

MISSOURI AGRICULTURAL AND SMALL BUSINESS

Meat Processing Facility Investment Tax Credit Act

Guidelines and Procedures

DEVELOPMENT AUTHORITY (MASBDA)

Legal Authorization: **Chapter 135.686 RSMo (2016)**

A. PURPOSE OF THE PROGRAM

The Meat Processing Facility Investment Tax Credit Act was enacted to stimulate investment in the meat processing industry in Missouri and to enable the livestock industry to capture more value in the form of further processed meat products.

B. DEFINITIONS

1. **“Authority”**, the agricultural and small business development authority established in chapter 348;
2. **“Meat processing facility”**, any commercial plant, located in Missouri, as defined under section 265.300 at which livestock are slaughtered or at which meat or meat products are processed for sale commercially and for human consumption;
3. **“Meat processing modernization or expansion”**, constructing, improving, or acquiring buildings or facilities, or acquiring equipment for meat processing including the following, if used exclusively for meat processing and if acquired and placed in service in this state during tax years beginning on or after January 1, 2017, but ending on or before December 31, 2021:
 - a) Building construction including livestock handling, product intake, storage, and warehouse facilities;
 - b) Building additions;
 - c) Upgrades to utilities including water, electric, heat, refrigeration, freezing, and waste facilities;
 - d) Livestock intake and storage equipment;
 - e) Processing and manufacturing equipment including cutting equipment, mixers, grinders, sausage stuffers, meat smokers, curing equipment, pipes, motors, pumps, valves;
 - f) Packaging and handling equipment including sealing, bagging, boxing, labeling, conveying, and product movement equipment;
 - g) Warehouse equipment including storage and curing racks;
 - h) Waste treatment and waste management equipment including tanks, blowers, separators, dryers, digesters, and equipment that uses waste to produce energy, fuel, or industrial products;
 - i) Computer software and hardware used for managing the claimant’s meat processing operation including software and hardware related to logistics, inventory management, production plant controls, and temperature monitoring controls; and;
 - j) Construction or expansion of retail facilities or the purchase or upgrade of retail equipment for the commercial sale of meat products if the retail facility is located at the same location

as the meat processing facility.

4. **“Tax credit”**, a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or otherwise due under chapter 147;

5. **“Taxpayer”**, any taxpayer (individual or entity) who:

- a) Is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or the tax imposed under chapter 147;
- b) In the case of an individual, is a resident of this state as verified by a 911 address or, in the absence of a 911 system, a physical address; and
- c) Own and operates a meat processing facility located in this state;

6. **“Used exclusively”**, used to the exclusion of all other uses except for use not exceeding five percent (5%) of total use.

C. ELIGIBILITY QUALIFICATIONS – Meat Processing Facility

1. Owner and operator who completes a meat processing facility modernization or expansion activity(ies) that occur on or after January 1, 2017 through December 31, 2021;

2. Pursuant to 285.530 RSMo, all applicants are required to provide proof of citizenship, identity, and residency at the time of applying for any state administered benefits. An applicant must also certify through the federal E-Verify Program that the applicant does not employ unauthorized aliens.

3. Modernization or expansion activity(ies) paid for or reimbursed by state or federal funds are not considered eligible expenses for the Meat Processing Facility Investment Tax Credit.

D. APPLICATION PROCESS – Meat Processing Facility

1. Meat processing facility shall submit the Meat Processing Facility Investment Tax Credit Application to the Authority on a continuous basis and the application will be processed on an as received basis until the calendar year limit is reached.

2. Meat Processing Facility shall submit the following with the completed application:

- a) A non-refundable application review fee of \$100.00, which is required at the time of submission to the Authority.
- b) Historical documentation of the quantity of meat product processed entering the facility in pounds for the past three (3) calendar years.
- c) Documentation of completed eligible facility investments; which shall include paid invoices and cancelled checks, and/or paid contracts by calendar year.
- d) Documentation of compliance with the appropriate food safety inspection agency or exemption status.

3. Upon receipt of the application, the Authority will do the following:

- a) Review the application for completeness and accuracy
- b) If the Authority has any questions, concerns, and or needs additional documentation, they will contact the meat processing facility

- c) Once the review process is completed, the application will be submitted to the MASBDA Commission for approval at the monthly board meeting.
- d) Following the monthly board meeting, the Authority will notify the meat processing facility in writing that the application was approved or denied.
- e) If the application is approved, the Authority will calculate the appropriate application issuance fee of 3% of the approved tax credit amount. This fee is required to be paid by the meat processing facility and received by the Authority prior to the issuance of the tax credit.

E. ISSUANCE OF THE TAX CREDITS

1. **The tax credits will be issued on an as-received basis for meat processing facility production expansion projects and Qualified Beef Tax Credits until the calendar year limit of \$2,000,000 is reached.** This \$2 million also includes tax credits issued for the Qualified Beef Tax Credit Program.

2. If two or more persons own and operate the meat processing facility, each person may claim a credit in proportion to his or her ownership interest; except that the aggregate amount of the credits claimed by all persons who own and operate the meat processing facility shall not exceed seventy-five thousand dollars (\$75,000) per year.

3. Any tax credits not issued in any calendar year shall expire and shall not be issued in any subsequent years.

F. LIMITATIONS OF THE TAX CREDITS

1. **Allocation of tax credits:** \$2,000,000 in tax credits are available per calendar year, subject to budgetary constraints, for the Qualified Beef Tax Credit Act (Chapter 135.679 RSMo) and the Meat Processing Facility Investment Tax Credit Act (Chapter 135.686 RSMo). Tax credits shall be issued on an as-received application basis until the calendar year limit is reached. Any credits not issued in any calendar year shall expire and shall not be issued in any subsequent year.

2. For all tax years beginning on or after January 1, 2017, but ending on or before December 31, 2021 a taxpayer shall be allowed a tax credit for meat processing modernization or expansion related to the taxpayer's meat processing facility. The tax credit shall be equal to twenty-five percent (25%) of the amount the taxpayer paid in the tax year for meat processing modernization or expansion.

3. The total amount of tax credits that any taxpayer may claim shall not exceed \$75,000 per facility per year.

4. **Revocation or Repayment of Tax Credits:** MASBDA shall recapture, in full or part, the value of any credits issued to a Missouri Meat Processing Facility if any representation made by the applicant to MASBDA proves to have been false when made. Liability for repayment or recoupment of tax credits for any misrepresentation remains with the original tax credit owner.

5. The amount of tax credit claimed shall not exceed the amount of the taxpayer's state tax liability due under Chapters 143 and 147 RSMo, excluding withholding tax imposed by section 143.191 to 143.265 RSMo, for the tax year for which the credit is claimed. The tax credit is not refundable.

6. The tax credit shall be claimed in the tax year in which the approved project occurred. Any amount that cannot be used may be carried forward to any of the taxpayer's four (4) subsequent tax years.

7. Tax credits may be assigned, transferred, sold or otherwise conveyed. If a tax credit is assigned,

transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with MASBDA specifying the name and address of the new owner, in which case the new owner shall have the same rights in the tax credits as the original owner.

G. RECORDS, AUDIT, AND ACCOUNTABILITY

The Authority is authorized by Section 135.686 RSMo, to keep the information provided under this section confidential and shall not be disclosed except by court order, subpoena or as otherwise provided by law. As provided in statute, this information may be shared with state and federal animal health officials.

1. **Audit:** The Authority reserves the right to audit any approved meat processing facility production records to ensure compliance with program requirements.
2. **Records maintenance:** The approved meat processing facility must retain all documentation related to the processing of meat products and the qualifying investments used in the application to secure Authority approval.
3. **Additional Information:** The Authority reserves the right to request additional information from the applicant to document or clarify items submitted in the application.
4. **Reporting:** A recipient (eligible meat processing facility) of an agricultural tax credit shall annually, for a period of three (3) years following issuance of tax credits, submit an annual report to the Missouri Agricultural and Small Business Development Authority. The annual report is required to confirm the following:
 - a) type and pounds of each agricultural commodity processed
 - b) amount of investment
 - c) type of equipment purchased
 - d) name and description of the facility
 - e) the actual number of permanent full-time, permanent part-time, and seasonal part-time jobs for each month of the preceding twelve (12) month period.

The reporting requirements established in this section shall be due annually on June 30th of each year. No person or entity shall be required to make an annual report until at least one year after the credit issuance date.

After credits have been issued, any failure to meet the annual reporting requirements or any determination of fraud in the application process shall result in penalties as follows:

- a) Failure to report for more than six months but less than one year shall result in a penalty equal to two percent of the value of the credits issued for each month of delinquency during such time period;
- b) Failure to report for more than one year shall result in a penalty equal to ten percent of the value of the credits issued for each month of delinquency during such time period up to one hundred percent of the value of the credit issued is assessed by way of penalty;

- c) Fraud in the application process shall result in a penalty equal to one hundred percent of the credits issued. No taxpayer shall be deemed to have committed fraud in the application process for any credit unless such conclusion has been reached by a court of competent jurisdiction or the administrative hearing commission.

Penalties shall remain the liability of the person or entity obligated to complete the annual reporting, without regard to any transfer of the credits.

H. SUBMISSION OF INFORMATION

Missouri Agricultural and Small Business Development Authority
P.O. Box 630
Jefferson City, MO 65102-0630
Telephone: (573) 751-2129
Fax: (573) 522-2416
E-mail: masbda@mda.mo.gov
Web site: agriculture.mo.gov



Missouri Agricultural and Small Business Development Authority

Meat Processing Facility Investment Tax Credit Application

**MISSOURI FORM
MPF
Chapter 135.686 RSMo**

Please Type or Print

SECTION 1 Meat Processing Facility INFORMATION

NAME OF MEAT PROCESSING FACILITY		BUSINESS FEDERAL IDENTIFICATION NUMBER/SOCIAL SECURITY NUMBER	
CONTACT NAME		COUNTY	
911 ADDRESS		MAILING ADDRESS (IF NOT THE SAME AS 911 ADDRESS)	
CITY		STATE	ZIP CODE
TELEPHONE NUMBER	CELL NUMBER	E-MAIL ADDRESS	
INDIVIDUAL OR BUSINESS TAX YEAR <input type="checkbox"/> CALENDAR YEAR <input type="checkbox"/> FISCAL YEAR		NAICS/SIC CODE	MISSOURI STATE REPRESENTATIVE DISTRICT #
ENDING DATE OF FISCAL YEAR	BEGINNING DATE OF FISCAL YEAR	MISSOURI STATE SENATORIAL DISTRICT #	

PROCESSOR IS: INDIVIDUAL PARTNERSHIP S-CORPORATION CORPORATION TRUST LIMITED LIABILITY COMPANY

If member is a Partnership, S-Corporation, Trust, or Limited Liability Company, identify the names, social security numbers, federal employer identification numbers and proportionate share of ownership of each beneficiary, partner or shareholder below. Aggregate proportionate shares or percent of ownership may not exceed 100%.

What is your inspection status?

STATE _____ FEDERAL _____ EXEMPT _____

If Federal what is your establishment number? _____

By participating in this tax credit program, did you create any new jobs?

_____ NO _____ YES, if yes # of full-time permanent _____ # of part-time permanent _____ # of Construction jobs _____

SECTION 2 ATTACHMENTS – Required attachments for tax credit eligibility

1. Production certification form by process meat type and gross sales.
2. Qualified expense schedule with paid invoices; and cancelled checks and/or paid contracts by calendar year.

SECTION 3**CERTIFICATION OF Meat Processing Facility**

Pursuant to the "Guidelines and Procedures" document for the "Meat Processing Facility Tax Credit Program" issued by the Missouri Agricultural and Small Business Development Authority, the applicant (signing below) hereby certifies, subject to penalties of perjury, the following:

1. I have received and read the Program Guidelines and Procedures.
 2. I am not (i) a commissioner or employee of the Missouri Agricultural and Small Business Development Authority, (ii) a member of the Missouri General Assembly, (iii) a state-wide elected official, (iv) a director of a state department, or (v) a spouse or dependent child of any of the above [either of] who has a substantial interest in the Meat Processing Facility entity shown in Section 1. Substantial interest is defined as ownership by the individual, the individual's spouse, or the individual's dependent children, whether singularly or collectively, of ten percent or more of the beef production operation.
 3. I, the undersigned, to the best of my knowledge, information and belief declare that the information submitted is true, correct, and complete, and I hereby agree to comply with the requirements of the program as specified above.
 4. The meat processing facility must be located in Missouri.
 5. The meat processing facility will retain all documentation relating to the program for at least seven years from the date of the grant of tax credits, and will allow the Authority to audit such information within that seven-year period.
 6. The eligible meat processing facility agrees that MASBDA staff will be allowed to visit the facility on no less than an annual basis through the third year and will provide to MASBDA information relating to: 1) expansion progress 2) most recent financial information, and 3) verification of current number of employees.
 7. The eligible meat processing facility agrees to annually, for a period of three years following issuance of tax credits, provide to the Missouri Agricultural and Small Business Development Authority information confirming: (1) pounds of meat product by type and quantity by pound; (2) gross sales of pounds of meat product processed.
- I, the undersigned, declare that I have examined the application submitted to the Missouri Agricultural and Small Business Development Authority for the Meat Processing Facility Tax Credit Program, including accompanying exhibits, and to the best of my knowledge, information and belief, it is true, correct, and complete, and I hereby agree to comply with the requirements of the program as specified above.

SIGNATURE

TITLE

DATE

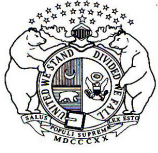
SECTION 4**Checklist before you mail your application in:**

- \$100.00 non-refundable application fee enclosed
- All Trust, Partnership, S-Corporation, or Limited Liability Company Information included
(i.e.: Joe Doe SS#000-00-0000 50% owner; Jane Doe SS#000-00-0001 50% owner)
- I am a new producer with no previous production
- I have enclosed copies of 3 (three) years documentation of meat products processed in pounds
- Production Certification Form
- Qualified Expenses Form
- I have enclosed documentation of all paid invoices and cancelled checks, receipts of payment and/or paid contracts
- Certification of Citizenship/Immigration Status form, Proof of Legal Residence, and Affidavit of Authorized Workers (if you employ others)

**RETURN COMPLETED FORM AND
\$100 APPLICATION PROCESSING FEE MADE PAYABLE TO "MASBDA":**

MISSOURI AGRICULTURAL AND SMALL BUSINESS
DEVELOPMENT AUTHORITY (MASBDA)
P.O. BOX 630, 1616 MISSOURI BLVD
JEFFERSON CITY, MO 65102-0630
TELEPHONE: (573) 751-2129

DATE RECEIVED IN OFFICE



Missouri Agricultural and Small Business Development Authority
Meat Processing Facility Investment Tax Credit
Request for Transfer

MISSOURI FORM
MPT
Chapter 135.686 RSMo

PLEASE TYPE OR PRINT

SECTION 1:

Information on the current tax credit certificate holder.

Date: _____

Name of Holder: _____

Address: _____
STREET/P.O. BOX

CITY STATE ZIP CODE

Contact person: _____ Telephone: (____) _____
NAME AND TITLE

Federal Identification Number OR Social Security Number: _____

Approved Tax Credit Number: _____

Amount of approved Tax Credit to be transferred: \$ _____

Date of transfer: _____
MONTH/DAY/YEAR

Under penalties of perjury, we declare that we have examined this form, and to the best of our knowledge and belief, it is true, correct and complete. We do hereby affix our signatures on this _____ day of _____,

Seller: _____

Subscribed and affirmed before me this _____ day of _____,

NOTARY My commission expires: _____

SECTION 2: Information on the transfer and assignee(s).

Name of Purchaser: _____
Address of Purchaser: _____
STREET/P.O. BOX

CITY STATE ZIP CODE

Phone Number: (____) _____

Taxpayer: Corporation Partnership Individual S-Corporation Trust Limited Liability Company
 Other (please describe) _____

F.E.I.N. or S.S. N.: _____ Missouri Tax I.D.: _____

Total Amount of Credit to be Transferred: \$ _____

<u>Amount of Credit Purchased</u>	<u>Sale Price</u>
\$ _____	\$ _____

Note: Total must be equal to the "Total Amount of Credit to be Transferred" from above. Use a separate sheet if necessary.

Note: If the taxpayer is a Trust, Partnership, Limited Liability Company or S-Corporation, attach a separate sheet to this form and identify the names, social security numbers, and proportionate share of ownership of each beneficiary, partner, or shareholder. The aggregate proportionate shares or percent of total ownership may not exceed 100%.

The taxpayer acquiring credits (the assignee), may use the acquired credits to offset up to 100% of the tax liabilities otherwise imposed by Chapter 143, RSMo, (excluding withholding tax imposed by sections 143.191 to 143.265, RSMo), Chapter 147, RSMo.

Under penalty of perjury, we declare that we have examined this form, and to the best of our knowledge and belief, it is true, correct and complete. We do hereby affix our signatures on this _____ day of _____,

Purchaser: _____

Subscribed and affirmed before me this _____ day of _____, _____

NOTARY My commission expires: _____

RETURN COMPLETED FORM TO: (573) 751-2129
Missouri Agricultural and Small Business Development Authority
P.O. Box 630
Jefferson City, Missouri 65102-0630

Certification of Citizenship/ Immigration Status

By affixing my (our) signature below, I (we) hereby certify, subject to penalty of perjury, I am the applicant or an authorized representative of the applicant and as such am authorized to make the following affirmation:

I am a United States Citizen or have been granted lawful permanent residence* of the United States. I understand that I am required by state law to provide proof of my citizenship, residency, and identity in order to apply for any state programs.

_____ Signature	_____ Title	_____ Date
_____ Signature	_____ Title	_____ Date

*Pursuant to 208.009.3 RSMo, all applicants are required to provide proof of citizenship, identity, and residency at the time of applying for any state administered benefits. You must provide a copy of your valid Missouri driver's license with this application. If you do not have or cannot provide this, please see "Additional Documentation" on page 2 for allowed alternatives.

Employer Status

By affixing my (our) signature below, I (we) hereby certify, subject to penalties of perjury, I am the applicant or an authorized representative of the applicant and as such am authorized to make the following affirmation:

(Please select the statement that applies)

_____ I DO NOT employ others in an employer- employee relationship.

_____ I employ others in an employer- employee relationship. ***(If this statement is chosen you must also complete the Affidavit of Authorized Workers.)***

_____ Signature	_____ Title	_____ Date
_____ Signature	_____ Title	_____ Date

Additional Documentation

If a valid Missouri driver's license is not available for this verification, other items that can be provided are listed below. Please provide one or more of the following from each of the categories below.

Proof of Lawful Presence for U.S. Citizens*
<p>One of the following:</p> <ul style="list-style-type: none">• U.S. Birth Certificate (certified with embossed or raised seal issued by state or local government)• U.S. Passport (valid)• Certificate of Citizenship• Certificate of Naturalization• Certificate of Birth Abroad
Proof of Identity
<p><input type="checkbox"/> Provide Social Security Number, if one has been assigned; or If a Social Security Number has not been assigned, the applicant must present a letter from the Social Security Administration (SSA) regarding the status of the applicant's Social Security Number.</p> <p>Proof of Name Change: One of the following: If the name on the document you present for proof of lawful presence does not match your current name, present one of the documents below showing your current name.</p> <ul style="list-style-type: none">• U.S. Passport (valid)• Social Security Card/Medicare Card• Certified Marriage License• Certified Divorce Decree• Certified Court Order• Certified Adoption Papers or Amended Birth Certificate
Proof of Residency (A Post Office Box will not be allowed as a resident address.)
<p>One of the following:</p> <ul style="list-style-type: none">• Utility bill, most recent (phone, water, gas, electric, trash or sewer, etc.)• Voter registration card, most recent• Bank statement, most recent• Government check, most recent• Pay check, most recent• Property tax receipt, most recent• Housing rental contract of current residence• Mortgage documents of current residence• An official letter or document from another state or local government agency, not previously listed, which is on the agency's letterhead or contains the official seal of the issuing agency issued within the previous 30 days• Letter or other documentation issued by the postmaster within the previous 30 days establishing residency• Other government document that contains the name and address of the applicant issued within the previous 30 days

*For any other immigrant status, please call MASBDA for more information.

Affidavit of Authorized Workers

BEFORE ME, the undersigned Notary, _____, on this _____ day of _____, 20____, personally appeared _____, known to me to be a credible person and of lawful age, who being by me first duly sworn, on _____ oath, deposes and says:

I certify that I am either the applicant or am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.

I (We) hereby certify, subject to penalties of law, that I(we) do not knowingly employ, hire for employment, or continue to employ any unauthorized alien to perform work in the state of Missouri and further certify I have and will continue to comply with federal law (8 U.S.C., 1324a) which requires the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.

I further certify that I (the applicant) am enrolled in a federal work authorization program and actively verify the work authorization status of all those hired and currently employed by me, my business, and/or any other business entity which I have hiring or management authority.

I understand that as a condition to participate in this program administered by a political subdivision of the State of Missouri I (the applicant) must provide documentation to certify my enrollment and participation in the federal work authorization program. This documentation includes the Memorandum of Understanding (MOU) established with the USCIS Verification Division when enrolling in E-verify.

I certify that I (the applicant) shall include in any contract it enters with a subcontractor in connection with the activities that qualify the applicant for this program, an affirmative statement from the subcontractor that such subcontractor is not knowingly in violation of Section 285.530.1 RSMo, and shall not be in violation during the length of the contract. In addition the applicant will receive a sworn affidavit from the subcontractor under the penalty of perjury, attesting that the subcontractor's employees are lawfully present in the United States. I certify that the applicant will maintain and provide MASBDA access to documentation demonstrating compliance with this requirement.

I understand that if the applicant is found to have employed an unauthorized alien, the applicant may be subject to penalties pursuant to law, including Sections 135.815, 285.025, and 285.535, RSMo.

Signature Title Date

Signature Title Date

State of Missouri
County of _____

Subscribed and sworn to before me, this _____ day of _____, 20____.

[Notary Seal:]

[signature of Notary]

[typed name of Notary]
NOTARY PUBLIC

My commission expires: _____, 20____.