

# Enhanced Enterprise Zones

Springfield, Missouri



Creating and retaining new jobs is a priority for the City of Springfield and its economic development partners, the Springfield Area Chamber of Commerce, the Springfield Business and Development Corporation, City Utilities of Springfield, and Greene County. The Enhanced Enterprise Zone is a key component of the Partnership's incentive program for encouraging investment and job creation. The zones allows for local real property tax abatement and can provide saleable state tax credits.



## Enhanced Enterprise Zones Overview

The Springfield Enhanced Enterprise Zone was officially designated by the Missouri Department of Economic Development on July 20, 2005, with subsequent zones approved in the 2nd Quarter of 2010. The Zones encompasses all of Springfield and parts of unincorporated Greene County as well as a small segment of the community of Battlefield. Much of the Enhanced Enterprise Zone was previously included in the original Enterprise Zone, designated in 1984. Springfield's Enterprise Zone has been a leader in job creation and new business investment in the State. From 1984 to 2004, the Springfield Enterprise Zone facilitated 485.5 million dollars of investment and resulted in the creation of 6,340 new jobs.

The Springfield Enhanced Enterprise Zones encompasses a large amount of available commercial and industrial property. The zones have an abundance of prime industrial sites

available for development, most with a full range of public services including convenient access to interstate highways, rail service, air transportation, and telecommunications. A seven-member board and the City of Springfield Planning and Development Department administer the Enhanced Enterprise Zones Program.

Authority for the Enhanced Enterprise Zones is contained in Chapter 135 of the Revised Statutes of Missouri. The Act authorizes state tax credits and local property tax abatement. To qualify, a sole proprietorship, partnership, or corporation must meet all the requirements of the Enhanced Enterprise Zone.



*Springfield's original Enterprise Zone was utilized heavily in the development of Partnership Industrial Center, which is now home to over 20 manufacturing operations.*

## Program Requirements

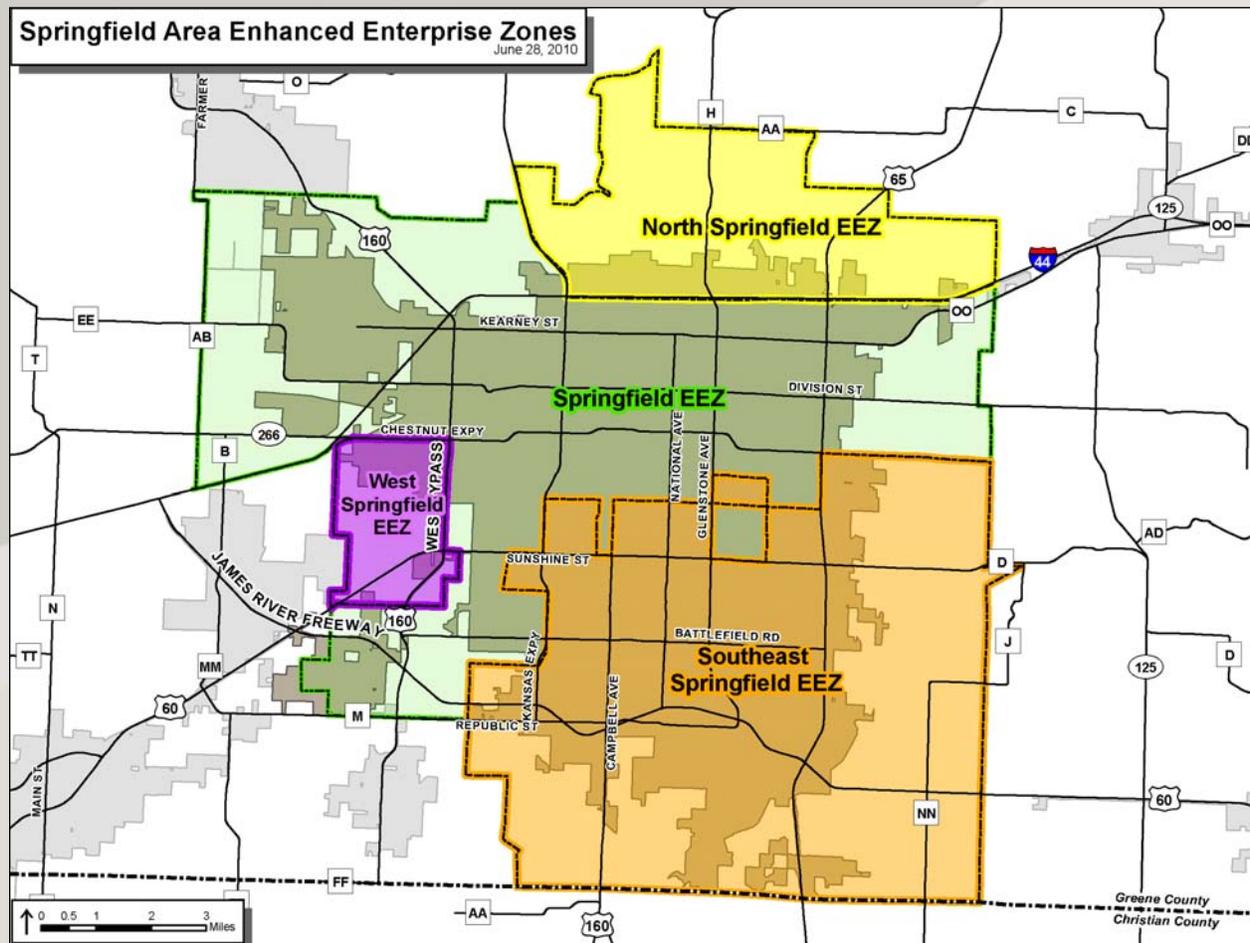
To be eligible for Enhanced Enterprise Zone benefits a business must meet certain requirements based on the type of business, amount of investment and the location of the facility.

To receive both state tax credits and local property tax abatement the business must be located within the zone boundaries. Additionally, the creation of at least 2 new jobs and \$100,000 in new investment is required to be eligible for state tax credits. These qualifications must be maintained as an annual average in order to receive benefits.

Businesses that locate within the Enhanced Enterprise Zones, except for those businesses specifically excluded by Statute may be eligible for benefits. The following types of businesses are excluded from benefits by Statute:

- Gaming Establishments (NAICS industry group 7132)
- Retail Trade (NAICS sectors 44 and 45)
- Educational Services (NAICS sector 61)
- Religious Organizations (NAICS industry group 8131)
- Public Administration (NAICS sector 92)
- Food and Drinking Establishments (NAICS subsector 722)

The facility must be located within the boundaries of the Enhanced Enterprise Zones, shown generally below. For a more detailed Springfield Enhanced Enterprise Zone map visit [www.business4springfield.com/EEZ](http://www.business4springfield.com/EEZ)



## Local Real Property Tax Abatement

In addition to Springfield's existing competitive tax environment, property tax abatement can be an attractive incentive for eligible companies desiring to locate in the Enhanced Enterprise Zones. For example, a company making a \$1 million investment would save almost \$90,000 in taxes over a 10-year period. Businesses who locate within the Enhanced Enterprise Zones are eligible for local real property tax abatement on one-half of the new investment (excluding land) for ten years. The box on the right demonstrates this example.

As part of Springfield's commitment to sustainability additional benefit has been made available under the Enhanced Enterprise Zones. For a facility that obtains LEED-Silver certification from the US Green Building Council and is part of an Enhanced Enterprise Zone project an additional 25% abatement is awarded for a time period of 10 years.

### EXAMPLE: \$1 MILLION INVESTMENT IN A NEW FACILITY

*Current Commercial Tax Levy = \$5.7118  
per \$100 of assessed valuation (based on  
a location in the Springfield School District)*

*Commercial Assessment Rate = 32% of  
Appraised Value*

Appraised Value	\$ 1,000,000
x Assessment Rate	32%
= Assessed Value	\$ 320,000

x Commercial Tax Levy	\$ 0.057118
= Real Property Tax	\$ 18,278

EEZ Abatement (50%)	\$ 9,139
x 10-Year Period	
= Total Incentive	\$ 91,389

## State Tax Credits

The Enhanced Enterprise Zone program offers state tax credits to businesses locating within the zone and meeting the zone requirements. Tax credits may be provided each year for up to five tax years after the project commences operations.

To receive tax credits in any of the five years, the facility must create at least 2 new jobs and \$100,000 in new investment compared to the base year (the year prior to the commencement of operations at the facility). Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, or eight times the annual rental rate paid for the same. Inventory is not eligible.



*The original Enterprise Zone assisted companies such as Prime in expanding their presence in Springfield.*

The Enhanced Enterprise Zone tax credit can be applied to income tax, excluding withholding tax (Ch. 143 RSMo). Tax credits can only be applied to tax liability for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits.

Tax credits are authorized by the Missouri Department of Economic Development based on the number of new jobs/payroll and new capital investment that the project will create compared to the base year. Benefits can be available for up to 5 years and are calculated as 2% of

payroll of the new jobs and 0.5% of the new private capital investment. The box on the right demonstrates this example.

The Missouri Department of Economic Development will consider and make a proposal in advance of the company making its decision to locate or expand in Missouri. The State will set aside a maximum amount of tax credits the company could receive each year for five years, based on projected economic benefit to the state.

### EXAMPLE: \$2 MILLION NEW INVESTMENT \$1.5 MILLION NEW PAYROLL CREATED

0.5% of New Investment	\$ 10,000
+ 2% of New Payroll	\$ 30,000
x 5-Year Period	
= Total Eligible Tax Credits	\$ 200,000

## Additional Information Contacts

If you are interested in locating a facility in Springfield please contact Springfield's Partnership for Economic Development. To assist in your project, the Partnership maintains a website dedicated to economic development opportunities in Springfield, Missouri--[www.business4springfield.com](http://www.business4springfield.com).

The site provides a complete data analysis of the Springfield metro area as well as available sites and buildings. Also included is a complete contact list of staff team members of Springfield's Partnership for Economic Development and their areas of expertise.

For specific questions about aspects of the Springfield Enhanced Enterprise Zones please use the contacts listed below.



*Utilizing the original Enterprise Zone, Stamina Products became the first company to locate in the 400-acre, Partnership Industrial Center West.*

For questions concerning the Springfield real property tax abatement, contact:

Matt Schaefer  
City of Springfield  
Department of Planning and Development  
840 Boonville  
Springfield, Missouri 65801  
(417) 864-1031  
[mschaefer@springfieldmo.gov](mailto:mschaefer@springfieldmo.gov)



For questions concerning the Missouri tax credits, contact:

Carol Shoemaker  
Missouri Department of Economic  
Development  
Business and Community Services  
301 W. High Street, Room 770  
Jefferson City, MO 65102  
573-526-0308  
[carol.shoemaker@ded.mo.gov](mailto:carol.shoemaker@ded.mo.gov)



If you have a qualified expansion or relocation project, contact:

Ryan Mooney  
Springfield Area Chamber of Commerce  
202 S. John Q. Hammons Parkway  
Springfield, Missouri 65806  
(417) 862-5567  
[ryan@springfieldchamber.com](mailto:ryan@springfieldchamber.com)

