



# BROWNFIELD REDEVELOPMENT PROGRAM

## MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

### **PURPOSE**

Provides financial incentives for the redevelopment of commercial/industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least three years.

### **AUTHORIZATION**

Sections 447.700 to 447.718, RSMo

### **ELIGIBLE AREAS**

Statewide.

### **ELIGIBLE APPLICANTS**

Any Missouri taxpayer is eligible to participate in the program.

### **ELIGIBILITY CRITERIA**

- The applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project.
- If the property is not owned by a public entity, the city or county must endorse the project.
- The project must be accepted into the "Voluntary Cleanup Program" of the Missouri Department of Natural Resources (DNR).
- The project must be projected by the Missouri Department of Economic Development (DED) to result in the creation of at least ten new jobs or the retention of 25 jobs by a private commercial operation.

### **PROGRAM BENEFITS/ELIGIBLE USES**

The program authorizes several types of financial assistance for eligible projects:

#### **• Remediation Tax Credits**

DED may issue tax credits for up to 100% of the cost of remediating the project property. DED will issue 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.

The tax credits can be applied to:

- Ch. 143 – Income tax, excluding withholding tax
- Ch. 147 – Corporate franchise tax
- Ch. 148 –
  - Bank Tax
  - Insurance Premium Tax
  - Other Financial Institution Tax

The remediation tax credit's special attributes:

- Carry forward 20 years
- Sellable or transferable

The demolition tax credit's special attributes:

- Carry forward 20 years

The jobs and investment tax credit has no special attributes. It must be applied to tax liability for the year it was earned.

### **FUNDING LIMITS**

The total state costs of the project tax credits must be less than the projected state economic impact of the project, as determined by DED.

The amount of remediation and demolition tax credits issued must be the least amount necessary to cause the project to occur.

## **APPLICATION/APPROVAL PROCEDURE**

An applicant must submit an application to DED for determination of eligibility and request for remediation tax credits, Brownfield tax benefits, and/or demolition tax credits.

An application must also be submitted to the Department of Natural Resources (DNR) for participation in the "Voluntary Cleanup Program." Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from DED will not be eligible for tax credits and may jeopardize the project's overall eligibility for the program.

Applications may be submitted year-round. Each application is reviewed on a case-by-case basis.

## **REPORTING REQUIREMENTS**

The "Tax Credit Accountability Act" reporting form must be submitted to DED by June 30 each year for three years following the year of the first issuance of tax credits.

## **SPECIAL PROGRAM REQUIREMENTS**

Credits are subject to 2.5% issuance fee.

## **CONTACT**

### **Missouri Department of Economic Development**

*Division of Business and Community Services • Development Finance Team*

301 West High Street • Room 770 • P.O. Box 118  
Jefferson City • MO • 65102

Phone: 573-522-8004 • Fax: 573-522-9462

**E-mail:** [dedfin@ded.mo.gov](mailto:dedfin@ded.mo.gov) • **Web:** [www.MissouriDevelopment.org](http://www.MissouriDevelopment.org)

