



a proposal prepared for

amazon

by the

M I S S O U R I

Department of Economic Development



INTRODUCTION

letter from acting director rob dixon

executive summary

→ letter from acting director rob dixon

October 19, 2017

Dear Ms. Sullivan:

The State of Missouri is pleased to present these uniquely designed incentives to help welcome Amazon's "HQ2" to our state. The incentives are structured to accomplish four main objectives:

- Assist Amazon with capital costs associated with the location;
- Build a lifelong partnership between Amazon and Missouri to transform America's heartland together, starting with public infrastructure, educational opportunities, and strengthening Amazon's new communities within the state;
- Attract, train and retain top workforce talent; and
- Provide creative solutions directed at Amazon's worldwide business plan, including a means to bring offshore funds back home with minimal tax consequence.

These incentives are designed as straightforward, annually derived benefits using simple calculations and no gimmicks. They are designed to bring Amazon the full value of each dollar. A dollar is a dollar in Missouri. Our incentives have no "gotcha" elements.

Our proposal envisions a strong partnership between the State of Missouri and Amazon, by investing in Amazon's success and presenting unique opportunities for the Company and State to collectively invest in the community's success. We are appreciative of your corporate value and your desire to be an active member of the community in which you reside. There is a tremendous amount of value to be derived with Amazon in America's heartland. And, that value extends both directions. The opportunity is truly transformative, and we would welcome the chance to make it happen together.

As you study our beautiful state and this opportunity, we encourage you to think big. Let's learn and be curious together – Missouri is one of the Midwest's top states for innovation. You can always insist on – and count on – the highest standards in Missouri. Like you, we do more with less, and we invest wisely. The wise investment follows in this proposal. Missouri is ready to earn your trust, and you can count on us to deliver results.

Welcome home, Amazon.

Robert B.

Sincerely,


Robert B. Dixon
Director

In addition to local incentive proposals, the State of Missouri's incentive proposal consists of up to **\$2.429 billion** over a period of 10 years in support of locating Amazon's HQ2 within Missouri. The package is made up of seven (7) distinct programs that support the four (4) objectives outlined.

It is important that Missouri partner with Amazon to alleviate some of the capital costs that will be incurred as a result of HQ2's location in our state. The **Invest Missouri** program accomplishes that by providing up to **\$1.36 billion** in refundable tax credits.

An additional opportunity exists to offset Amazon's capital costs even more with the **Reinvest Missouri** program. Here, Missouri will add up to **\$151.5 million** of additional refundable tax credits if Amazon chooses to locate its HQ2 facilities in a distressed area of the city.

It is equally important that Missouri partner with Amazon to ensure a consistent, qualified workforce to ensure Amazon's success. Missouri offers three (3) programs to indicate our dedication to a high quality talent pool that meets Amazon's standards of excellence. The programs address Missouri's current outstanding talent, new Missouri talent, and future Missouri talent.

- First, the **Missouri Miles4°** (miles for degrees) program creates an opportunity to secure workforce assistance from the state by investing in rural broadband. Under this unique partnership, Missouri will provide up to **\$100 million** in refundable tax credits directed at flexible training assistance for Amazon employees, paired with Amazon's investments in rural broadband infrastructure across the State. The **Missouri Miles4°** program will not only allow Amazon training assistance now, but will also create an investment in skilled Missourians to meet the company's demands in the future.
- Second, the **Missouri Talent** program will provide up to **\$125 million** in the form of individual income tax deductions for new Amazon employees who relocate to the State to join the company. This attraction tool lowers talented employees' state tax liability and ensures a steady stream of qualified employees as Amazon ramps up employment of its Missouri HQ2 development.
- Third, the **Next Generation Missouri** program focuses its efforts on our most important asset – our children. The **Next Generation Missouri** program will provide Amazon up to **\$100 million** in refundable contribution tax credits in return for Amazon's investments in STEM-focused educational programs for Missouri's youth.

In the spirit of collective success, the **Missouri Mutual Partners** program provides Amazon an incentive of up to **\$400 million** for deposit into a fund, operated by a public board consisting of 2 Amazon appointees, 1 gubernatorial appointee, the director of the Department of Economic Development, and a local government appointee. Half of the \$400 million will be available for direct investment in Amazon securities. The other half will be available for local infrastructure projects as determined by the board, including expansion of public transit, development of research, education and related "centers of excellence", and other projects that continue to create mutual opportunities for success. To further enhance Missouri's thriving entrepreneurial ecosystem, both portions of the board's fund could be used to support investments in qualified Missouri startups.

Lastly, to show our desire to impact Amazon's global business operations, the **Missouri Headquarters** program will provide up to **\$200 million** in refundable tax credits to offset the tax costs of bringing offshore funds home and investing them in Missouri.

The program details, including benefit calculations, are provided herein.



INVEST MISSOURI

program summary sheet

benefit calculation

program purpose

Invest Missouri is designed to attract new business to the state by helping offset the capital costs associated with a new location.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.

program benefits

The benefits are performance based, derived as a percentage of annual payroll, and paid to the company annually in the form of refundable tax credits. For each new job created in the state, five (5) years of benefits will apply.

New jobs and related payroll created in Year 1 will earn 2.20% of payroll each year for 5 years.

New jobs and related payroll created in Year 2 will earn 2.70% of payroll each year for 5 years.

New jobs and related payroll created in Year 3 will earn 3.20% of payroll each year for 5 years.

New jobs and related payroll created in Year 4 will earn 3.70% of payroll each year for 5 years.

New jobs and related payroll created in Year 5 will earn 4.20% of payroll each year for 5 years.

New jobs and related payroll created in Year 6 will earn 4.70% of payroll each year for 5 years.

New jobs and related payroll created in Year 7 will earn 5.20% of payroll each year for 5 years.

New jobs and related payroll created in Year 8 will earn 5.70% of payroll each year for 5 years.

New jobs and related payroll created in Year 9 will earn 6.20% of payroll each year for 5 years.

program limits

The program agreements provide a maximum period in which the jobs may be created. The new jobs assume an annual baseline to ensure job growth. No penalty incurs for attrition, as benefits will reflect any job loss. The maximum cumulative cap under the program is \$1.36B.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to State income tax.

approval procedure

Benefits are considered authorized at the time of the announcement of the company's location in Missouri. Benefits may start accruing at the execution of the program agreement.

reporting

Annual job creation reports and payroll are provided by the Company to the Department of Economic Development for benefit calculation.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

benefit calculation:

assumptions

| | | | |
|------------------------|----------|--|-----------------|
| Statewide Average Wage | \$46,564 | Average Annual Starting Wage | \$100,000 |
| | | Benefit Year 1 (as listed on chart) is | State FY 2020 |
| | | Total NOIs to submit | 9 |
| | | Total new Jobs | 50,000 |
| | | Total Capital Investment | \$5,000,000,000 |

| | % BENEFIT | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | TOTAL |
|-----------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|
| AVERAGE WAGE - ALL NOIS | | \$100,000 | \$103,000 | \$106,090 | \$109,273 | \$112,551 | \$115,927 | \$119,405 | \$122,987 | \$126,677 | \$130,477 | \$134,392 | \$138,423 | \$142,576 | |
| NEW JOBS - NOI#1 | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | | | | | | | | | |
| NEW PR - NOI#1 | | \$250,000,000 | \$257,500,000 | \$265,225,000 | \$273,181,750 | \$281,377,203 | | | | | | | | | |
| TAX CREDIT - NOI#1 | 2.20% | \$5,500,000 | \$5,665,000 | \$5,834,950 | \$6,009,999 | \$6,190,298 | | | | | | | | | |
| TOTAL BENEFITS - NOI#1 | | \$5,500,000 | \$5,665,000 | \$5,834,950 | \$6,009,999 | \$6,190,298 | | | | | | | | | \$29,200,247 |
| NEW JOBS - NOI#2 | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | | |
| NEW PR - NOI#2 | | | \$591,014,000 | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | | | | | | | | |
| TAX CREDIT - NOI#2 | 2.70% | | \$15,957,378 | \$16,436,099 | \$16,929,182 | \$17,437,058 | \$17,960,170 | | | | | | | | |
| TOTAL BENEFITS - NOI#2 | | | \$15,957,378 | \$16,436,099 | \$16,929,182 | \$17,437,058 | \$17,960,170 | | | | | | | | \$84,719,887 |
| NEW JOBS - NOI#3 | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | |
| NEW PR - NOI#3 | | | | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | | | | | | | |
| TAX CREDIT - NOI#3 | 3.20% | | | \$19,479,821 | \$20,064,216 | \$20,666,143 | \$21,286,127 | \$21,924,711 | | | | | | | |
| TOTAL BENEFITS - NOI#3 | | | | \$19,479,821 | \$20,064,216 | \$20,666,143 | \$21,286,127 | \$21,924,711 | | | | | | | \$103,421,018 |
| NEW JOBS - NOI#4 | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | |
| NEW PR - NOI#4 | | | | | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | | | | | | |
| TAX CREDIT - NOI#4 | 3.70% | | | | \$23,199,250 | \$23,895,227 | \$24,612,084 | \$25,350,447 | \$26,110,960 | | | | | | |
| TOTAL BENEFITS - NOI#4 | | | | | \$23,199,250 | \$23,895,227 | \$24,612,084 | \$25,350,447 | \$26,110,960 | | | | | | \$123,167,968 |
| NEW JOBS - NOI#5 | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | |
| NEW PR - NOI#5 | | | | | | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | | | | | |
| TAX CREDIT - NOI#5 | 4.20% | | | | | \$27,124,312 | \$27,938,041 | \$28,776,183 | \$29,639,468 | \$30,528,652 | | | | | |
| TOTAL BENEFITS - NOI#5 | | | | | | \$27,124,312 | \$27,938,041 | \$28,776,183 | \$29,639,468 | \$30,528,652 | | | | | \$144,006,657 |
| NEW JOBS - NOI#6 | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | |
| NEW PR - NOI#6 | | | | | | | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | | | | |
| TAX CREDIT - NOI#6 | 4.70% | | | | | | \$31,263,999 | \$32,201,919 | \$33,167,976 | \$34,163,016 | \$35,187,906 | | | | |
| TOTAL BENEFITS - NOI#6 | | | | | | | \$31,263,999 | \$32,201,919 | \$33,167,976 | \$34,163,016 | \$35,187,906 | | | | \$165,984,816 |
| NEW JOBS - NOI#7 | | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | |
| NEW PR - NOI#7 | | | | | | | | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | | | |
| TAX CREDIT - NOI#7 | 5.20% | | | | | | | \$35,627,655 | \$36,696,484 | \$37,797,379 | \$38,931,300 | \$40,099,239 | | | |
| TOTAL BENEFITS - NOI#7 | | | | | | | | \$35,627,655 | \$36,696,484 | \$37,797,379 | \$38,931,300 | \$40,099,239 | | | \$189,152,058 |
| NEW JOBS - NOI#8 | | | | | | | | | 5738 | 5738 | 5738 | 5738 | 5738 | | |
| NEW PR - NOI#8 | | | | | | | | | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | \$794,273,395 | | |
| TAX CREDIT - NOI#8 | 5.70% | | | | | | | | \$40,224,993 | \$41,431,742 | \$42,674,695 | \$43,954,935 | \$45,273,584 | | |
| TOTAL BENEFITS - NOI#8 | | | | | | | | | \$40,224,993 | \$41,431,742 | \$42,674,695 | \$43,954,935 | \$45,273,584 | | \$213,559,948 |
| NEW JOBS - NOI#9 | | | | | | | | | | 7334 | 7334 | 7334 | 7334 | 7334 | |
| NEW PR - NOI#9 | | | | | | | | | | \$929,049,178 | \$956,920,653 | \$985,628,273 | \$1,015,197,121 | \$1,045,653,034 | |
| TAX CREDIT - NOI#9 | 6.20% | | | | | | | | | \$57,601,049 | \$59,329,080 | \$61,108,953 | \$62,942,221 | \$64,830,488 | |
| TOTAL BENEFITS - NOI#9 | | | | | | | | | | \$57,601,049 | \$59,329,080 | \$61,108,953 | \$62,942,221 | \$64,830,488 | \$305,811,792 |
| TOTAL PROJECT - TAX CREDIT | | \$5,500,000 | \$21,622,378 | \$41,750,871 | \$66,202,647 | \$95,313,038 | \$123,060,421 | \$143,880,914 | \$165,839,882 | \$201,521,838 | \$176,122,982 | \$145,163,128 | \$108,215,805 | \$64,830,488 | \$1,359,024,390 |



REINVEST MISSOURI

program summary sheet

benefit calculation

program purpose

Reinvest Missouri is designed to incentivize new businesses in the State to develop or renovate facilities in specific distressed areas of the community. The program is an additional incentive applied to companies awarded Invest Missouri funds.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.

program benefits

The benefits are performance based, derived as a percentage of annual payroll, and paid to the company annually in the form of refundable tax credits. For each new job created in the State at a facility which is located inside a defined distressed area, the company may receive an additional 0.5% of payroll for each year for five (5) years.

Total payroll for new employees located at facilities in distressed areas x 0.5% x 5 years.

program limits

The program agreements provide a maximum period in which the jobs may be created. The new jobs assume an annual baseline to ensure job growth. No penalty incurs for attrition, as benefits will reflect any job loss. The maximum cumulative cap under the program is \$151.5M.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to State income tax.

approval procedure

Benefits are considered authorized at the time of the announcement of the company's location in Missouri. Benefits may start accruing at the execution of the program agreement and confirmation of the location of the facilities inside the defined distressed areas.

reporting

Annual job creation reports, annual payroll, and facility location are provided by the Company to the Department of Economic Development for benefit calculation.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

benefit calculation:

assumptions

| | | | |
|------------------------|----------|--|-----------------|
| Statewide Average Wage | \$46,564 | Average Annual Starting Wage | \$100,000 |
| | | Benefit Year 1 (as listed on chart) is | State FY 2020 |
| | | Total NOIs to submit | 9 |
| | | Total new Jobs | 50,000 |
| | | Total Capital Investment | \$5,000,000,000 |

| | % BENEFIT | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | TOTAL |
|-----------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|
| AVERAGE WAGE - ALL NOIS | | \$100,000 | \$103,000 | \$106,090 | \$109,273 | \$112,551 | \$115,927 | \$119,405 | \$122,987 | \$126,677 | \$130,477 | \$134,392 | \$138,423 | \$142,576 | |
| NEW JOBS - NOI#1 | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | | | | | | | | | |
| NEW PR - NOI#1 | | \$250,000,000 | \$257,500,000 | \$265,225,000 | \$273,181,750 | \$281,377,203 | | | | | | | | | |
| TAX CREDIT - NOI#1 | 0.50% | \$1,250,000 | \$1,287,500 | \$1,326,125 | \$1,365,909 | \$1,406,886 | | | | | | | | | |
| TOTAL BENEFITS - NOI#1 | | \$1,250,000 | \$1,287,500 | \$1,326,125 | \$1,365,909 | \$1,406,886 | | | | | | | | | \$6,636,420 |
| NEW JOBS - NOI#2 | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | | |
| NEW PR - NOI#2 | | | \$591,014,000 | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | | | | | | | | |
| TAX CREDIT - NOI#2 | 0.50% | | \$2,955,070 | \$3,043,722 | \$3,135,034 | \$3,229,085 | \$3,325,957 | | | | | | | | |
| TOTAL BENEFITS - NOI#2 | | | \$2,955,070 | \$3,043,722 | \$3,135,034 | \$3,229,085 | \$3,325,957 | | | | | | | | \$15,688,868 |
| NEW JOBS - NOI#3 | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | |
| NEW PR - NOI#3 | | | | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | | | | | | | |
| TAX CREDIT - NOI#3 | 0.50% | | | \$3,043,722 | \$3,135,034 | \$3,229,085 | \$3,325,957 | \$3,425,736 | | | | | | | |
| TOTAL BENEFITS - NOI#3 | | | | \$3,043,722 | \$3,135,034 | \$3,229,085 | \$3,325,957 | \$3,425,736 | | | | | | | \$16,159,534 |
| NEW JOBS - NOI#4 | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | |
| NEW PR - NOI#4 | | | | | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | | | | | | |
| TAX CREDIT - NOI#4 | 0.50% | | | | \$3,135,034 | \$3,229,085 | \$3,325,957 | \$3,425,736 | \$3,528,508 | | | | | | |
| TOTAL BENEFITS - NOI#4 | | | | | \$3,135,034 | \$3,229,085 | \$3,325,957 | \$3,425,736 | \$3,528,508 | | | | | | \$16,644,320 |
| NEW JOBS - NOI#5 | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | |
| NEW PR - NOI#5 | | | | | | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | | | | | |
| TAX CREDIT - NOI#5 | 0.50% | | | | | \$3,229,085 | \$3,325,957 | \$3,425,736 | \$3,528,508 | \$3,634,363 | | | | | |
| TOTAL BENEFITS - NOI#5 | | | | | | \$3,229,085 | \$3,325,957 | \$3,425,736 | \$3,528,508 | \$3,634,363 | | | | | \$17,143,650 |
| NEW JOBS - NOI#6 | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | |
| NEW PR - NOI#6 | | | | | | | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | | | | |
| TAX CREDIT - NOI#6 | 0.50% | | | | | | \$3,325,957 | \$3,425,736 | \$3,528,508 | \$3,634,363 | \$3,743,394 | | | | |
| TOTAL BENEFITS - NOI#6 | | | | | | | \$3,325,957 | \$3,425,736 | \$3,528,508 | \$3,634,363 | \$3,743,394 | | | | \$17,657,959 |
| NEW JOBS - NOI#7 | | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | |
| NEW PR - NOI#7 | | | | | | | | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | | | |
| TAX CREDIT - NOI#7 | 0.50% | | | | | | | \$3,425,736 | \$3,528,508 | \$3,634,363 | \$3,743,394 | \$3,855,696 | | | |
| TOTAL BENEFITS - NOI#7 | | | | | | | | \$3,425,736 | \$3,528,508 | \$3,634,363 | \$3,743,394 | \$3,855,696 | | | \$18,187,698 |
| NEW JOBS - NOI#8 | | | | | | | | | 5738 | 5738 | 5738 | 5738 | 5738 | | |
| NEW PR - NOI#8 | | | | | | | | | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | \$794,273,395 | | |
| TAX CREDIT - NOI#8 | 0.50% | | | | | | | | \$3,528,508 | \$3,634,363 | \$3,743,394 | \$3,855,696 | \$3,971,367 | | |
| TOTAL BENEFITS - NOI#8 | | | | | | | | | \$3,528,508 | \$3,634,363 | \$3,743,394 | \$3,855,696 | \$3,971,367 | | \$18,733,329 |
| NEW JOBS - NOI#9 | | | | | | | | | | 7334 | 7334 | 7334 | 7334 | 7334 | |
| NEW PR - NOI#9 | | | | | | | | | | \$929,049,178 | \$956,920,653 | \$985,628,273 | \$1,015,197,121 | \$1,045,653,034 | |
| TAX CREDIT - NOI#9 | 0.50% | | | | | | | | | \$4,645,246 | \$4,784,603 | \$4,928,141 | \$5,075,986 | \$5,228,265 | |
| TOTAL BENEFITS - NOI#9 | | | | | | | | | | \$4,645,246 | \$4,784,603 | \$4,928,141 | \$5,075,986 | \$5,228,265 | \$24,662,241 |
| TOTAL PROJECT - TAX CREDIT | | \$1,250,000 | \$4,242,570 | \$7,413,569 | \$10,771,010 | \$14,323,225 | \$16,629,787 | \$17,128,680 | \$17,642,541 | \$19,182,699 | \$16,014,786 | \$12,639,534 | \$9,047,353 | \$5,228,265 | \$151,514,018 |



MISSOURI MILES⁴°

program summary sheet

benefit calculation

program purpose

Missouri Miles4° is designed to provide flexible workforce training benefits to eligible companies and connect Missourians in rural parts of the State to educational resources and training opportunities through enhanced broadband infrastructure.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.
- Companies shall be eligible to receive refundable tax credits equal to 40% of their contributions (monetary or property) to qualified rural broadband projects.

program benefits

Refundable tax credits to be used for the company's workforce training programs.

program limits

The maximum cumulative cap under the program is \$100 million of refundable tax credits.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to the eligible company's State income tax. The credits must be used for the company's workforce training programs.

approval procedure

Eligible companies must propose potential rural broadband contribution recipients to the Department of Economic Development and the Department of Agriculture. Following the Departments' approval of the rural broadband project, the eligible company shall submit evidence of its contribution (including its value) to the Department of Economic Development.

reporting

Contribution recipients must provide documentation to the Department of Economic Development evidencing how contributed funds were used.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation would contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| AMOUNT OF INVESTMENT IN RURAL BROADBAND | \$12,500,000 | \$28,690,000 | \$28,690,000 | \$28,690,000 | \$28,690,000 | \$28,690,000 | \$28,690,000 | \$28,690,000 | \$36,670,000 | \$250,000,000 |
| BENEFIT AMOUNT | \$5,000,000 | \$11,476,000 | \$11,476,000 | \$11,476,000 | \$11,476,000 | \$11,476,000 | \$11,476,000 | \$11,476,000 | \$14,668,000 | \$100,000,000 |

Benefit amount equal to 40% of amount of contributions to rural broadband.



MISSOURI TALENT

program summary sheet

benefit calculation

program purpose

Missouri Talent is designed to attract out-of-state workforce talent to relocate to Missouri by offering an individual tax deduction to eligible new employees of eligible companies.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.
- Eligible new employees must (A) relocate to Missouri from another state, (B) establish domicile in Missouri for at least three (3) consecutive years, and (C) remain employed at the eligible company for at least three (3) consecutive years.

program benefits

Each eligible new employee shall receive a tax deduction of up to \$5,000. The eligible company may allocate the deduction amount among its eligible new employees as it sees fit, provided that no employee may receive more than one deduction.

program limits

The benefit is available to a maximum of 25,000 new employees, with a total cumulative benefit cap of \$125M, subject to an annual limit of \$13.9M.

attributes (type, value)

- The benefit is derived in the form of an individual, non-refundable, non-sellable and non-transferable tax deduction, which may be applied to an eligible new employee's State income tax.
- Eligible new employees must use the deduction within 2 years of receiving it.

approval procedure

Benefits are considered authorized at the time of the announcement of the company's location in Missouri. Eligible employees can claim the deduction on their individual tax returns.

reporting

The eligible company shall send a certified list of eligible new employees to the Missouri Department of Revenue annually for the duration of the benefit period.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | TOTAL |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| JOBS | 2,500 | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | 7,334 | 50,000 |
| AMOUNT UP TO \$5,000/JOB | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$13,888,888 | \$125,000,000 |

As an incentive to recruit out-of-state talent, the State of Missouri will allow a tax deduction of up to \$5,000/job for the eligible new jobs up to a maximum of \$13,888,888 each year. The tax deduction must be used by those employees selected by the Company within 2 years of the date of hire.



NEXT GENERATION MISSOURI

program summary sheet



next generation missouri

program purpose

Next Generation Missouri is designed to encourage investment in Missouri's future workforce through STEM-focused educational programs for Missouri's youth.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.
- Companies shall be eligible to receive refundable tax credits equal to 30% of their contributions (monetary or property) to qualified STEM projects.

program benefits

Refundable tax credits.

program limits

The maximum cumulative cap under the program is \$100 million of refundable tax credits.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to the eligible company's State income tax.

approval procedure

Eligible companies must propose potential STEM projects in partnership with an approved education partner (e.g. local schools, non-profit organizations focused on educational programs) to the Department of Economic Development. Following the Department's approval of the STEM project, the eligible company shall submit evidence of its contribution (including its value) to the Department of Economic Development.

reporting

Contribution recipients must provide documentation to the Department of Economic Development evidencing how contributed funds were used.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.



MISSOURI MUTUAL PARTNERS

program summary sheet

benefit calculation



missouri mutual partners

program purpose

Missouri Mutual Partners is a body corporate that may administer up to \$400 million in funding over 10 years to invest in critical infrastructure, education, and other public needs that may indirectly benefit a qualified applicant company. In addition, up to 50% of the funds may be held in marketable securities of the applicant company. The fund may also invest any amount in qualified startup companies associated with the Missouri Technology Corporation.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.

program benefits

The program allows for the creation and incorporation of a body corporate that is headed by two members of the qualified company and three governmental members (one local appointee, one gubernatorial appointee, and the Director of Economic Development) (the "MMP board"). Annual tax credits in the amount of 1.3% of the total employee payroll in the state are distributed to the MMP board. These credits may be sold or transferred for valuable consideration. Up to 50% of the MMP board's total funds may be held (in the name of the board in the form of marketable securities of the applicant. However, any purchase or sale of securities must be authorized by the company's members of the board.

The MMP board may authorize the infrastructure, educational, and other qualified projects payable from the fund. In addition, the MMP board may accept local and private contributions to use for the same purposes.

program limits

The maximum cumulative funding cap under the program is \$400 million of refundable tax credits. There is no limit to the overall size of the fund itself.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to the State income tax.

approval procedure

Benefits are considered authorized upon the eligible company's announcement and creation of new jobs within Missouri.

reporting

The MMP board must provide an annual report to the Governor and the General Assembly showing its current holdings and how its funds were used.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

benefit calculation:

assumptions

| | | | |
|------------------------|----------|--|-----------------|
| Statewide Average Wage | \$46,564 | Average Annual Starting Wage | \$100,000 |
| | | Benefit Year 1 (as listed on chart) is | State FY 2020 |
| | | Total NOIs to submit | 9 |
| | | Total new Jobs | 50,000 |
| | | Total Capital Investment | \$5,000,000,000 |

| | % BENEFIT | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 | YEAR 6 | YEAR 7 | YEAR 8 | YEAR 9 | YEAR 10 | YEAR 11 | YEAR 12 | YEAR 13 | TOTAL |
|-----------------------------------|-----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|---------------|
| AVERAGE WAGE - ALL NOIS | | \$100,000 | \$103,000 | \$106,090 | \$109,273 | \$112,551 | \$115,927 | \$119,405 | \$122,987 | \$126,677 | \$130,477 | \$134,392 | \$138,423 | \$142,576 | |
| NEW JOBS - NOI#1 | | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | | | | | | | | | |
| NEW PR - NOI#1 | | \$250,000,000 | \$257,500,000 | \$265,225,000 | \$273,181,750 | \$281,377,203 | | | | | | | | | |
| TAX CREDIT - NOI#1 | 1.30% | \$3,250,000 | \$3,347,500 | \$3,447,925 | \$3,551,363 | \$3,657,904 | | | | | | | | | |
| TOTAL BENEFITS - NOI#1 | | \$3,250,000 | \$3,347,500 | \$3,447,925 | \$3,551,363 | \$3,657,904 | | | | | | | | | \$17,254,691 |
| NEW JOBS - NOI#2 | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | | |
| NEW PR - NOI#2 | | | \$591,014,000 | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | | | | | | | | |
| TAX CREDIT - NOI#2 | 1.30% | | \$7,683,182 | \$7,913,677 | \$8,151,088 | \$8,395,620 | \$8,647,489 | | | | | | | | |
| TOTAL BENEFITS - NOI#2 | | | \$7,683,182 | \$7,913,677 | \$8,151,088 | \$8,395,620 | \$8,647,489 | | | | | | | | \$40,791,057 |
| NEW JOBS - NOI#3 | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | | |
| NEW PR - NOI#3 | | | | \$608,744,420 | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | | | | | | | |
| TAX CREDIT - NOI#3 | 1.30% | | | \$7,913,677 | \$8,151,088 | \$8,395,620 | \$8,647,489 | \$8,906,914 | | | | | | | |
| TOTAL BENEFITS - NOI#3 | | | | \$7,913,677 | \$8,151,088 | \$8,395,620 | \$8,647,489 | \$8,906,914 | | | | | | | \$42,014,788 |
| NEW JOBS - NOI#4 | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | | |
| NEW PR - NOI#4 | | | | | \$627,006,753 | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | | | | | | |
| TAX CREDIT - NOI#4 | 1.30% | | | | \$8,151,088 | \$8,395,620 | \$8,647,489 | \$8,906,914 | \$9,174,121 | | | | | | |
| TOTAL BENEFITS - NOI#4 | | | | | \$8,151,088 | \$8,395,620 | \$8,647,489 | \$8,906,914 | \$9,174,121 | | | | | | \$43,275,232 |
| NEW JOBS - NOI#5 | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | | |
| NEW PR - NOI#5 | | | | | | \$645,816,955 | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | | | | | |
| TAX CREDIT - NOI#5 | 1.30% | | | | | \$8,395,620 | \$8,647,489 | \$8,906,914 | \$9,174,121 | \$9,449,345 | | | | | |
| TOTAL BENEFITS - NOI#5 | | | | | | \$8,395,620 | \$8,647,489 | \$8,906,914 | \$9,174,121 | \$9,449,345 | | | | | \$44,573,489 |
| NEW JOBS - NOI#6 | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | | |
| NEW PR - NOI#6 | | | | | | | \$665,191,464 | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | | | | |
| TAX CREDIT - NOI#6 | 1.30% | | | | | | \$8,647,489 | \$8,906,914 | \$9,174,121 | \$9,449,345 | \$9,732,825 | | | | |
| TOTAL BENEFITS - NOI#6 | | | | | | | \$8,647,489 | \$8,906,914 | \$9,174,121 | \$9,449,345 | \$9,732,825 | | | | \$45,910,694 |
| NEW JOBS - NOI#7 | | | | | | | | 5,738 | 5,738 | 5,738 | 5,738 | 5,738 | | | |
| NEW PR - NOI#7 | | | | | | | | \$685,147,208 | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | | | |
| TAX CREDIT - NOI#7 | 1.30% | | | | | | | \$8,906,914 | \$9,174,121 | \$9,449,345 | \$9,732,825 | \$10,024,810 | | | |
| TOTAL BENEFITS - NOI#7 | | | | | | | | \$8,906,914 | \$9,174,121 | \$9,449,345 | \$9,732,825 | \$10,024,810 | | | \$47,288,014 |
| NEW JOBS - NOI#8 | | | | | | | | | 5738 | 5738 | 5738 | 5738 | 5738 | | |
| NEW PR - NOI#8 | | | | | | | | | \$705,701,624 | \$726,872,673 | \$748,678,853 | \$771,139,218 | \$794,273,395 | | |
| TAX CREDIT - NOI#8 | 1.30% | | | | | | | | \$9,174,121 | \$9,449,345 | \$9,732,825 | \$10,024,810 | \$10,325,554 | | |
| TOTAL BENEFITS - NOI#8 | | | | | | | | | \$9,174,121 | \$9,449,345 | \$9,732,825 | \$10,024,810 | \$10,325,554 | | \$48,706,655 |
| NEW JOBS - NOI#9 | | | | | | | | | | 7334 | 7334 | 7334 | 7334 | 7334 | |
| NEW PR - NOI#9 | | | | | | | | | | \$929,049,178 | \$956,920,653 | \$985,628,273 | \$1,015,197,121 | \$1,045,653,034 | |
| TAX CREDIT - NOI#9 | 1.30% | | | | | | | | | \$12,077,639 | \$12,439,968 | \$12,813,168 | \$13,197,563 | \$13,593,489 | |
| TOTAL BENEFITS - NOI#9 | | | | | | | | | | \$12,077,639 | \$12,439,968 | \$12,813,168 | \$13,197,563 | \$13,593,489 | \$64,121,827 |
| TOTAL PROJECT - TAX CREDIT | | \$3,250,000 | \$11,030,682 | \$19,275,280 | \$28,004,626 | \$37,240,385 | \$43,237,445 | \$44,534,569 | \$45,870,606 | \$49,875,018 | \$41,638,444 | \$32,862,787 | \$23,523,117 | \$13,593,489 | \$393,936,448 |



MISSOURI HEADQUARTERS

program summary sheet

benefit calculation



missouri headquarters

program purpose

The Missouri Headquarters program is designed to offset up to \$200 million in incidental costs and tax consequences associated with the repatriation of offshore capital to be utilized in the construction of a qualified applicant's headquarters or expenditures for personal and real property.

eligible applicants

Businesses proposing 50,000 new jobs in Missouri and investing \$5 billion in facility construction, renovation and equipment purchase.

eligibility criteria

- Established, successful businesses with a dynamic track record that will provide transformative value to the State and which share the same values of thinking big, lifelong learning and curiosity, highest standards, frugality, trustworthiness and getting results.
- Companies must receive and accept a written proposal from the State of Missouri.

program benefits

The program allows for a rebate in the form of refundable tax credits for capital that is repatriated to Missouri for the purposes of establishing or expanding the headquarters of a qualified applicant. Other incidental costs attributable to the access of capital for use in headquarters construction may qualify under the program, including debt service for loans that are collateralized by foreign capital.

The amount of tax credits is equal to cost incurred or tax paid attributable to the repatriated capital investment.

program limits

The maximum cumulative cap under the program is \$200 million of refundable tax credits, with an annual limit of \$50 million. Eligible costs from one year may be carried forward and claimed within 4 years.

credit attributes (type, value)

The benefit is derived in the form of a refundable, sellable and transferable tax credit which may be applied to the eligible company's State income tax.

approval procedure

Benefits are considered authorized at the time of the announcement of the company's location in Missouri.

reporting

To receive the benefits, the qualified applicant must provide the Department of Revenue with evidence of tax payment associated with the repatriation of foreign capital and demonstrate that the capital is held by a state-chartered institution.

status regarding legislation

The Missouri General Assembly is expected to consider and approve this benefit via special legislation in January 2018. Such legislation could contain an emergency clause that would authorize the benefit immediately upon the eligible company meeting the program's eligibility criteria.

| | AMOUNT OF OVERSEAS FUNDS DEPOSITED AND EXPENDED IN MO | ESTIMATED AMOUNT OF TAX CREDIT TO OFFSET OTHER STATE TAX LIABILITY | MAXIMUM/YEAR BENEFIT |
|------|--|---|----------------------|
| 2020 | \$1,000,000,000 | \$50,000,000 | \$50,000,000 |
| 2021 | \$1,000,000,000 | \$50,000,000 | \$50,000,000 |
| 2022 | \$1,000,000,000 | \$50,000,000 | \$50,000,000 |
| 2023 | \$1,000,000,000 | \$50,000,000 | \$50,000,000 |
| | | TOTAL | \$200,000,000 |