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Missouri Redevelopment Programs

REDEVELOPMENT PROGRAMS

Redevelopment programs provide incentives for various types of repair, remodeling, and restoration of land, buildings, and areas. Information on key programs is provided below.

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[Historic Preservation Credit](#)

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[Rebuilding Communities Tax Credit Program](#)

[Chapter 353 Tax Abatement](#)

Brownfield Redevelopment Program

Common Name: Brownfield Redevelopment Program

Statutory Citation: §§ 447.700 – 447.718 RSMO

Type of Benefits: Tax Credits.

Description of Benefits:

Remediation Tax Credits – DED may issue tax credits for up to 100% of the cost of remediating the project property. 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR.

Demolition Tax Credits – DED may issue tax credits for up to 100% of the cost of non-remediation demolition costs. The demolition must be part of a city (or county) and state approved redevelopment plan.

Jobs and Investment Tax Benefits – Businesses locating at the project site that create new jobs to the state may receive (for up to ten years) tax credits in the amount of \$500 to \$1,300 per year for each new job created; 2% of new capital investment per year; and a 50% income exemption. To be eligible to receive these benefits, the city or county must provide at least 50% real property tax abatement for ten to 25 years.

Allowed Uses of Benefits: The tax credits may be applied to most form of tax, except Withholding Tax. Refer to the statute for detailed explanation. Remediation Tax Credit's allow for a tax credit carry forward of 20 years and are sellable or transferable. The Demolition Tax Credit's may be carried forward 20 years. The Jobs and Investment Tax Credit must be applied to tax liability for the year it was earned.

Eligible Business Types: Any Missouri taxpayer is eligible to participate in the program.

Links:

[Click here for program detail](#)

[Click here for program summary](#)

Statute: <http://www.moga.mo.gov/STATUTES/C447.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

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Historic Preservation Credit

Common Name: Historic Preservation Tax Credit Program

Statutory Citation: §§ 253.545 – 253.561 RSMO

Type of Benefits: Tax credits.

Description of Benefits: The Historical Preservation Credit Program provides an incentive for the redevelopment of commercial and residential historic structures in Missouri.

Allowed Uses of Benefits: The Historic Preservation Credit program provides State tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures (provided such costs and expenses exceed 50% of the total acquisition cost of the property). The Tax Credit may be used on any tax otherwise due under Chapter 143 (excluding 143.192 to 143.261) and Chapter 148 of the Missouri Statutes. State tax credits equal to 25% of eligible costs and the expenses of the rehabilitation of approved historic structures (provided such costs and expenses exceed 50% of the total acquisition cost of the property).

Eligible Business Types: Any taxpayer is eligible to participate in this program. Non-profit and government entities are not eligible.

Links:

[Click here for program detail](#)

[Click here for program summary](#)

Statute: <http://www.moga.mo.gov/STATUTES/C253.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

Missouri Development Finance Board: <http://www.mdfb.org>

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Tax Increment Finance Program

Common Name: TIF

Statutory Citation: §§ 99.800 – 99.865 RSMO

Type of Benefits: Local property tax, local sales tax, utility tax, and earnings tax for Local TIF designations. If a State TIF or Super TIF, then the benefits would also include state sales tax and withholding tax.

Description of Benefits: Local TIF provides for the use of local property tax up to 100% of the incremental value up to 23 years and 50% of the incremental value derived from economic activity taxes (includes sales utility and earnings taxes) for a period of 23 years. If the TIF is designated as a State TIF, then the incremental value from state sales tax and withholding taxes would also be made available.

Allowed Uses of Benefits: The TIF Act provides for the use of tax increment financing to pay all reasonable or necessary costs incurred or incidental to a redevelopment project. Typical costs include: costs of studies, surveys and plans; professional fees; land acquisition and demolition costs; costs of rehabilitating and repairing existing buildings; public improvements; financing costs, including bond issuance costs, capitalized interest and reasonable reserves; capital costs incurred by any taxing jurisdiction as a direct

result of the project; relocation costs; and payment in lieu of taxes.

Eligible Business Types: Projects are evaluated upon their own merits. A project is reviewed based upon the overall economic impact opportunity after the redevelopment of the specified project area.

Links:

[Click here for program detail](#)

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Statutes: <http://www.moga.mo.gov/STATUTES/C099.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

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Missouri Downtown Economic Stimulus Act

Common Name: MODESA

Statutory Citation: §§ 99.915 – 99.980 RSMO

Type of Benefits: MODESA is a new form of tax increment financing approved by the General Assembly in 2003. MODESA combines the use of local property tax increment and economic activity taxes with a portion of the State sales tax and State income tax withholding to assist development projects. In this manner, the new tax revenues are not abated, but rather redirected to fund a portion of the costs of the development project. Projects can be “community enhancement” or “job creation.” Total project costs and/or new job creation minimums are based on the population of the municipality.

Description of Benefits: Funds are used to offset the public infrastructure costs. A portion of the new state and local taxes created by a project can be diverted to fund eligible public infrastructure and related costs for a period of up to 25 years. The local match must be, at a minimum, 50% of the amount of the new local sales tax (and earnings tax in St. Louis and Kansas City) and 100% of the amount of the new real property tax created by the project each year; or a comparable amount of local funds from the city/county or a non-profit organization.

Allowed Uses of Benefits: Public infrastructure

Eligible Business Types: Municipalities with an annual median household income of \$62,000 or less.

Links:

[Click here for program detail](#)

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Statutes: <http://www.moga.mo.gov/STATUTES/C099.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

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Rebuilding Communities Tax Credit Program

Common Name: Rebuilding Communities Tax Credit Program

Statutory Citation: §§ 135.535 RSMO

Type of Benefits: Tax Credits.

Description of Benefits: There are several tax credits available under the program. They include the 40% Income Tax Credit, 40% Equipment Tax Credit, 1.5% Employee Tax Credit, and 25% Equipment Tax Credit. Details regarding the credits are available in the detail write up or the statute.

Eligible Business Types:

New or Relocating Business: Eligible new or relocating business may choose one of the 40% Tax Credits and the employees may receive the 1.5% Employee Tax Credit.

Existing Business: Eligible business already located in a distressed community may be eligible for the 25% Equipment Tax Credit. Existing businesses that double the number of full time employees in the distressed community from the previous year may choose one of the 40% Tax Credits.

Links:

[Click here for program detail](#)

[Click here for program summary](#)

Statutes: <http://www.moga.mo.gov/STATUTES/C135.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

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Chapter 353 Tax Abatement

Common Name: Chapter 353 Tax Abatement

Statutory Citation: §§ 353 RSMO

Type of Benefits: Reduction of real property tax.

Description of Benefits: An incentive that can be utilized by cities to encourage the redevelopment of blighted areas by providing real property tax abatements.

Allowed Uses of Benefits: Tax abatement is available for a period of 25 years, which begins to run when the Urban Redevelopment Corporation takes title to the property.

Eligible Business Types: For-Profit "Urban Redevelopment Corporations"

Links:

[Click here for program detail](#)

[Click here for program summary](#)

Statutes: <http://www.moga.mo.gov/STATUTES/C353.HTM>

Missouri Department of Economic Development: <http://www.missouridevelopment.org>

Missouri Development Finance Board: <http://www.mdfb.org/>

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