

PROGRAM DESCRIPTION

Department: Economic Development

HB Section(s): 7.045

Program Name: State Tax Increment Financing (TIF) Program

Program is found in the following core budget(s): Tax Increment Financing

1a. What strategic priority does this program address?

Laser Focused, Customer Centric, Regionally Targeted

1b. What does this program do?

- The purpose of the Tax Increment Financing (TIF) program is to redevelop a designated blighted area based upon a redevelopment plan. The program converts underutilized properties and places them back in active production by generating new sales and providing additional wages through new job creation.
- TIF involves the issuance of local bonds or other obligations, which are secured by a pledge of a statutory portion of the following resulting from redevelopment improvements: (1) economic activity taxes (i.e. local sales tax), (2) payments in lieu of taxes (i.e. property tax), and (3) withholding and local employment taxes attributable to the increase in taxable activity inside the redevelopment area.
- The State TIF redirects 50% of the withholding taxes or 50% of the general revenue sales taxes generated as a result of planned redevelopment activities within a prescribed area for up to 23 years.
- The state taxes are paid and then diverted back to the applicant as a function of the annual appropriation process.
- Additional information on the State TIF program can be found at <https://ded.mo.gov/sites/default/files/programs/flyers/TIF.pdf>

2a. Provide an activity measure(s) for the program.

	CY2017		CY2018		CY2019		CY2020	CY2021	CY2022
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
Number of Active TIF Projects	15	15	15	15	15	15	16	16	16

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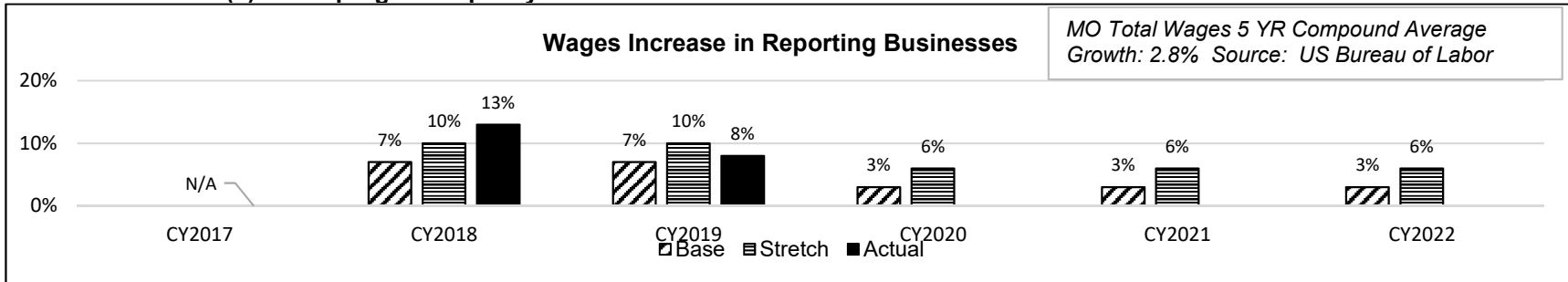
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2b. Provide a measure(s) of the program's quality.

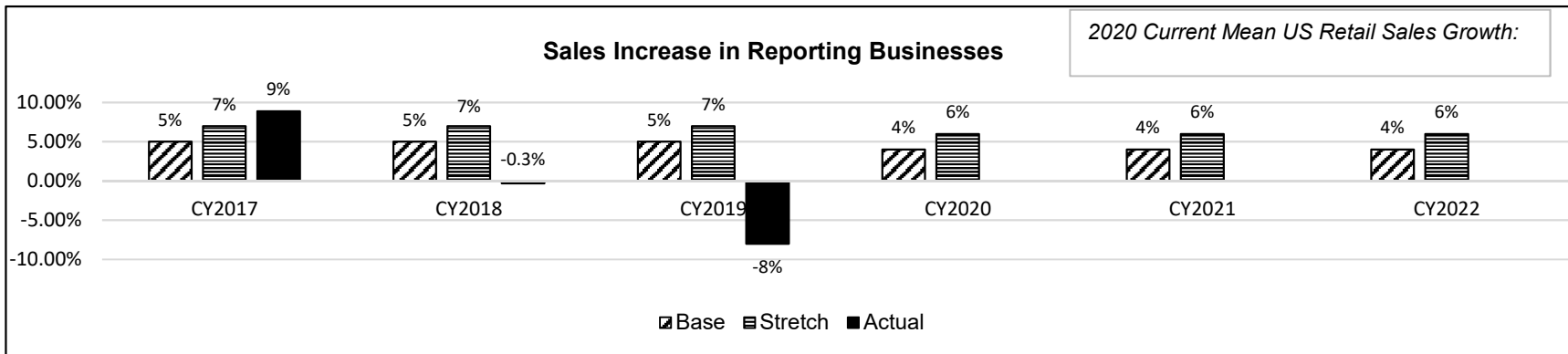


Note 1: Reflects the yearly % increase in total wages for active withholdings based projects.

Note 2: Only reporting businesses are included in the metric, regardless of the wages and withholding taxes non-reporting businesses may have produced and paid to the State.

Note 3: This is a new measurement, therefore data for CY2017 is not available.

Note 4: The Base target is set at moderate growth at 3% and the Stretch target is an increase of 3% over the Base.



Note 1: Reflects the yearly % increase in net new sales for active sales based projects.

Note 2: Only reporting businesses are included in the metric, regardless of the sales and sales taxes non-reporting businesses may have produced and paid to the State.

Note 3: The Base target is set at 4% and the Stretch target is an increase of 2% over the Base.

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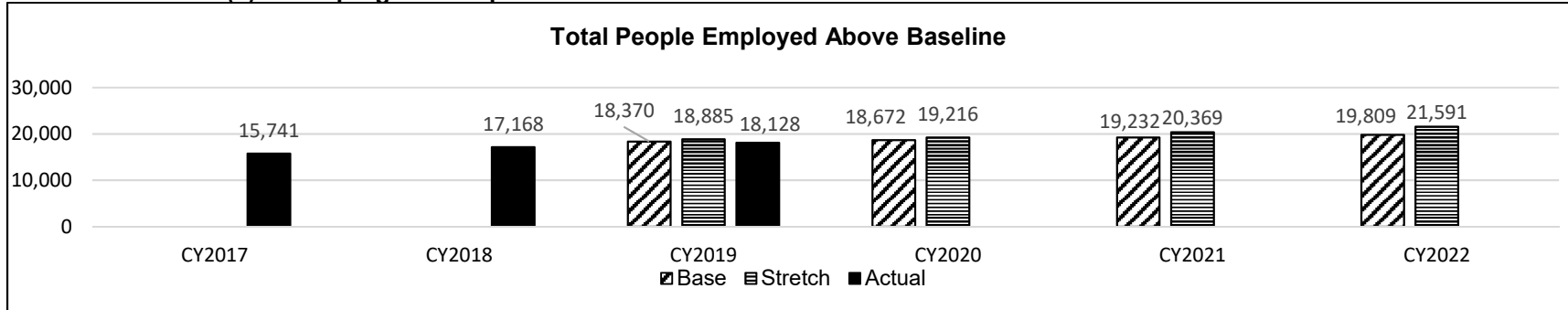
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2c. Provide a measure(s) of the program's impact.

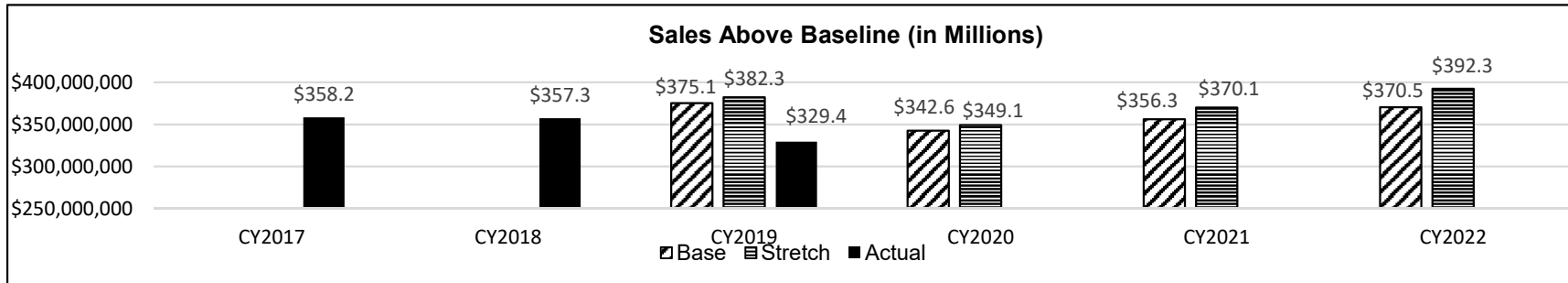


Note 1: Reflects calendar year employees over the baseline amount for active projects. For all projects, the baseline is determined to be a cumulative total of 5,611 jobs.

Note 2: Average Total People Employed only includes jobs from those businesses reporting wages and withholding taxes. Businesses reporting sales and sales taxes are not included.

Note 3: This is a new measure; therefore, projected data for CY2017 and CY2018 is not available.

Note 4: The Base target is set at moderate growth at 3% and the Stretch target is an increase of 3% over the Base.



Note 1: Reflects calendar year gross taxable sales reported above the baseline for active projects. The baseline sales are the existing gross taxable sales reported by each business before approval of the redevelopment projects.

Note 2: Only reporting businesses are included in the metric, regardless of the sales taxes non-reporting businesses may have produced and paid to the State.

Note 3: This is a new measure; therefore, projected data for CY2017 and CY2018 is not available.

Note 4: The Base Target is set at 4% growth and the Stretch target is an increase of 2% over the Base.

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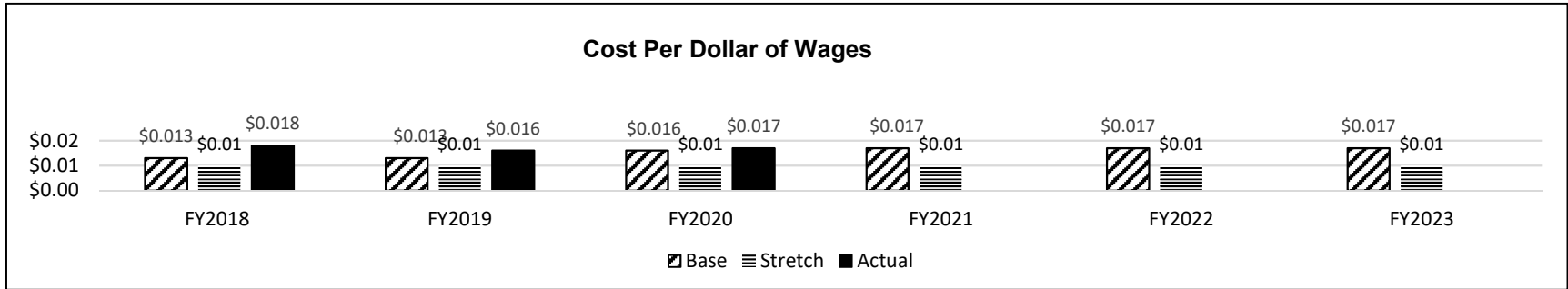
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2d. Provide a measure(s) of the program's efficiency.

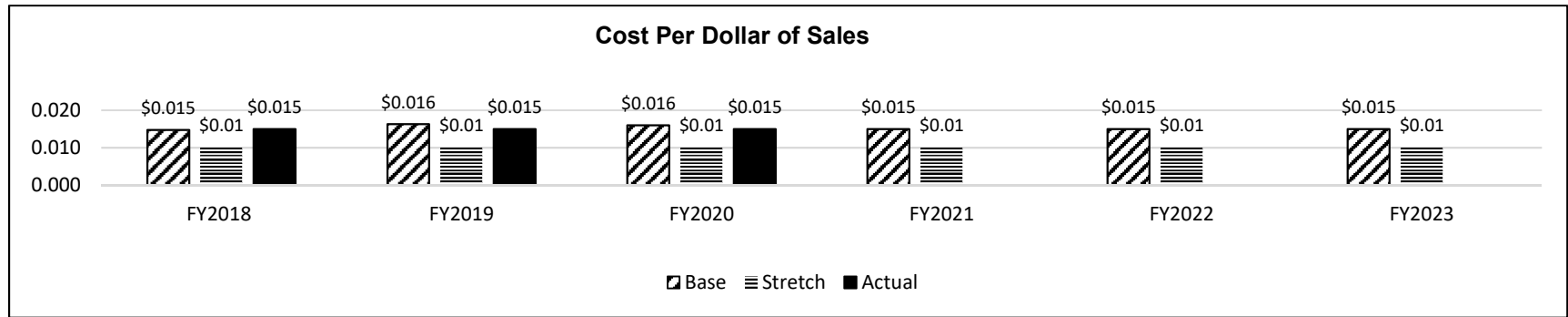


Note 1: Reflects the cost to the state divided by total wages for active projects.

Note 2: Only reporting businesses are included in the metric.

Note 3: The Base target is an approximate average of the prior four years and the Stretch target is set at \$.01.

2d. Provide a measure(s) of the program's efficiency.



Note 1: Reflects the cost to the state divided by total gross taxable sales for active projects.

Note 2: Only reporting businesses are included in the metric.

Note 3: The Base target is an approximate average of the prior four years and the Stretch is set at \$.01.

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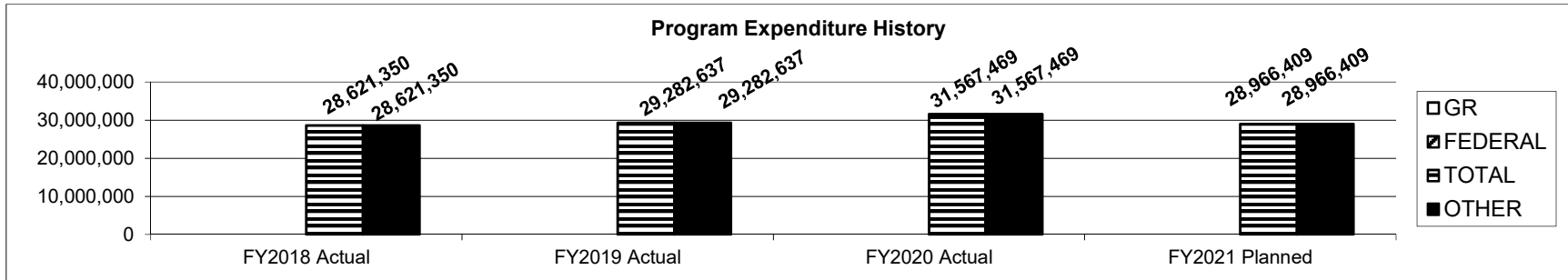
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



Note: Planned Expenditures reflect 3% Governor's Reserve and Restriction on GR Transfer.

4. What are the sources of the "Other " funds?

Requires a Transfer from General Revenue to the Missouri Supplement Tax Increment Finance Fund (0848).

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Section 99.800-99.865, RSMo

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No