



# ENHANCED ENTERPRISE ZONE TAX BENEFIT PROGRAM

## MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

### **PURPOSE**

Provide tax credits to new or expanding businesses in a Missouri Enhanced Enterprise Zone.

### **AUTHORIZATION**

Sections 135.950 to 135.973, RSMo

### **ELIGIBLE AREAS**

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**

An eligible business must be located in a Missouri Enhanced Enterprise Zone (EEZ). 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. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the state. Headquarters or administrative offices of an otherwise excluded business may qualify if the offices serve a multi-state territory. The company cannot have been announced or construction started prior to the approval process. See application for complete information.

#### **Ineligible Applicants:**

Gambling establishments (NAICS group 7132)  
Retail trade (NAICS sectors 44 & 45)  
Educational services (NAICS sector 61)  
Religious organizations (NAICS group 8131)  
Public administrators (NAICS sector 92) and  
Food and drinking places (NAICS subsector 722) are prohibited by statute from receiving the state tax credits.

### **ELIGIBILITY CRITERIA**

The Enhanced Enterprise Zone program is a discretionary program offering state tax credits, accompanied by local real property tax abatement, to Enhanced Business Enterprises. Tax credits may be provided each year for five tax years after the project commences operations.

To receive tax credits for any of the years, the facility must create and maintain the minimum:

- New or expanded business facility – 2 new employees and \$100,000 new investment;
- Replacement business facility – 2 new employees and \$1,000,000 new investment
- Health insurance at all times, of which at least 50% is paid by the employer.

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.

### **PROGRAM BENEFITS/ELIGIBLE USES**

This tax credit can be applied to:

- Ch. 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, wages and new capital investment that the project will create.

Tax credits issued under this program are limited to \$24,000,000 annually, effective August 28, 2008.

## **Mount Vernon**

**Date Designated:** July 9, 2009

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### **Eligible "Enhanced Business Enterprises"**

#### By NAICS Code:

- 11 - Agriculture, Forestry, Fishing and Hunting
- 21 – Mining, Quarrying, and Oil and Gas Extraction
- 22 – Utilities
- 23 - Construction
- 31-33 - Manufacturing
- 42 - Wholesale Trade
- 48-49 – Transportation and Warehousing
- 51 – Information
- 52 – Finance And Insurance
- 53 – Real Estate and Rental and Leasing
- 54 - Professional, Scientific, and Technical Services
- 55 – Management of Companies and Enterprises
- 56 – Administration and Support and Waste Management and Remediation Services
- 62 - Health Care and Social Assistance
- 71 – Arts, Entertainment, and Recreation (except group 7132 Gambling Establishments)
- 72 – Accommodations and Food Services (except subsector 722 Food and Drinking places)
- 81 – Other Services (except group 8131 Religious Organizations)

excluding those listed by Statute.(listed below)

\* All gambling (7132), retail establishments (44-45), educational services (61), religious organizations (8131), public administration (92) and eating and drinking establishments (722) are not eligible.

#### By Section 135.950(7)(b) of the RSMo:

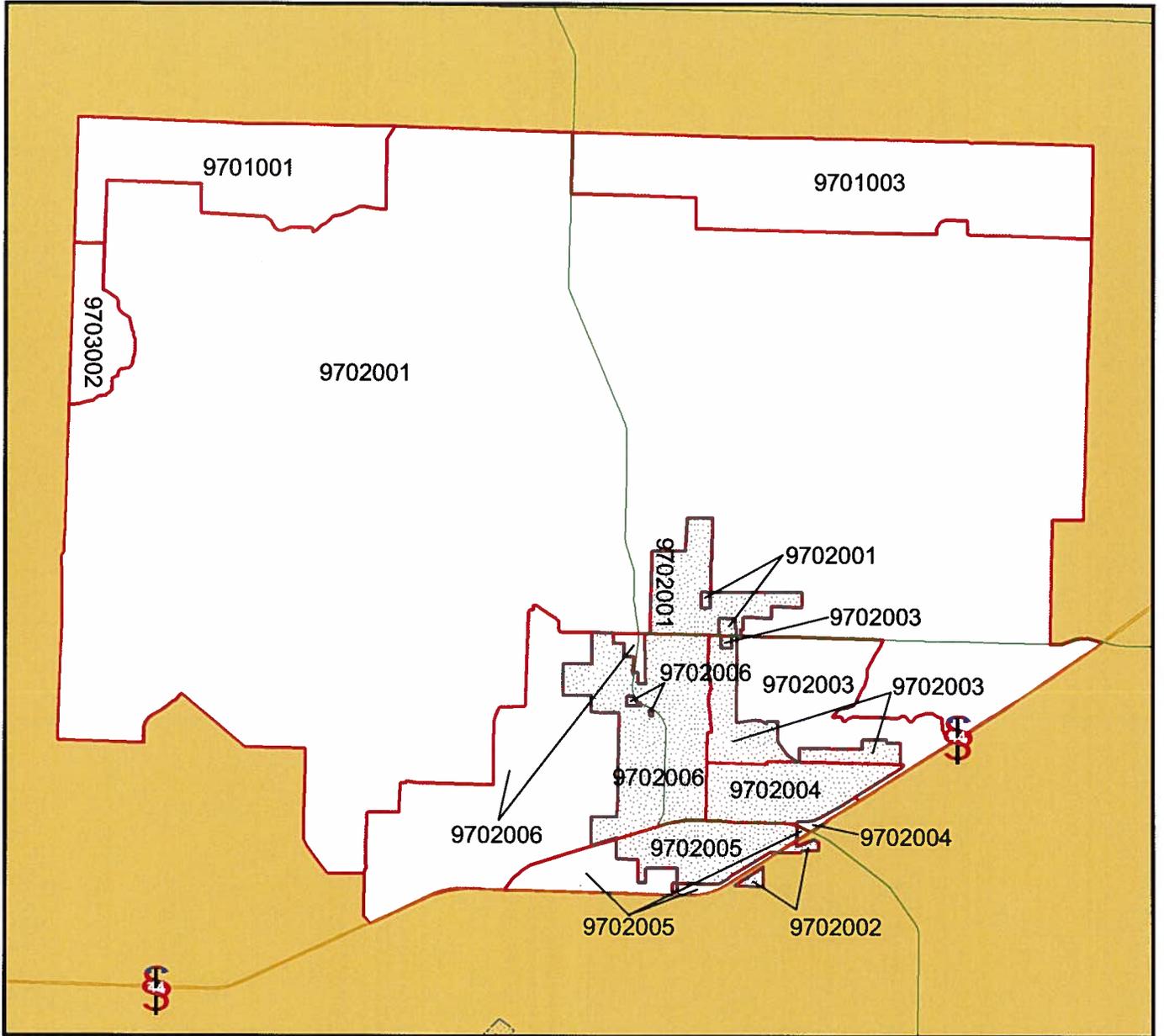
An international, national, regional or state headquarters of a revenue producing business or enterprise. Allows service industries to be eligible only if a majority of its annual revenues will be derived from services provided out of state.

## **Map of Mount Vernon**

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# Mount Vernon

Enhanced Enterprise Zone



-  Enhanced Enterprise Zone
-  County Boundary
-  Town / City

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**M I S S O U R I**  
 Department of Economic Development

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