



MISSOURI DEPARTMENT OF REVENUE  
**MISCELLANEOUS INCOME  
 TAX CREDITS**

**2005  
 FORM  
 MO-TC**

Attachment Sequence No. 1040-02, 1120-04,  
 1120S-02, 1120A-01

|                             |                      |                                      |  |
|-----------------------------|----------------------|--------------------------------------|--|
| NAME (LAST, FIRST)          |                      | SOCIAL SECURITY NUMBER/FEIN          |  |
| SPOUSE'S NAME (LAST, FIRST) |                      | SPOUSE'S SOCIAL SECURITY NUMBER/FEIN |  |
| CORPORATION NAME            | MITTS/MO I.D. NUMBER | CHARTER NUMBER                       |  |

- Each credit will apply against your tax liability in the order they appear on the form.
- If you are claiming more than 10 credits, attach an additional sheet.
- If you are filing a combined return, both names must be on the certificate/form from the issuing agency.

USE THIS FORM TO CLAIM INCOME TAX CREDITS ON FORM MO-1040, MO-1120, MO-1120A, MO-1120S, OR MO-1041. ATTACH TO FORM MO-1040, MO-1120, MO-1120A, MO-1120S, OR MO-1041.

|     | BENEFIT NUMBER<br>(Assigned by DED only)  | ALPHA CODE<br>(3 Characters)<br>from back | CREDIT NAME | • YOURSELF<br>• one income<br>• corporation income<br>• fiduciary |          | • SPOUSE on a<br>combined return<br>• corporation franchise |          | DOR<br>USE<br>ONLY |
|-----|---|---|-------------|---|----------|---|----------|--------------------|
|     |   |   |             | Column 1  | Column 2 | Column 1  | Column 2 |                    |
| 1.  |   |   |             | 1   | 00       |   | 00       |                    |
| 2.  |   |   |             | 2   | 00       |   | 00       |                    |
| 3.  |   |   |             | 3   | 00       |   | 00       |                    |
| 4.  |   |   |             | 4   | 00       |   | 00       |                    |
| 5.  |   |   |             | 5   | 00       |   | 00       |                    |
| 6.  |   |   |             | 6   | 00       |   | 00       |                    |
| 7.  |   |   |             | 7   | 00       |   | 00       |                    |
| 8.  |   |   |             | 8   | 00       |   | 00       |                    |
| 9.  |   |   |             | 9   | 00       |   | 00       |                    |
| 10. |   |   |             | 10  | 00       |   | 00       |                    |
| 11. | SUBTOTALS — add Lines 1 through 10. ....  |   |             | 11  | 00       |   | 00       |                    |
| 12. | Enter the amount of the tax liability from Form MO-1040, Line 29Y for yourself and Line 29S for your spouse, or from Form MO-1120, Line 13 plus Line 14 for income or Line 15 for franchise; Form MO-1120A, Line 6 for income or Line 10c for franchise; Form MO-1120S, Line 15 for franchise tax; or Form MO-1041, Line 17. .... |   |             | 12  | 00       |   | 00       |                    |
| 13. | Total Credits — add amounts from Line 11, Columns 1 and 2. (Enter here and on Form MO-1120, Line 17; Form MO-1120A, Line 12; Form MO-1120S, Line 16; Form MO-1040, Line 36; or Form MO-1041, Line 18.) Line 13 cannot exceed the amount on Line 12, unless the credit is refundable. ....   |   |             | 13  |          |   | 00       |                    |

MO 860-2274 (11-2005)

For Privacy Notice, see the Form MO-1040 instructions.

## Instructions

- If you are filing an individual income tax return and you have only **one** income, use Column 1.
- If you are filing a combined return and **both** you and your spouse have income, use Column 1 for yourself and Column 2 for your spouse.
- If you are filing a fiduciary return, use Column 1.
- If you are filing a corporation income tax return, use Column 1. If you are filing a corporation franchise tax return, use Column 2.
- If you are a shareholder or partner and claiming a credit, you must attach a copy of the shareholder listing, specifying your percentage of ownership.

### Benefit Number:

Only the credits issued by the Department of Economic Development (DED) will have a benefit number. The number is located on your Certificate of Eligibility Schedule (Certificate).

### Alpha Code:

This is the three character code located on the back of the form. Each credit is assigned an alpha code to ensure proper processing of the credit claimed.

Miscellaneous tax credits are administered by various agencies. For more information, forms, and approval to claim these credits, contact the following departments. Visit <http://www.dor.mo.gov/tax/taxcredit> for a description of each credit and more contact information for agencies administering each credit. \*Approved by the Issuing Agency

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT**

PO BOX 118, JEFFERSON CITY, MO 65102-0118  
<http://www.ded.missouri.gov>

| Alpha Code | Name of Credit and Phone Number  | Attach to Form MO-TC              |
|------------|--|-----------------------------------|
| BEC        | Bond Enhancement — (573) 526-4194  | Certificate*                      |
| BFC        | New or Expanded Business Facility — (573) 751-0717                             | Schedule 150, Fed. K-1, Form 4354 |
| BJI        | Brownfield "Jobs and Investment" — (573) 522-8004                              | Certificate*                      |
| CBC        | Community Bank Investment — (573) 751-9051                                     | Certificate*                      |
| DPC        | Development Tax Credit — (573) 751-0717  | Certificate*                      |
| DTC        | Demolition — (573) 522-8004  | Certificate*                      |
| DFH        | Dry Fire Hydrant — (573) 751-0717  | Certificate*                      |
| EZC        | Enterprise Zone — (573) 751-0717   | Schedule 250, Fed. K-1, Form 4354 |
| FDA        | Family Development Account — (573) 526-0717                                    | Certificate*                      |
| FPC        | Film Production — (573) 751-0717   | Certificate*                      |
| HPC        | Historic Preservation — (573) 522-8004   | Certificate*                      |
| ISB        | Small Business Investment (Capital) — (573) 751-0717                           | Certificate*                      |
| MQJ        | Missouri Quality Jobs (573) 751-0717   | Certificate*                      |
| NAC        | Neighborhood Assistance — (573) 751-0717                                       | Certificate*                      |
| NEZ        | New Enhanced Enterprise Zone — (573) 751-0717                                  | Certificate*                      |
| NEC        | New Enterprise Creation — (573) 751-0717                                       | Certificate*                      |
| RCC        | Rebuilding Communities — (573) 751-0717  | Certificate*                      |
| RCN        | Rebuilding Communities and Neighborhood Preservation Act — (573) 522-8004      | Certificate*                      |
| REC        | Qualified Research Expense — (573) 751-0717                                    | Certificate*                      |
| RTC        | Remediation — (573) 522-8004   | Certificate*                      |
| SBI        | Small Business Incubator — (573) 751-0717                                      | Certificate*                      |
| SBG        | Small Business Guaranty Fees — (573) 751-0717                                  | Certificate*                      |
| SCC        | Missouri Business Modernization and Technology (Seed Capital) — (573) 751-0717 | Original Certificate*             |
| TDC        | Transportation Development — (573) 751-0717                                    | Certificate*                      |
| WGC        | Wine and Grape Production — (573) 751-0717                                     | Certificate*                      |
| YOC        | Youth Opportunities — (573) 751-0717   | Certificate*                      |

**MISSOURI DEVELOPMENT FINANCE BOARD**

PO BOX 567, JEFFERSON CITY, MO 65102-0567  
<http://www.mdffb.org> • (573) 751-8479

| Alpha Code | Name of Credit   | Attach to Form MO-TC |
|------------|--|----------------------|
| BUC        | Missouri Business Use Incentives for Large Scale Development (BUILD) | Certificate*         |
| DRC        | Development Reserve  | Certificate*         |
| EFC        | Export Finance   | Certificate*         |
| IDC        | Infrastructure Development   | Certificate*         |

**MISSOURI DEVELOPMENT HOUSING COMMISSION**

3435 BROADWAY, KANSAS CITY, MO 64111  
<http://www.mhdc.com>

| Alpha Code | Name of Credit and Phone Number                | Attach to Form MO-TC                                     |
|------------|--|--|
| AHC        | Affordable Housing Assistance — (816) 759-6662 | Certificate*   |
| LHC        | Missouri Low Income Housing — (816) 759-6668   | Eligibility Statement, Fed. K-1, 8609A, 8609 (first yr.) |

**MISSOURI DEPARTMENT OF REVENUE**

PO BOX 2200, JEFFERSON CITY, MO 65105-2200  
<http://www.dor.mo.gov/tax> • (573) 526-8733 or (573) 751-4541

| Alpha Code | Name of Credit         | Attach to Form MO-TC              |
|------------|------------------------|-----------------------------------|
| ATC        | Special Needs Adoption | Form ATC                          |
| BFT        | Bank Franchise Tax     | Form INT-2, Form BFT, Schedule BF |

|     |  |                                    |
|-----|--|------------------------------------|
| BTC | Bank Tax Credit for S Corporation Shareholders | Form BTC, Form INT-2, Fed. K-1     |
| DAC | Disabled Access                                | Federal Form 8826 and Form MO-8826 |

**MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY**

PO BOX 630, JEFFERSON CITY, MO 65102-0630  
<http://www.mda.mo.gov> • (573) 751-2129

| Alpha Code | Name of Credit                               | Attach to Form MO-TC |
|------------|--|----------------------|
| APU        | Agricultural Product Utilization Contributor | Certificate*         |
| NGC        | New Generation Cooperative Incentive         | Certificate*         |

**MISSOURI DEPARTMENT OF NATURAL RESOURCES**

JEFFERSON CITY, MO 65105  
<http://www.dnr.missouri.gov>

| Alpha Code | Name of Credit and Phone Number        | Attach to Form MO-TC |
|------------|--|----------------------|
| CPC        | Charcoal Producers — (573) 751-4817    | Certificate*         |
| WEC        | Processed Wood Energy — (573) 751-3443 | Certificate*         |

**MISSOURI DEPARTMENT OF SOCIAL SERVICES**

3515 AMAZONAS DR., JEFFERSON CITY, MO 65109  
<http://www.dss.missouri.gov> • (573) 751-8934

| Alpha Code | Name of Credit | Attach to Form MO-TC |
|------------|----------------|----------------------|
| MHC        | Maternity Home | Certificate*         |

**MISSOURI DEPARTMENT OF PUBLIC SAFETY**

PO BOX 749, JEFFERSON CITY, MO 65102-0749  
<http://www.dps.mo.gov> • (573) 751-4905

| Alpha Code | Name of Credit                           | Attach to Form MO-TC |
|------------|--|----------------------|
| DVC        | Shelter for Victims of Domestic Violence | Certificate*         |

**MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**

PO BOX 480, JEFFERSON CITY, MO 65102-0480  
<http://www.dese.mo.gov> • (573) 751-4192

| Alpha Code | Name of Credit                    | Attach to Form MO-TC |
|------------|-----------------------------------|----------------------|
| SMC        | Sponsorship and Mentoring Program | Certificate*         |

**MISSOURI DEPARTMENT OF HEALTH DIVISION OF SENIOR SERVICES**

PO BOX 570, JEFFERSON CITY, MO 65102-0570  
<http://www.dhss.missouri.gov> • (800) 235-5503

| Alpha Code | Name of Credit | Attach to Form MO-TC  |
|------------|----------------|---|
| SCT        | Shared Care    | Must Register Each Year With Division of Aging—Attach Form MO-SCC |

# ATTACHMENT #8

## Tax Credit Analysis Form

### General Information

Per 33.282.2 RSMo, each department authorized to offer deductions, exemptions, credits or other tax preferences shall submit the estimated amount of such tax expenditures for the fiscal year beginning July 1<sup>st</sup> of the following year and a cost/benefit analysis of such tax expenditures for the preceding fiscal year. The budget director will then submit the forms to the Senate Appropriations Committee and the chairman of the House Budget Committee by January 1<sup>st</sup> of each year. The Tax Credit Analysis Form will fulfill each department's statutory obligation. The completed forms are to be submitted by October 1 as a separate packet from the department's budget request.

|                                      |
|--------------------------------------|
| Instructions for Completing the Form |
|--------------------------------------|

Use the form provided with these instructions and please do not modify the format. The General Assembly has requested as much consistency as possible, so the page headers and other format settings should be consistent. However, should more space be needed in text boxes, add rows in the corresponding places in the Excel sheet.

Please provide the most up-to-date information available when completing the form.

**Program name:** List name of tax credit/exemption, deduction program

**Department:** List department name. Do not use abbreviations.

**Date:** List the month and year submitted to the Division of Budget and Planning (i.e. October, 2006)

**Program category:** Choose the appropriate category for each tax preference, if applicable, using the categories established in 135.800-135.830 RSMo (SB 1099, 2004). See the following list of the categories. For the purposes of completing the tax credit analyses, Budget and Planning has assigned new tax credits to the appropriate categories. If the tax preference is not on the list of categories, fill in this box with N/A.

**Type:** Check the applicable type for this program. If "other" is checked, list the specific type of preference available under this program.

**Statutory authority:** Cite the authorizing statute reference(s).

**Applicable taxes:** List ALL taxes that are affected by the tax preference.

**Program description and eligibility requirements:** Give a brief description of the program, describing the eligibility requirements, the type of tax preference available, any limits to the program, etc.

**Explanation of how award is computed:** Check whether the tax preference is a discretionary or an entitlement program, and if discretionary, discuss the department's process for choosing recipients. Give a detailed description of the method used to calculate awards pursuant to the program.

**Program cap:** If there is a cap, indicate the type and amount of the cap. If the cap is cumulative, indicate the amount remaining.

**Explanation of cap:** Give a brief explanation of the cap and how it is applied.

**Explanation of expiration of authority:** Give a brief summary of any provisions that may affect the authority of this program, and cite appropriate statutes.

**Specific provisions:** Check all applicable provisions for the program. If the program has carry forward/back provisions, indicate the number of applicable years. Indicate if they are refundable and/or sellable/assignable and if there are additional federal deductions available similar to or related to this program. Add comments as necessary.

**Certificates issued:** If available, provide the total number of credits, deductions or exemptions issued during the fiscal years listed. Specifically, this amount includes any tax credit certificates awarded during the specified fiscal year.

**Projects:** If available, provide the number of projects for which a certificate was issued during the specified fiscal year. (This number may be the same as the number of certificates issued.)

**Amount Authorized:** List the amount authorized for the appropriate fiscal year. The amount authorized is equal to the amount of tax credits approved during the specified fiscal year.

**Amount Issued:** List the amount issued for the appropriate fiscal year. This amount includes any tax credit certificates awarded during the specified timeframe.

**Amount Redeemed:** List the amount redeemed for the appropriate fiscal year. For any refunds and income modifications, include these in the redeemed amount. Insert a footnote with details of the refunded and modified amounts.

**Amount Outstanding:** If possible, estimate the amount outstanding at the close of the fiscal year just completed (in this case FY 2006). Amount outstanding is equal to the amount issued, less the amount redeemed, less any expired awards.

**Historical and Projected Information:** This graphic details program activity for the previous three fiscal years, and is driven by the table above. The scale of the graph can be adjusted if necessary. Data series that are not applicable can be deleted.

**Comments on Historical and Projected Information:** Add any clarifying comments necessary. For instance, discuss how the number of certificates issued relates to the number of projects.

## BENEFIT/COST ANALYSIS

The benefit/cost analysis is integral to the evaluation of a program's effectiveness and value. While the diversity of the many tax preferences somewhat precludes an easy side-by-side comparison of tax preferences, the benefit/cost comparison provided for each program gives policymakers information necessary to make informed decisions relative to that particular program. This portion of the Tax Credit Analysis Form is designed to provide "hard" numbers related to state fiscal benefits and costs, but it also gives departments an opportunity to articulate the non-tangible gains that can't be quantified in monetary terms.

This form also allows departments to provide two versions of the benefit/cost analysis. Departments are required to calculate the first version, using data solely from the previous fiscal year (FY 2006), as mandated by 33.282 RSMo. The second optional version can be for any combination of consecutive fiscal years chosen by the department. Frequently, the true fiscal benefits and costs are not represented in a single-year analysis; therefore departments may choose a timeframe greater than one fiscal year to demonstrate the actual benefits/costs that should be attributed to a particular program. The timeframe for this analysis should not be chosen arbitrarily, but should in some fundamental way relate to the program itself. For instance, if a program has a 5-year carry-forward provision, a 5-year timeframe may be suitable.

**Direct fiscal benefits:** Give the dollar amount of direct state fiscal benefits realized as a result of this program for the designated timeframe. Direct benefits may include items such as the increased state withholding taxes associated with new jobs created directly at the facility in question, or the new state sales taxes realized from purchases for construction for the project in question. These benefits can vary by program.

**Indirect fiscal benefits:** If known, give the dollar amount of indirect state fiscal benefits associated with this program for the designated timeframe. Indirect benefits may include items such as the increased state withholding taxes stemming from "spin-off" jobs that result from the project, or increased state sales tax receipts resulting from the expenditure of new wages. Also, indirect benefits may include any fiscal savings that occur as a result of the program. For instance, if a tax preference reduces the need for state spending, these savings could be considered an indirect fiscal benefit.

**Direct fiscal costs:** Give the dollar amount of direct state fiscal costs incurred as a result of this program for the designated timeframe. Direct costs include the amount redeemed during the specified timeframe, as well as personal service, expense, and fringe costs for staff dedicated to the program. The staff costs counted as "direct" costs would be those costs that an agency would not incur if the program did not exist. Do not duplicate direct staff costs on this form and your Program Descriptions Forms. Any such costs reported on the Tax Credit Analysis Form should be excluded from the Program Description Forms and vice versa.

**Indirect costs:** If known, please provide any indirect state fiscal costs incurred as a result of this program for the designated timeframe. In order to be consistent with guidance from the Interagency Planning Council, do not include indirect administrative costs.

**Other benefits:** Describe in detail any other benefits realized as a result of this program that may not be quantifiable as state fiscal benefits. Such "other" benefits may include improved community infrastructure or programs, improved environmental conditions, increased local tax revenues, the removal of blight, the availability of affordable housing or other resources, access to educational or training opportunities, or a host of other appropriate benefits.

**Derivation of benefits:** Give a detailed accounting of how the benefit amounts were calculated. For example, show the number of new jobs created and the estimated salaries to determine the new withholding taxes resulting from the program. If both temporary and permanent new jobs are created, indicate the number that are temporary and the number that are permanent. Be specific and provide information that will help the average lay reader understand your computations.

**Performance measure(s):** Departments should include a limited number of significant, pertinent performance measures. Departments are encouraged to use graphic information when possible. (If using graphics to represent performance measures, use the "Form Data Sheet" tab to input the supporting data. See the "Permanent New Jobs Created" graph for an example.) When available, departments should include previously projected versus actual performance data for the previous three fiscal years, projected performance for the current fiscal year, and targeted performance for the upcoming two fiscal years. The number of measures should be limited to four or fewer.

A list of tax credits, exemptions and deductions, follows. Please note this list may not be inclusive of all tax preferences nor does it include any changes to credits, exemptions, deductions or other tax preferences made in the 2006 legislative session. Agencies authorized to offer tax deductions, exemptions, credits, or other tax preferences are responsible for submitting the applicable Form 14s.

A blank Tax Credit Analysis form is enclosed in these instructions and an electronic copy of the form will be forwarded. Please contact Pamela McQuary (751-2345), in the Division of Budget and Planning, if you do not receive the electronic copy.

Tax Credit Categories defined in 135.800-135.830 RSMo  
(new tax credits have been assigned to categories by Budget and Planning)

### Agricultural

- Agricultural product utilization contributor
- New generation cooperative incentive
- Wine and grape production

### Business Recruitment

- Business facility
- Enterprise zone\*\*
- Business use incentives for large-scale development programs (BUILD)
- Neighborhood Assistance\*
- Rebuilding Communities
- Film Production
- Enhanced Enterprise Zones
- Missouri Quality Jobs

### Community Development

- Neighborhood assistance\*
- Family development account
- Dry fire hydrant
- Transportation development

### Domestic and Social

- Youth opportunities
- Shelter for victims of domestic violence
- Senior citizen or disabled person property tax
- Special needs adoption
- Children in crisis
- Maternity home
- Pregnancy Resource Center
- Shared care
- Residential Treatment Agency

### Environmental

- Charcoal producer
- Wood energy
- Manufacturing & recycling flexible cellulose casing

### Entrepreneurial

- Capital
- Certified capital company
- Seed capital
- New enterprise creation
- Research
- Small business incubator
- Guarantee fee
- New generation cooperative\*

### Housing

- Neighborhood preservation
- Low income housing
- Affordable housing

### Redevelopment

- Historic preservation
- Brownfield redevelopment
- Community development corporations
- Infrastructure
- Bond guarantee
- Disabled access

### Training and Educational

- Community college new jobs
- Skills development account
- Mature worker (deleted in SB 1155, 2004)
- Community college job retention

\*Listed under multiple categories

\*\*Certain enterprise zone abatements ended in 2005

## Deductions, Exemptions, Credits and Other Tax Preferences

| <u>Dept.</u>  | <u>Program</u>                                       | <u>Statutory Citation</u> |
|---|--|---------------------------|
| DED   | Affordable Housing Assistance Tax Credit             | 32.105-32.125             |
|   | Bond Guarantee Tax Credit (MDFB)                     | 100.286.7 & 100.297       |
|   | Brownfield Demolition Tax Credit                     | 447.700-447.718           |
|   | Brownfield Jobs/Investment Tax Credit                | 447.700-447.718           |
|   | Brownfield Remediation Credits                       | 447.700-447.718           |
|   | Capital Small Business Investment Credit             | 135.400-135.430           |
|   | Certified Capital Company (CapCo) Tax Credit         | 135.500-135.529           |
|   | Community Development Bank Tax Credit                | 135.400-135.430           |
|   | Community College Job Retention                      | 178.764                   |
|   | Community College New Jobs Training Bonds            | 178.892-178.896           |
|   | Development Tax Credit                               | 32.105-32.125             |
|   | Development & Reserve Fund Tax Credit (MDFB)         | 100.286.6                 |
|   | Dry Fire Hydrant Tax Credit (sunset 08-28-2003)      | 320.093                   |
|   | Enhanced Enterprise Zones                            | 135.953                   |
|   | Enterprise Zone Benefits                             | 135.200-135.250           |
|   | Export Tax Credits (MDFB)                            | 100.286.6                 |
|   | Family Development Accounts                          | 208.750-208.775           |
|   | Film Production Tax Credit                           | 135.750                   |
|   | Guarantee Fee Tax Credit                             | 135.766                   |
|   | Historic Preservation Tax Credit                     | 253.545-253.559           |
|   | Infrastructure Tax Credit (MDFB)                     | 100.286.6                 |
|   | Mature Worker Child Care Tax Credit                  | 620.1560                  |
|   | Missouri BUILD Bonds                                 | 100.700-100.850           |
|   | Missouri Low-Income Housing Tax Credit               | 135.350-135.363           |
|   | Missouri Quality Jobs                                | 620.1875                  |
|   | Mutual Fund  | 620.1350                  |
|   | Neighborhood Assistance Program                      | 32.100 - 32.125           |
|   | Neighborhood Preservation                            | 135.535.1                 |
|   | New Enterprise Creation Tax Credit                   | 620.635-620.653           |
|   | New/Expanded Business Facility Tax Credit            | 135.100-135.150           |
|   | Rebuilding Distressed Communities – Business Credits | 135.530-135.535           |
|   | Rebuilding Distressed Communities – Employee Credits | 135.530-135.535           |
|   | Research Expense Tax Credit                          | 620.1039                  |
|   | Seed Capital Tax Credit                              | 348.300-348.318           |
| Skills Development (Individual Training Account) Tax Credit | 620.1400-620.1460                                    |                           |
| Small Business Incubator Tax Credit                         | 620.495  |                           |
| Transportation Development Tax Credit                       | 135.545  |                           |
| Winery and Grape Growers Tax Credit                         | 135.700  |                           |
| Youth Opportunity and Violence Prevention Tax Credit        | 135.460  |                           |

| <b><u>Dept.</u></b>       | <b><u>Program</u></b>  | <b><u>Statutory Citation</u></b> |
|---------------------------|--|----------------------------------|
| <b>DESE</b>               | Sponsorship and Mentoring  | 135.348                          |
| <b>DHE</b>                | Higher Education Scholarship Fund Tax Credit                     | 173.196                          |
|                           | Missouri Advantage Tax Credit                                    | 173.796                          |
| <b>DHSS</b>               | Shared Care Tax Credit   | 660.053-660.055                  |
| <b>Treasurer's Office</b> | Missouri Higher Education Savings Program (deduction)            | 166.435                          |
| <b>DOI</b>                | MO Life & Health Insurance Guaranty Assoc. Credit                | 376.745                          |
|                           | MO Property & Casualty Insurance Guaranty Assoc. Credit          | 376.774                          |
|                           | MO Examination Fee Credit  | 148.400                          |
|                           | State Health Insurance Pool                                      | 376.975                          |
| <b>DNR</b>                | Charcoal Production Tax Credit                                   | 135.313                          |
|                           | Wood Energy Producers Credit                                     | 135.300                          |
| <b>DOR</b>                | Bank Franchise Tax Credit (SB 896, 2000)                         | 148.064                          |
|                           | Disabled Access Tax Credit                                       | 135.490                          |
|                           | Long Term Care Tax Credit (deduction)                            | 135.096                          |
|                           | Pharmaceutical Income Tax Credit                                 | 135.095                          |
|                           | Sales Tax Credit for Mfg and Recycling Flexible Cellulose Casing | 260.285                          |
|                           | Senior Citizen Property Tax Relief (refund)                      | 135.010-135.035                  |
|                           | Bank Tax Credit for S Corporation Shareholders                   | 143.471                          |
| <b>DSS</b>                | Children in Crisis Tax Credit                                    | 135.327                          |
|                           | Maternity Homes Credit   | 135.600                          |
|                           | Pregnancy Resource Center Tax Credit                             | 135.630                          |
|                           | Residential Treatment Agency Tax Credit                          | 135.1142                         |
|                           | Shelter for Victims of Domestic Violence                         | 135.550                          |
|                           | Special Needs Adoption Tax Credit                                | 135.325-135.327                  |
| <b>Agriculture</b>        | Agricultural Product Utilization Contributor Tax Credit          | 348.430                          |
|                           | New Generation Cooperative Incentive Tax Credit                  | 348.432                          |

**TAX CREDIT ANALYSIS**

**Program Name:** \_\_\_\_\_ **Department:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Program Category:** \_\_\_\_\_ **Type: Tax Credit** \_\_\_\_\_ **Other (specify)** \_\_\_\_\_  
**Statutory Authority:** \_\_\_\_\_ **Applicable Taxes:** \_\_\_\_\_  
**Program Description and Eligibility Requirements:** \_\_\_\_\_

**Explanation of How Award is Computed:** Entitlement \_\_\_\_\_ Discretionary \_\_\_\_\_

**Program Cap:** Cumulative \$ \_\_\_\_\_ (remainder of cumulative cap) \$ \_\_\_\_\_ Annual \$ \_\_\_\_\_ None \_\_\_\_\_

**Explanation of cap:** \_\_\_\_\_

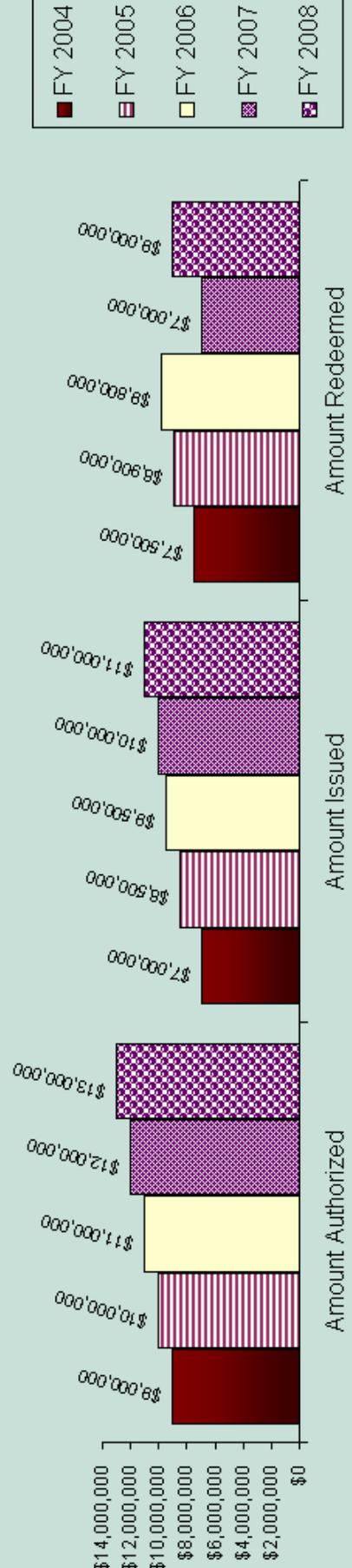
**Explanation of Expiration of Authority:** \_\_\_\_\_

**Specific Provisions:** (if applicable) Carry forward \_\_\_\_\_ years Carry Back \_\_\_\_\_ years Refundable \_\_\_\_\_ Sellable/Assignable \_\_\_\_\_ Additional Federal Deductions Available \_\_\_\_\_

**Comments on Specific Provisions:** \_\_\_\_\_

|                         | FY 2004<br>ACTUAL | FY 2005<br>ACTUAL | FY 2006<br>ACTUAL | FY 2007<br>(current year) | FY 2007<br>(budget year) |
|-------------------------|-------------------|-------------------|-------------------|---------------------------|--------------------------|
| Certificates Issued (#) | 30                | 40                | 45                | 50                        | 50                       |
| Projects (#)            | 15                | 20                | 21                | 25                        | 25                       |
| Amount Authorized       | \$9,000,000       | \$10,000,000      | \$11,000,000      | \$12,000,000              | \$13,000,000             |
| Amount Issued           | \$7,000,000       | \$8,500,000       | \$9,500,000       | \$10,000,000              | \$11,000,000             |
| Amount Redeemed         | \$7,500,000       | \$8,900,000       | \$9,800,000       | \$7,000,000               | \$9,000,000              |
| EST. Amount Outstanding | N/A               | N/A               | \$18,000,000      | N/A                       | N/A                      |

**HISTORICAL AND PROJECTED INFORMATION**



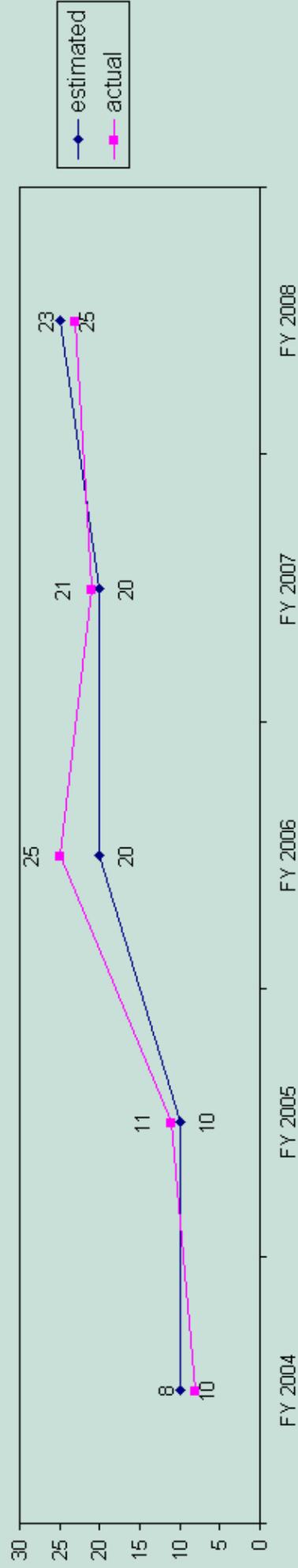
**BENEFIT: COST ANALYSIS (includes only state revenue impacts)**

|                          | FY 2006<br>ACTUAL | Other Fiscal Period<br>(indicated time period) | Derivation of Benefits: |
|--------------------------|-------------------|--|-------------------------|
| <b>BENEFITS</b>          |                   |  |                         |
| Direct Fiscal Benefits   |                   |  |                         |
| Indirect Fiscal Benefits |                   |  |                         |
| <b>Total</b>             |                   |  |                         |
| <b>COSTS</b>             |                   |  |                         |
| Direct Fiscal Costs      |                   |  |                         |
| Indirect Fiscal Costs    |                   |  |                         |
| <b>Total</b>             |                   |  |                         |
| <b>BENEFIT: COST</b>     | #DIV/0!           | #DIV/0!  |                         |

Other Benefits:

**PERFORMANCE MEASURE(S)**

**Permanent New Jobs Created**



Comments on Performance Measure:

# **Report on Missouri Incentive Programs**

**Incentives Review Committee**

**Appointed by Greg Steinhoff, Director of  
the Missouri Department of Economic Development  
pursuant to the Request of Matt Blunt, Governor**



**November 22, 2005**

## Section D: Evaluation Methodology and Criteria

Since there is a significant diversity in the purpose and results of the programs that are covered in this report, it is not possible to evaluate a program based upon a single test. Many of the programs were not designed to directly impact the state or local economy or tax base. A fiscal benefit evaluation would not measure the intended result. In addition, for programs that are expected to directly impact the economy, a cost/benefit evaluation by itself can be misleading. Given the diverse nature of the programs, the Committee has evaluated each program using the following criteria:

- Effectiveness:
  - The degree the program achieves its stated purpose.
  - The degree to which the program creates an ongoing self-sustainable activity or operation.
  - The degree the results of the program would likely have NOT been achieved “but-for” the funding of the program.
  - The degree the results could be significantly increased if additional funding were available. (If the program has no statutory maximum, these criteria would not apply.)
  - The degree the program does not duplicate other programs and funding sources (federal, state or local). Programs intended to supplement other programs would not be considered redundant.
  - The degree the program is flexible to adapt to unique but highly beneficial needs.
  
- Efficiency:
  - The degree that the amount of indirect costs (of the administering agency and the beneficiary), relative to the amount of benefit derived from the program, are reasonable. Procedures that add to the costs but are deemed unnecessary will be rated lower. Legal and other professional costs should be minimized except where absolutely necessary.
  - The degree the definitions, application processes, reporting requirements, and other procedures are consistent with other related programs, and in the most effective method.
  - The degree there is unnecessary complexity in the program. This is somewhat related to the unnecessary costs and inconsistent procedures above, but is designed to capture other issues, such as need for outside professional assistance, not otherwise addressed.
  - The degree that turn-around time from application to approval and funding is reasonable. Programs that require the approval of boards or commissions should be structured where the approval process is streamlined and predictable.
  - The degree that the program provides for adequate accountability.
  
- Fairness:

- The degree the basis for approval, and the amount thereof, for the program is the recommended method for this type of program. (See Section E.)
  - The degree that the opportunity to access the program is equitable, geographically and otherwise.
  - If the program has discretionary approval, the degree the approvals are consistent with clear program guidelines.
- Impact:
    - Programs designed to directly impact the state/local economy or tax base: The Committee favors programs that:
      - Impact traded companies (companies that primarily sell outside the region);
      - Impact higher quality companies (companies with wages above the average wage, provide health benefits, and are in growing industries);
      - Are responsive to current and projected economic trends; and
      - Are of a magnitude to have a significant long-term impact relative to the size of the community.
    - Programs designed to indirectly impact the economy (improve the quality of life in communities). The Committee favors programs that:
      - Impact the most critical or basic needs of a community – basic infrastructure and the reduction of severe blighting conditions; and,
      - Are of a magnitude to have a significant impact relative to the size of the community.

**Recommendation:** Based upon the foregoing factors, the Committee assigned one or more of the following recommendations:

- Maintain: No changes needed.
- Improve: Some revisions are needed.
- Combine: The program should be combined with one or more other programs.
- Delete: The program should be deleted.