



## Chapter 100 Sales Tax Exemption, Personal Property

**The Chapter 100 program**, as authorized by Section 144.054(3), Revised Statutes of Missouri, and as enacted in Senate Bill 30 (2007), enables the City to assist with the purchase of qualified personal property purchased through Chapter 100 bonds for non-manufacturing purchases. Program guidelines are determined by the State of Missouri, and the City has the latitude to decide when/if it will participate in Chapter 100 projects.

**Eligible companies** for which Chapter 100 bonds may be issued are those that purchase personal property. Companies eligible for Chapter 100 bond financing include manufacturing, warehousing, distribution, office, research and development, agricultural processing, and services in interstate commerce. Retail, plus services engaged in intrastate commerce and others determined by the State are not eligible.

**Program Criteria** for companies interested in the Chapter 100 Program specify that potential projects cannot have been announced, bonds already approved and/or issued, or personal property already purchased. Eligible projects must meet the following criteria:

- Involve competition with another state. Therefore a comprehensive state/local incentives proposal will be involved in attempts to win projects for Missouri.
  - Qualifying projects must have above-average wages with benefits, or be located in economically distressed or blighted areas.
  - Local incentives will provided to projects, commensurate with Missouri state incentives, and relative to the new state/local tax revenues created by the projects.
  - Positive Missouri state fiscal benefits, including proposed state incentives, must result from Chapter 100 incentives provided to projects.
  - Definite indications that the City and County have approved the local sales tax exemption must be provided. The local sales tax exemption also may be provided independent of the state sales tax break.
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## **PROCEDURAL STEPS**

The Missouri Department of Economic Development (DED) will issue a State or local sales tax exemption to a company with a project that meets Chapter 100 Program requirements, and for which bonds have been issued. The company must present the exemption to the vendor from it is purchasing the equipment.

## **APPLICATION/APPROVAL PROCEDURE**

DED will coordinate a state/local incentive proposal to qualifying projects, in which the exemption will be included. Upon the decision to proceed, the business will file the Missouri form "Chapter 100 Sales Tax Exemption Application," and return the completed form to DED for approval and certification. Upon approval, DED will issue a certificate authorizing the applicant to claim the tax exemption. The applicant must then display the tax exemption to the vendor before the purchase is made.

## **CONTACT**

Companies interested in investigating the Chapter 100 Program should contact the Grandview Economic Development office at (816) 316-4869. City staff then will forward information to appropriate DED officials for discussion and possible approval of the proposed project.

## **ADDITIONAL INFORMATION**

Since State statutes determine which incentive programs municipalities can utilize, companies interested in further investigating the Chapter 100 program are strongly encouraged to research the DED's description and overviews of the project at:

[www.ded.mo.gov/BCS%20Programs/BCSProgramDetails.aspx?BCSProgramID=90](http://www.ded.mo.gov/BCS%20Programs/BCSProgramDetails.aspx?BCSProgramID=90)  
and its brochure at: [ded.mo.gov/upload/Chapter100SalesTaxExemptPP.pdf](http://ded.mo.gov/upload/Chapter100SalesTaxExemptPP.pdf) .

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