

Purpose

Provide a sales tax exemption on tangible personal property purchased through Chapter 100 bonds for non-manufacturing purchases.

Authorization

Section 144.054(3), RSMo, as enacted in Senate Bill 30 (2007).

Eligible Areas

Statewide.

Eligible Applicants

Any company for which Chapter 100 bonds are issued that purchases personal property. Companies eligible for Chapter 100 bond financing include manufacturing, warehousing, distribution, office, research and development, agricultural processing, and services in interstate commerce. Retail, services in intrastate commerce and others are not eligible.

Eligibility Criteria

The project cannot have been announced; bonds already approved/issued; or personal property already purchased. The project must:

- Involve competition with another state; therefore, a comprehensive state/local incentive proposal will be involved in an attempt to win the project;
- Have above-average wages with benefits, or be in an economically distressed or blighted area;
- Include local incentives provided to the project commensurate with the state incentives, relative to the new state/local tax revenues created by the project;
- Have a positive state fiscal benefit, including all the state incentives proposed for the project; and
- Have an indication that the city and county have approved the local sales tax exemption.

Program Benefits/Eligible Uses

The Missouri Department of Economic Development (DED) must approve a state or local sales tax exemption to a company for which Chapter 100 bonds will be issued prior to the date the personal property is placed in service. The company may purchase eligible personal property for resale, as title will be transferred to the local government. The company will be responsible for the payment of sales tax on purchases exceeding the maximum accepted in the proposal, ineligible purchases, or the revenue stream generated by lease of ineligible personal property.

Application/Approval Procedure

DED will coordinate a state/local incentive proposal to qualifying projects, in which the exemption will be included. The proposal must be accepted by the company or the application filed with DED prior to any project announcements.

DED may issue an approval letter based on the company and Local Government portions of the Chapter 100 Sales Tax Exemption application, plus a copy of the resolution or ordinance authorizing the bond issuance.

After the personal property has been transferred to the local government, documentation of bond issuance and the executed lease agreement, DED will issue a certificate to the local government. The local government must retain a copy of the certificate.

Revised August 2013