

# MEDC Legislative Update

## Brian Grace – April 15, 2010

### TAX CREDIT REFORM

Although the legislature took no formal action on tax credit reform this week, Sen. Tom Dempsey (R-St. Peters) distributed a new proposal that would reduce the caps of many of Missouri's tax credit programs. The proposal would reduce tax credit authorizations a total of \$80 million. The largest reductions would come from Historic Preservation (\$40 million), Rebuilding Communities (\$6 million), Affordable Housing (\$5.5 million), and MDFB Infrastructure Development Funds (\$5 million). Low Income Housing, Wine and Grape Production, and Wood Energy tax credits would have caps placed on them for the first time. Sen. Dempsey's proposal does not make any changes to several tax credits, including Brownfield Redevelopment, Distressed Area Land Assemblage, and Quality Jobs.

The table below outlines the revisions proposed for each tax credit program.

<u>Program</u>	<u>Current Cap</u>	<u>Proposed Cap</u>	<u>Percent Reduction</u>
Affordable Housing Assistance	\$11 M	\$5.5 M	50%
Alternative Fuel Stations	\$2 M	\$500 K	75%
BUILD	\$25 M	\$22.5 M	10%
Development Tax Credit	\$4 M	\$0	100% Sunsets 6/30/10
Domestic Violence Shelter	\$2 M	\$1.8 M	10%
Enhanced Enterprise Zone	\$24 M	\$21.6 M	10%
Family Development Account	\$300 K	\$25 K	92%
Family Farm Breeding Livestock	\$300 K	\$250 K	17%
Film Production	\$4.5 M	\$3 M	33%
Food Pantry Tax Credit	\$2 M	\$1.8 M	10%
Health Care Access Fund	\$1 M	\$900 K	10%
Historic Preservation	\$140 M	\$100 M	29%
Low Income Housing	No Cap	\$50 M	N/A
Maternity Homes	\$2 M	\$1.8 M	10%
MDFB Infrastructure Development	\$25 M	\$20 M	20%
Neighborhood Assistance Program	\$16 M	\$14.4 M	10%
Neighborhood Preservation Act	\$16 M	\$12 M	25%
New Generation Co-Op Incentive	\$6 M	\$5.4 M	10%
New Markets	\$25 M	\$22.5 M	10%
Pregnancy Resource Center	\$2 M	\$1.8 M	10%
Qualified Beef Tax Credit	\$3 M	\$2.7 M	10%
Rebuilding Communities	\$8 M	\$2 M	75%
Special Needs Adoption	\$4 M	\$3.6 M	10%
Wine and Grape Production	No Cap	\$150 K	N/A
Wood Energy	No Cap	\$4.6 M	N/A Sunsets 6/30/13
Youth Opportunities Program	\$6 M	\$5.4 M	10%

### MANUFACTURING JOBS ACT

This week the Senate Jobs, Economic Development and Local Government Committee voted unanimously to approve HB 1675, sponsored by Rep. Jerry Nolte (R-Gladstone). This bill would establish the Manufacturing Jobs Act, which would provide incentives for qualified suppliers or manufacturing facilities that create or retain Missouri jobs. Although the incentive could benefit manufacturers or suppliers throughout the state, it originated as an attempt to convince the Ford Motor Company to install a new production line in its Claycomo, Missouri assembly facility.

