FOR MISSOURI WITHHOLDING TAX BENEFITS**

QUALIFIED MANUFACTURING COMPANY						
Name of Manufacturing Company				Federal Tax ID No. (FEIN)		
Project Facility Address				NAICS 33611		
City	County	Missouri		Zip Code		
PROJECT DESCRIPTION: location, investment needed in amount and general type to accomplish project, project timeline, expected annual wages Is the company manufacturing a new product at the project facility?				Yes	No	N/A
Number of jobs expected to be retained		Expected Amount of Capital Investment		\$		
Is the company modifying or expanding the manufacture of an existing product at the project facility?				Yes	No	N / A
Number of jobs to be retained		Amount of Capital Investment		\$		
QUALIFIED SUPPLIER (if applicable)						
Name of Company				Federal Tax ID No. (FEIN)		
Project Facility Address				NAICS		
City	County	MISSOURI		Zip Code		
Do you derive more than 10% of the total annual sales from the qualified manufacturing company listed above? (Attestation and supporting documentation required)				Yes	No	What percentage?
Number of new jobs projected		Average wage of the new jobs		\$		
CONTACT INFORMATION (Provide 2 contacts that can be reached to answer questions regarding this application)						
Business Contact Person			Title			
Address		City	State	Zip Code		
Telephone Number		Fax Number	E-mail			
Preparer Contact Person			Title		Company	
Address		City	State	Zip Code		
Telephone Number		Fax Number	E-mail			

TYPE OF BUSINESS							
<input type="checkbox"/> C Corp		<input type="checkbox"/> S Corp		<input type="checkbox"/> Non-Profit		<input type="checkbox"/> LLC	
<input type="checkbox"/> Fiduciary		<input type="checkbox"/> Sole Proprietor		<input type="checkbox"/> Partnership		<input type="checkbox"/> Other: _____	
If the taxpayer is a Partnership, S Corporation, or other entity, which has a flow through tax treatment, identify the names, social security numbers and proportionate share of ownership of each Beneficiary, Partner or Shareholder on the last day of the tax period. Aggregate proportionate shares or percent of total ownership may not exceed 100%. Attach a separate sheet if necessary.							
Names(s)		Social Security Numbers		% Ownership at Year End			
Is the company owned 51% or more by women?						Yes	No
Business Size in Annual Sales/Receipts (check one)							
\$0 – \$250,000		\$250,000 – \$500,000		\$500,000 – \$1,000,000			
\$1,000,000 - \$5,000,000		\$5,000,000 - \$10,000,000		\$10,000,000 & over			
Certifications:							
Number of jobs at project facility as of last day of month prior to NOI application							
Are health care benefits offered to full-time employees? Does company pay 50% or more of premiums for health insurance?						Yes	No
Are full-time employees compensated for an average of at least 35 hours a week?						Yes	No
Is the company utilizing other state programs? (e.g. TIF, New Jobs Training Program, Job Retention, MO downtown and rural development, etc.)						Yes	No
		If YES ►		Name Program(s) and project identifying number or other info			
Is the applicant delinquent in the payment of any non-protested taxes or any other amounts due the state or federal government or any other political subdivision of this state?						Yes	No
Has the applicant filed for or publicly announced its intention to file for bankruptcy protection?						Yes	No
Current Aggregate Employment Information							
Qualified Manufacturing Company: Number of employees to be retained as a result of this application.							
Number of full time employees at the project facility as of the last day of the previous month.				Total payroll for all full time employees for the 12 months preceding the Notice of Intent.			
Qualified Supplier: Number of new jobs that will be created?				Average wage			
Number of full time employees at the project facility as of the last day of the previous month.				Total payroll for all full time employees for the 12 months preceding the Notice of Intent.			
For Qualified Suppliers, please provide the following employment information:							
NAME (Last, First)	LAST 4 OF SSN or Employee ID	DATE HIRED	DATE TERM	POSITION	SALARY	FULL- or PART- TIME	HEALTH BENEFITS (decline /accept)



CERTIFICATION
Please Read Thoroughly

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the applicant does NOT knowingly employ any person who is an unauthorized alien and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.
- I certify that the applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo., with respect to employees working in connection with the activities that qualify applicant for this program. I certify that the applicant will maintain and, upon request, provide the Department of Economic Development documentation demonstrating applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify applicant for this program.
- I certify that the applicant will maintain and provide the Department of Economic Development access to documentation demonstrating compliance with any and all program requirements as provided in the agreement.
- I understand that if the applicant is found to have employed an unauthorized alien, applicant maybe subject to penalties pursuant to Sections 135.815, 285.025, and 285.535, RSMo.
- I understand that if the applicant is found to have employed an unauthorized alien in Missouri and did not, for that employee, examine the document(s) required by federal law, the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.
- I attest that I have read and understand the Manufacturing Jobs Program guidelines.
- I hereby agree to allow representatives of the Department of Economic Development access to the property and applicable records as may be necessary for the administration of this program as provided in the agreement.
- I certify under penalties of perjury that the above statements and information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief.

Applicant Signature	Print Name	Title	Date
---------------------	------------	-------	------

Notary Public Embosser Seal	Appeared before me this _____ day of _____, 20____, _____ to me personally known to be the person who executed the above certification, and acknowledged and states on his/her oath to me that he/she executed the same for the purpose therein stated.		
	State of _____		County (or City of St. Louis) _____
	Notary Public Name _____	My Commission Expires _____	Use Rubber Stamp in Area Below
	Notary Public Signature _____		



TO BE COMPLETED BY THE QUALIFIED SUPPLIER ONLY

ATTESTATION OF REQUIRED REVENUE FROM QUALIFIED MANUFACTURING			
Missouri Department of Economic Development (DED)			
301 W. High Street			
Jefferson City, MO 65102			
<p>On this _____ day of _____, 20____, I attest that the preceding or attached document is a true, exact, complete, and unaltered photocopy made by me to provide to the Department of Economic Development the required proof that _____% of our total annual sales were derived from sales to a qualified manufacturing company, _____, during the time period from _____, 20____ through _____, 20____. I declare that the above statement is true and accurate to the best of my knowledge.</p>			
Applicant's Signature	Print Name	Title	Date
<p>Appeared before me this _____ day of _____, 20____, _____ to me personally known to be the person who executed the above certification, and acknowledged and states on his/her oath to me that he/she executed the same for the purpose therein stated.</p>			
State of		County (or City of St. Louis)	
Notary Public Name (Print)	Commission Expires	Use Rubber Stamp in Area below	
Notary Public Signature			



ATTACHMENTS

(Application without all the required attachments listed below will be deemed incomplete)

- **E- verify Memorandum of Understanding (MOU)** - A copy of the executed MOU (electronically signed by company & DHS-USCIS) between the company / organization and the Department of Homeland Security, United States Citizenship and Immigration Services (DHS-USCIS) and the Social Security Administration. Must be on file for the company participating in the project. Enrollment Website: <https://e-verify.uscis.gov/enroll/>
- **Proof of employer provided Health Care Benefits** – Attach a summary of health care benefits offered and percentage employer pays.
- **Department of Revenue (DOR) Tax Clearance Certificate or copy of Request for Tax Clearance** – To obtain DOR tax clearance, submit Form 943 “Request for Tax Clearance” to DOR. Form 943 can be found on DOR’s website at www.dor.mo.gov.
- **Proof of 10% revenue** – Qualified suppliers only must provide supporting documentation and attest that they receive 10% or more of its total annual sales from sales to a qualified manufacturing company.

Mail all claims for tax benefits and related inquiries to:

Missouri Department of Economic Development
BCS, Business & Community Finance
301 W. High Street, Room 770
P.O. Box 118
Jefferson City, MO 65102-0118
Phone: 573-751-4539 Fax: 573-522-4322
www.missouridevelopment.org
E-mail: dedfin@ded.mo.gov