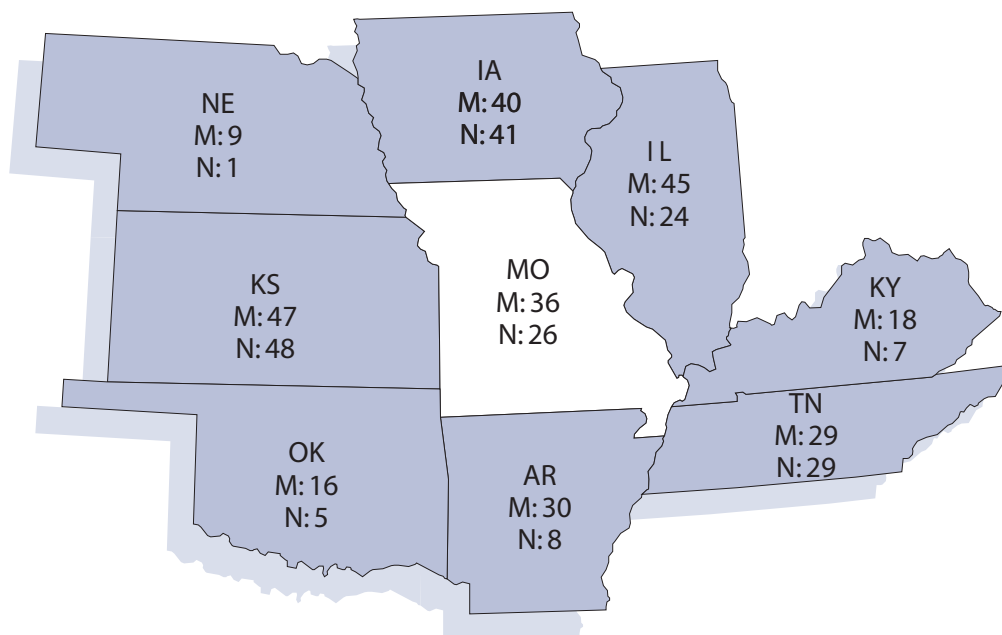


M = Rank for mature firms
N = Rank for new firms



Missouri ranks 36th overall for mature operations and 26th overall for newly established operations. Specifically:

- Missouri ranks 21st for mature labor-intensive manufacturing, with a tax burden that is 14 percent below the national average. The main factor is extremely generous incentives, namely the property tax abatement and withholding tax rebate.
- Missouri ranks 47th for mature R&D operations, which have a tax burden 46 percent above the national average. For this firm type, the state has the 11th-highest income tax burden, ninth-highest sales tax burden, and eighth-highest property tax burden.
- Missouri ranks fifth for new labor-intensive manufacturing firms, with a tax burden more

than 40 percent below the national average.

This is due in part to the firm's low income tax burden because firms have the option of using an evenly factored apportionment formula or a single-factor formula on sales only. The firm also benefits from a fairly generous property tax abatement and a withholding tax credit.

- Missouri ranks 46th for new retail, with a tax burden that is 33 percent above the national average. The main factor is an extremely high property tax burden.
- The state does exempt manufacturing machinery from sales tax, which can lower the tax cost for capital and labor-intensive manufacturing companies.

Missouri

Corporate income tax

Main tax rate	6.250%
Applies to income over	–
Specific adjustments:	
- s.199 deduction allowed	
- 50% deduction for federal tax paid	

Apportionment	Property	Payroll	Sales
Standard factors	33.3%	33.3%	33.3%
Optional alternative	–	–	100.0%
Throwback applies to tangible property sales			Partial
Interstate services income apportionment			IPA

Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate ^a	Land	Buildings	Equipment	Inventory
Tier 1	St. Louis	8.005%	2.926%	2.926%	2.870%	–
Tier 2	Joplin	6.465%	2.220%	2.220%	2.312%	–
a. Manufacturing machinery is exempt from sales tax						

Other taxes

Unemployment insurance		State	Gross receipts tax			Local	
Rate	Max. pay	capital tax	Mfg.	Services	Retail	income tax	
3.51%	\$13,000	0.033%	Tier 1	n/a	n/a	n/a	1.000%
			Tier 2	n/a	n/a	n/a	n/a

Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	n/a							
Job creation	n/a							
Withholdings	6-7% of new payroll x 5 years, with 4 year lag	✓	✓			✓	✓	
R&D	n/a							
Property tax	60% abatement x 10 years	✓	✓		✓	✓	✓	

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	9.8%	6.9%	33.9%	27.3%	12.4%	16.5%	43.4%		12.7%	10.0%	22.3%	31.9%	16.4%	18.8%	19.6%			
Index	86.4	58.7	136.0	75.6	76.9	112.1	133.0	97.0	99.6	85.8	106.2	103.9	104.7	145.8	115.7	108.8		
Rank	30	5	41	16	14	28	46	26	26	21	31	33	36	47	38	36		

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