



DATA CENTER SALES TAX EXEMPTION PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

The purpose of the program is to incentivize the location and expansion of data centers in the State of Missouri by providing an exemption, for a period of time, of the sales and utility taxes associated with a variety of activities necessary to build a new facility or expand an existing facility.

HOW THE PROGRAM WORKS

An eligible data center company (or a consortium of eligible companies) who plan to locate at a new facility or expand an existing facility apply to the State with a Notice of Intent which describes their proposed “plan”. That “plan” includes the estimates of construction or rehab materials; machinery and equipment purchases; and utility costs over a designated term at the facility (no more than 10 years for an expanding facility and no more than 15 years for a new facility). The “plan” also includes the number of new jobs to be hired over the term at the facility within a required time frame.

The Department of Economic Development, in cooperation with the Department of Revenue determine the applicant’s eligibility including company type (by NAICS code) and whether the company’s plan will meet the statutory thresholds for program participation. The Department of Economic Development also determines if the fiscal impact of the proposed plan provides a positive net fiscal return to the State. If so, the Department offers a conditional approval. Once the thresholds have been met, the company may apply to receive a sales tax exemption certificate for each year of their benefit term. The first year may include a refund of any sales taxes paid for a period prior to meeting the thresholds.

The thresholds for participation for an expanding facility include: at least 5 new full time jobs with average wages at 150% of county average wage within 24 months and \$5 million dollars in new investment within 12 months of the conditional approval of the Notice of Intent.

The thresholds for participation for a new facility include: at least 10 new full time jobs with average wages at or above 150% of county average wage and \$25 million dollars in new investment within 36 months of the conditional approval of the Notice of Intent.

The “consortium” of eligible companies may aggregate their jobs and investment at the same facility to achieve the thresholds. Exemption certificates may be issued to multiple companies inside the same facility.

AUTHORIZATION

144.810 RSMo.

ELIGIBLE AREAS

Statewide.

ELIGIBLE APPLICANTS

- Taxpayer(s) primarily engaged in data processing, hosting and related services (NAICS 518210); or
- Taxpayer(s) primarily engaged in internet publishing and broadcasting and web search portals at the business facility (NAICS 519130)

PROGRAM BENEFIT

Existing Facilities:

An exemption on state and local sales and use taxes used for expanding operations as defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 10 years.

New Facilities:

An exemption of 100% of the state and local sales and use taxes defined, levied, or calculated under section 32.085, sections 144.010-144.525, sections 144.600-144.761 or section 238.235 for a specified maximum amount for each year for 15 years.

APPLICATION/APPROVAL PROCEDURE

- Project taxpayer (applicant) submits the following:
 - Notice of Intent (NOI)
 - List of all employees at the facility
 - E-Verify Memorandum of Understanding (MOU)
 - Tax clearance for each “project taxpayer”
 - Agreement recognizing the responsibilities of each taxpayer (if there are multiple taxpayers)
 - Project Plan.



County average wages (effective until 7/1/2016):
 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.

County	Average Annual Wage	County	Average Annual Wage	County	Average Annual Wage
ADAIR	\$27,740	GREENE	\$37,996	OZARK	\$20,635
ANDREW	\$28,500	GRUNDY	\$32,714	PEMISCOT	\$28,740
ATCHISON	\$27,678	HARRISON	\$24,064	PERRY	\$33,611
AUDRAIN	\$32,335	HENRY	\$35,501	PETTIS	\$31,205
BARRY	\$36,050	HICKORY	\$21,297	PHELPS	\$31,934
BARTON	\$25,852	HOLT	\$30,629	PIKE	\$30,004
BATES	\$26,806	HOWARD	\$28,239	PLATTE	\$43,032
BENTON	\$26,017	HOWELL	\$30,292	POLK	\$28,748
BOLLINGER	\$24,532	IRON	\$43,675	PULASKI	\$25,104
BOONE	\$34,808	JACKSON	\$44,810	PUTNAM	\$24,612
BUCHANAN	\$40,542	JASPER	\$37,630	RALLS	\$42,156
BUTLER	\$30,138	JEFFERSON	\$32,364	RANDOLPH	\$34,374
CALDWELL	\$33,787	JOHNSON	\$29,329	RAY	\$33,060
CALLAWAY	\$40,668	KNOX	\$25,434	REYNOLDS	\$23,412
CAMDEN	\$28,044	LACLEDE	\$31,189	RIPLEY	\$20,137
CAPE	\$37,154	LAFAYETTE	\$29,796	ST. CHARLES	\$41,501
CARROLL	\$30,813	LAWRENCE	\$31,756	ST. CLAIR	\$23,055
CARTER	\$22,615	LEWIS	\$28,820	STE. GENEVIEVE	\$40,727
CASS	\$30,588	LINCOLN	\$34,101	ST. FRANCOIS	\$28,354
CEDAR	\$23,196	LINN	\$32,948	ST. LOUIS CO.	\$44,810
CHARITON	\$30,217	LIVINGSTON	\$31,766	SALINE	\$31,339
CHRISTIAN	\$28,538	MCDONALD	\$29,895	SCHUYLER	\$26,473
CLARK	\$24,559	MACON	\$28,373	SCOTLAND	\$22,037
CLAY	\$44,810	MADISON	\$27,116	SCOTT	\$32,232
CLINTON	\$30,680	MARIES	\$27,989	SHANNON	\$19,663
COLE	\$38,223	MARION	\$33,159	SHELBY	\$27,089
COOPER	\$30,829	MERCER	\$26,733	STODDARD	\$31,260
CRAWFORD	\$33,802	MILLER	\$29,757	STONE	\$26,793
DADE	\$27,567	MISSISSIPPI	\$27,387	SULLIVAN	\$34,318
DALLAS	\$21,842	MONITEAU	\$28,966	TANEY	\$27,063
DAVISS	\$25,139	MONROE	\$29,602	TEXAS	\$26,295
DEKALB	\$30,112	MONTGOMERY	\$29,216	VERNON	\$34,073
DENT	\$26,495	MORGAN	\$24,791	WARREN	\$33,007
DOUGLAS	\$23,751	NEW MADRID	\$39,080	WASHINGTON	\$23,665
DUNKLIN	\$23,843	NEWTON	\$32,111	WAYNE	\$20,717
FRANKLIN	\$36,780	NODAWAY	\$31,246	WEBSTER	\$29,547
GASCONADE	\$28,188	OREGON	\$21,102	WORTH	\$22,946
GENTRY	\$26,976	OSAGE	\$30,413	WRIGHT	\$27,055
				ST. LOUIS CITY	\$44,810

- DED reviews all documentation to determine the following:
 - Eligibility for the program;
 - Whether the facility is an existing or new facility.
 - That the amount of the exemption does not exceed the projected “net fiscal benefit to the state calculated over a 10 year period” using the Regional Economic Modeling, Inc. dataset; and
 - That the project plan indicates that the required investment and job numbers will be met.
- DED provides either a conditional approval or denial within 30 days of receipt of NOI to project taxpayers (applicant) and to DOR.
- DED issues Data Center Program Agreement document to project taxpayers for execution (terms and conditions for repayment and penalties, compliance and reporting).
- Applicant performs work (retains all receipts).
- Applicant sends project paperwork to DED for certification including executed agreement, if not provided previously.
- DED reviews and sends to DOR review.
- DOR approves and DED certifies to applicant.
- DOR refunds sales/use tax and issues annual certificates, as applicable.
- Applicant provides annual reporting to DED.

CONTACT

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Department of Economic Development

- Statewide average of \$44,810 applicable to any county over the statewide average when determining program eligibility
- The wages represent an average for all private industries.