



Tax Incentives

- Business and Personal Taxes
- Local Property Tax Rates
- Tax Incentives & Tax Credits
- Enterprise Zone Benefits

Business and Personal Taxes

Corporate Income Tax:

- 6.25% of Missouri taxable income
- 50% of federal income tax liability can be deducted before computing taxable income
- Effective tax rate of only 5.2%

Personal Income Tax:

- Ranges from a low of 1.5% to a high of \$315 plus 6% on taxable income in excess of \$9,000
- Taxable income may be reduced by a portion of federal income tax liability
- Deductions include allowances for each dependent, personal exemption, and federal deductions

Employer Withholding Tax:

- Missouri Employer Tax Identification Number required
- State tax is withheld from employee's payroll and remitted to the MO Department of Revenue

- Contact: Tax Administration Bureau, PO Box 999, Jefferson City, MO 65108-0999 Phone: 573-751-5752

State and Local Sales Tax:

- State sales tax rate of 4.225%
- City sales tax rate of 2.75%
- County sales tax rate of 1.0%
- Total sales tax rate of 7.975%

Use Tax:

- Imposed when tangible personal property is stored, used or consumed in Missouri
- 18 major exemptions from sales/use taxes

State Property Tax:

- Personal Property assessed at 1/3 (or 33%) of true value throughout the state
- Assessment of Real Properties (Land & Buildings):

Commercial & Industrial properties are assessed at 32% of fair market value

Residential properties are assessed at 19% of fair market value

Agricultural properties are assessed at 12% of fair market value

Local Property Tax:

- Local Property Tax is an aggregate of school, city, county, and state levies
- Expressed in tax per \$100 assessed value

Real Property Abatement:

- Chapter 353 Urban Redevelopment Corp. Law provides that up to 100% of improvements to real property may be exempt from state and local property taxes for up to 25 years
- Enterprise Zones may also abate improvements to real property up to 100% for up to 25 years

Inventories Exempt

- Manufacturers' inventories and goods and wares of retailers, distributors and wholesalers are exempt from property taxes

Corporate Franchise Tax

- Based on capital employed in a company
- Rate is 1/30th of 1% of total assets in excess of \$1 million

Unemployment Insurance

- 2009 rates are based on the first \$12,500 of each employee's annual salary
- Rates range from 0% to 6.0%, not including surcharge
- New employer contribution tax rate for 2009 is 3.51%
- Opportunity to reach 0% employer contribution rate after only 6 years of favorable experience

Worker's Compensation

- Provided through private insurance carrier or company can become self-insurers
- Premium rates vary depending on risks associated with special occupations
- Premium rates apply to an employee's total annual salary
- Maximum weekly benefit is computed as 105% of the average weekly wage, determined annually on July 1st
- MO benefits cannot be increased without the review and approval of the state legislature

For additional information on business and personal taxes in Missouri, please visit the Missouri Department of Revenue website at <http://dor.mo.gov>

Local Property Tax Rates per \$100 Assessed Value

- State law sets the assessment ratio for Personal Property at 1/3 of true value
- Real Properties (land and buildings) classified as Commercial and Industrial are assessed at 32%; Residential at 19%; and Agricultural at 12% of true or fair market value
- Local Property Tax is an aggregate of School, City, County, and State levies expressed in tax per \$100 assessed valuation
- Commercial and Industrial Properties are assessed a county surcharge of \$ 0.369 per \$100 assessed value to replace revenues lost by the tax exemption of business inventories

Property Tax Rates (Per \$100 Assessed Value):

Cape Girardeau, MO		Jackson, MO		Scott City, MO	
City Tax	\$0.65	City Tax	\$0.96	City Tax	\$1.27
County Tax	\$0.56	County Tax	\$0.56	County Tax	\$0.93
State Tax	\$0.03	State Tax	\$0.03	State Tax	\$0.03
Cape Girardeau Public Schools Tax	\$3.99	Jackson Public Schools Tax	\$3.31	Scott City R-1 Schools Tax	\$3.21
Total Tax Rate	\$5.23	Total Tax Rate	\$4.86	Total Tax Rate	\$5.44

Tax Incentives:

- State Tax Credits for the creation of new jobs
- State Tax Credits for the generation of new investment
- State Tax Credits for Enterprise Zone location
- Low corporate income tax rate of 6.25% (Net effective tax rate of 5.2%)
- 50% of federal income tax payments can be deducted before computing state income tax
- Choice of single-factor or three-factor methods of apportionment
- Property tax exemptions of manufacturers' inventories
- Several major exemptions from sales/use taxes including manufacturing machinery & equipment, pollution control equipment, and energy consumed in the manufacturing process
- Low personal income tax rate ranging from 1.5% to 315 + 6% over \$9,000 of taxable income earned

Cape Girardeau Enterprise Zone Benefits:

- Property Tax Abatement: At least 50% of real property taxes must be abated for at least 10 years. If 50 or more jobs are created, up to 100% of real property taxes may be abated for up to 25 years.
- New Jobs Credit: 10 year income tax credit of \$400 per job created

- New Investment Credit: 10 year income tax credit of 10% on first \$10,000 investment, 5% on next \$90,000, and 2% of excess over \$100,000. Requires 30% of new employees to be zone residents or "special" employees
- Income Exemption: 50% of Missouri taxable income attributed to new portion of facility is exempt from Missouri income tax for 10 years
- Resident Credit: 10 year income tax credit of \$400 per year for each employee who lives in the enterprise zone
- Special Employee Credit: 10 year income tax credit of \$400 per year for each employee who at time hired is considered difficult to employ
- Training Credit: Up to \$400 for each employee who is trained with company funds and who is a resident of the zone and who at the time hired is considered difficult to employ
- Refund of Unused Tax Credits: Up to \$75,000 refund for unused tax credits earned by a NEW facility.

Missouri Customized Job Training Program

- Tailor-made training program specially designed for businesses
- Involves on-the-job training and/or skill training in a classroom setting
- Financial assistance and tax credits offset training costs
- State and federal funds can reimburse up to 100% of training costs

Local Education & Job Training Resources

- Southeast Missouri State University
- School of Polytechnic Studies at Southeast Missouri State University
- Cape Girardeau Career and Technology Center
- Mineral Area College
- Workforce Investment Board of Southeast Missouri