

INCENTIVES BASED ON JOB CREATION

Kansas

Promoting Employment Across Kansas (PEAK)

PEAK offers "qualified" companies relocating operations to Kansas the ability to retain employee withholding taxes. Qualified companies include both new operations in Kansas as well as relocated operations to the state and qualifying business retention projects as well.

Companies locating in a metropolitan county (Douglas, Johnson, Leavenworth, Shawnee or Wyandotte) and hiring at least 10 new employees within two years or locating in a non-metropolitan county and hiring at least five new employees within two years.

High-impact projects that create 100 new jobs within two years can retain 95% of payroll withholding tax for up to a period of 10 years. The number of years that the withholding tax can be retained depends on how much the annual median wage of the jobs at the Kansas worksite will exceed the current county median wage and the discretion of the Secretary of the Kansas Department of Commerce.

If the aggregate median wage of the new jobs does not qualify the project for PEAK, the annual average wage of the new jobs can be used. Qualifying through the use of the average wage limits the benefits received.

A PEAK application must be submitted before locating or creating PEAK-eligible jobs in Kansas.

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Missouri

Missouri Works

Missouri Works includes five (5) job creation categories: Rural Works; Zone Works; Statewide Works; Mega Works 120; Mega Works 140; and one job retention category. The benefit period for each category is five (5) years from the date the new jobs are created. Six years for existing Missouri companies. The minimum required number of jobs - and capital investment if applicable - must be created within two (2) years of the Notice of Intent (NOI) approval. The first job must be hired within one (1) year of the NOI approval. The job retention benefit is available to companies which have been located in Missouri for 10 years upon filing the NOI.

In order to qualify for any of the Missouri Works categories, a company must offer health insurance and pay at least 50% of the premium for all full-time employees. Incentive awards are subject to available funding and customary due diligence procedures.

The Zone Works and Rural Works categories require that the company located its project facility in an eligible area, pay a minimum average wage for at least two (2) new jobs equal to 80% and 90%, respectively, of the county average wage, make a capital investment of at least \$100,000, and satisfy additional criteria to be eligible for an automatic retention of withholding tax.

The Statewide Works category is available for projects that locate anywhere in the state and pays a minimum average wage for at least ten (10) new jobs equal to 90% of the county average wage. Businesses that meet the specific criteria are eligible for an automatic retention of withholding tax. This category also offers the potential for additional discretionary tax credits.

The Mega Works 120 and Mega Works 140 categories are available for projects that locate anywhere in the state and pay a minimum average wage for at least 100 new jobs equal to 120% and 140%, respectively, of the county average wage. Businesses that meet specific criteria are eligible for an automatic benefit equal to a percentage of new payroll.

Businesses receive that benefit by retaining 100% of wage withholding tax with the balance in refundable tax credits. These two (2) categories also offer the potential for additional discretionary tax credit benefits.

The job retention category includes a discretionary benefit available to businesses that have been located in Missouri for 10 years upon submitting an NOI. Businesses that meet the specific criteria may be eligible for an automatic retention of withholding tax for the retained jobs for 10 years.

Eligible businesses include for-profits and non-profit businesses except for gambling, establishments, store front consumer-based retail trade establishments, food and drinking places, public utilities, educational services, religious organizations, public administration, ethanol distillation or production, bio-diesel production, or healthcare and social services. Businesses that are delinquent in payment of any non-protested taxes or other payments or businesses that have filed for or have publicly announced their intention to file for bankruptcy, unless certain requirements are made, are not eligible for this program.

Annual Average Wages by County (effective until 7.01.17)

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COUNTY	AVERAGE WAGE
Barton	\$28,738
Jasper	\$39,582
Newton	\$33,870
Vernon	\$34,814

Average county wages based on Census of Employment and Wages, MERIC. Updates to be made annually. Use 2,080 hours per year when converting from annual to hourly wages. Statewide average of \$46,564 applicable to any county over the statewide average when determining program eligibility. The wages represent an average for all private industries.

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Oklahoma

The Oklahoma Quality Jobs Program

The Oklahoma Quality Jobs Program serves as an incentive for companies to expand or relocate jobs to Oklahoma by providing a rebate of a portion of newly created payroll in the state.

The program induces the creation of well-paid jobs and promotes economic development. Companies may receive benefits during the first three years of participation while working to achieve the required payroll threshold for full qualification.

Benefits:

- Cash payments of up to 5% of new taxable payroll for up to 10 years.

Requirements:

- Company must be in a qualifying industry as noted by NAICS description.
- Must pay newly created jobs equal to the average county wage or the state threshold wage, whichever is lower.
- Company must achieve \$2.5M new annual taxable payroll within 3 years.
- Must offer basic health insurance to employees within 180 days of employment.
- Employee must not pay any more than 50% of the premium.
- May be combined with Investment/New Jobs Tax Credit under certain circumstances (\$40 million or more in investment within 3 years).
- Up to 6% rebate if at least 10% of new payroll is comprised of qualified military veterans.

The average county wage in Ottawa County is \$32,500

Veteran Inclusion

Many industries, particularly in aerospace and defense which are part of Oklahoma's economic engine, pay higher than average wages and also employ a high percentage of veterans. An incentive that rewards companies for investing in a veteran labor force would increase the competitiveness of the state to attract expansion and location of new jobs. By effect, this would increase the number of jobs available for and supportive of veterans. This also provides for a higher benefit payout if payroll of new jobs is comprised of a minimum of 10% veterans' payroll.

Claw Back Provision

A company that participates in the Quality Jobs Program but fails to maintain a business presence in the state within 3 years of start date must repay all program benefits that they received and may not re-apply for the program for one year following dismissal.

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Payroll Threshold Requirement

A lower annualized payroll threshold of \$1.5 million may apply to the following applicants:

- Food processors with 75% out-of-state sales – See NAICS Nos. 3111 through 3119.
- Firms performing Research, Development, and Testing Services – See NAICS Nos. 541710 and 541380.
- Auxiliary Research and Development Labs of large enterprises.
- Relocations on select former military bases.

A lower threshold of \$1 million in new annualized payroll for companies in the Quality Jobs Program is available to businesses that produce new direct jobs to the State that are equal to or greater than 1% of the total labor force of the county in which they locate. The payments, which are set at 2.5% of new qualified payroll, may extend for up to six years instead of 10 years as set out in the original program.

In addition, a no payroll threshold applies to companies locating on a site consisting of at least 10 acres that is also a Superfund renewal site or listed on the National Priorities List. Sites may still qualify if not on the list if they have been formally deferred to the State, or if they are being remediated pursuant to a clean-up plan approved by the Department of Environmental Quality.

The Department of Environmental Quality notifies the Oklahoma Department of Commerce of the qualifying areas and companies.

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov. Program Guidelines for the Quality Jobs Program may be found on the Oklahoma Department of Commerce website at Quality Jobs Guidelines. These Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance in completing the forms may be found there, as well.

Automatic 5% Areas for Oklahoma Quality Jobs Program

The Oklahoma Quality Jobs Act and the Oklahoma Small Employer Quality Jobs Act offer specific benefits for companies locating in certain economically distressed geographic areas.

For the Quality Jobs Program, companies locating in “Automatic 5% Counties” may qualify for a 5% net benefit rate. Within “Opportunity Zones”, in addition to a 5% net benefit rate, average wage requirements may be waived in the Quality Jobs Program. Other thresholds will still need to be met in order for a company to qualify for the Quality Jobs Program.

Generally, an Automatic 5% County is:

1. Reviewed once every year.
2. Includes all areas within a County where:
 - a. The County’s Per Capita Income is 15% or more below the Oklahoma per Capita Income, OR
 - b. The County as a whole has experienced a decrease in population over the last 10 years, OR
 - c. The County’s unemployment rate exceeds the lesser of 5% or 2 percentage points above the state average unemployment rate.
3. The legal definition of an Opportunity Zone can be found in Oklahoma Statutes Title 68, Section 3604 Definitions, but generally an Opportunity Zone includes individual Census Tracts where: 30% or more of the population lives below poverty.

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Ottawa County in The Joplin Region is an Automatic 5% Area.

The 21st Century Quality Jobs Program

This incentive was created to attract growth industries and sectors to Oklahoma in the 21st Century through a policy of rewarding businesses with a highly skilled, knowledge-based workforce. It also maximizes the eligible incentive payment by incorporating expanded state benefits by allowing a net benefit rate of up to 10% of payroll.

- Requires at least 10 full-time jobs at an annual average wage of the lesser of the 21st Century state indexed wage or 300% of the county's average wage.
- Allows a net benefit rate of up to 10% of payroll for up to 10 years.
- Out-of-state sales must be at least 50% for most participants.
- Companies may receive reduced benefits for jobs/wages less than the 10 required while they work towards full qualification, so long as the required average wage is met.
- Target Industries:
 - o Knowledge-based service industries, including professional, scientific and technical services; music, film and performing arts; and specialty hospitals.
 - o A 21st Century state wage, which is indexed every year, treats the program similarly as the Quality Jobs Program, which requires the wages to be the lower of the average county wage or the state index wage.

For more information, contact the Oklahoma Department of Commerce at (800) 879-6552 or info@okcommerce.gov. Program Guidelines for the 21st Century Quality Jobs Program may be found on the Oklahoma Department of Commerce website at 21st Century Quality Job Guidelines. These Guidelines contain the formal application and required supporting documents necessary to apply. Technical assistance in completing the forms may be found there, as well.