



# Missouri State UNIVERSITY

## Small Business Incubator Tax Credit

Missouri State University has received \$82,689 in Missouri tax credits for efactory improvements and equipment. The Missouri Department of Economic Development (DED) awarded these credits through the Small Business Incubator Tax Credit program for donations received in the 2022 calendar year.

Any individual or business with Missouri tax liability is eligible to receive the 2022 tax credits by making a donation to Missouri State University. This is a direct 50% credit off the Missouri state taxes. For example, if a donor gave \$10,000 to Missouri State University for this project, the donor could get a \$5,000 direct credit against their state income tax by filing the appropriate paperwork. In addition to the state income tax credit, \$5,000 may be taken as a charitable deduction against federal income tax, which would further reduce the actual cost of the donation.

The tax credits may be carried forward up to 5 years and applied to future tax liability. Furthermore, the credits are sellable and transferable, but must sell for no less than 75% of the par value and in an amount not to exceed 100% of the credit. Sales of credits are taxable income. Upon approval of the Verification of Contribution Form, the Missouri Department of Economic Development will issue a tax credit Certificate of Eligibility to the donor.

Following are some examples based upon different federal and state income tax brackets. Please consult your attorney or tax consultant before making a contribution. If you or your business would like to take advantage of this tax credit while contributing to the eFactory, please contact Rachel Anderson at 837-2610 or Allen Kunkel at 836-3020.

Amount of contribution	\$10,000				
Federal income tax bracket	37.00%	35%	32%	24%	22%
Missouri income tax bracket	6%	6%	6%	6%	6%
Federal income tax savings	\$1,850	\$1,750	\$1,600	\$1,200	\$1,100
Missouri income tax savings*	\$300	\$300	\$300	\$300	\$300
Total income tax savings	\$2,150	\$2,050	\$1,900	\$1,500	\$1,400
Tax credits (50%)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Total reduction of taxes	\$7,150	\$7,050	\$6,900	\$6,500	\$6,400
Net cost of contribution	\$2,850	\$2,950	\$3,100	\$3,500	\$3,600

\* Tax credit may limit deduction on state taxes.

*Note: Neither this letter nor any comments made by university employees should be treated as tax, legal or accounting advice. Potential donors should seek independent advice from their attorney(s) and/or accountant(s) before making a contribution.*



ROBERT W. PLASTER FREE ENTERPRISE CENTER

405 N. Jefferson Avenue, Springfield, MO 65806

Phone: (417) 837-2600 • Fax: (417) 837-2614 • [www.theefactory.org](http://www.theefactory.org)



**Missouri State**  
U N I V E R S I T Y

## **Small Business Incubator Tax Credit Donor Contribution Process**

Step 1. Obtain professional tax, legal or accounting advice on your specific tax benefit.

Step 2. Donor makes a contribution to Missouri State University to support the eFactory renovations and improvements.

Step 3. Donor completes the Verification of Contribution to a Missouri Certified Incubator – Small Business Incubator Tax Credit Program form. The form must be notarized and submitted to the University for verification (form attached).

Step 4. Donor provides copy of the cancelled check, bank statement or other documentation of the contribution to the University.

Step 5. University submits Verification form and documentation of contribution to the Missouri Department of Economic Development.

Step 6. University sends donor a Gift Receipt Letter (example attached). The letter provides information of the charitable contribution and tax credit.

Step 7. Upon approval by the Missouri Department of Economic Development, the donor will receive a Certificate of Eligibility for the tax credit (example attached).



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<b>4. CERTIFICATION</b>	<ul style="list-style-type: none"> <li>I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.</li> <li>I certify that the applicant does NOT employ illegal aliens and that the applicant has complied with federal law (8 U.S.C. § 1324a) requiring the examination of an appropriate document or documents to verify that an individual is not an unauthorized alien.</li> <li>I understand that if the applicant is found to have employed an illegal alien in Missouri and did not, for that employee examines the document(s) required by federal law, that the applicant shall be ineligible for any state-administered or subsidized tax credit, tax abatement or loan for a period of five years following any such finding.</li> <li>I attest that I have read and understand the Small Business Incubator Tax Credit Program guidelines, specifically as it relates to the Tax Credit Accountability Act of 2004 (SB 1099).</li> <li>I hereby agree to allow representatives of the Department of Economic Development access to the property and applicable records as may be necessary for the administration of this program.</li> <li>I certify under penalties of perjury that the above statements, information contained in the application and attachments are complete, true, and correct to the best of my knowledge and belief</li> </ul>			
<b>5. SIGNATURE</b>	<b>Must be signed in the presence of a notary.</b>	CONTRIBUTOR'S SIGNATURE ▶	DATE  / /	
	NOTARY EMBOSSEER SEAL	STATE	COUNTY	MY COMMISSION EXPIRES
	On this ____ day of _____, 20 __, before me, _____, a Notary Public in and for said state, personally appeared _____, known to me to be the person who executed the Certification and acknowledged and states on his/her oath to me that he/she executed the same for the purposes therein stated.			
	NOTARY PUBLIC SIGNATURE		NOTARY RUBBER STAMP	
<b>6. INCUBATOR'S VERIFICATION</b>	NAME OF INCUBATOR			
	ADDRESS (STREET, PO BOX)			
	CITY	STATE	ZIP	
	TELEPHONE NUMBER ( ) -	FACSIMILE NUMBER ( ) -		
	I have examined this application and all attachments and believe it to be an accurate description of the contribution received by our organization for the purposes of carrying out this application project.			
	INCUBATOR'S SIGNATURE ▶			DATE  / /
<b>RETURN TO:</b>  <b>Department of Economic Development</b> <b>Division of Business and Community Services</b> <b>Finance Management</b> <b>301 West High Street, Room 770</b> <b>P.O. Box 118</b> <b>Jefferson City, MO 65102</b>				



**Missouri State**  
U N I V E R S I T Y

**Sample Letter**

**Date**

**John B. Good  
My Company  
123 Street  
Anytown, MO 65000**

RE: Missouri State University  
44-6000308

Dear **Mr. Good**:

Thank you for your gift to Missouri State University to support the efactory business incubator. Your contribution of **\$10,000** will assist with additional public improvements to the efactory, which is located in the Robert W. Plaster Free Enterprise Center. These improvements will allow continued development of the facility to meet the entrepreneurial needs of our region.

Missouri State University is a higher education institution established under Chapter 174 Missouri Revised Statutes. Missouri State University is a governmental entity as described in Section 170(c)(1) of the Internal Revenue Code, in accordance with Section 115 of the Code. Contributions made to Missouri State University for exclusively public purposes are exempt income or charitable deductions under Section 170(c)(1).

No goods or services were provided by Missouri State University in return for this contribution.

Upon approval of the Verification of Contribution Form, the Missouri Department of Economic Development will issue you a Certificate of Eligibility for the Small Business Incubator Tax Credit program.

We sincerely appreciate your generosity and support of Missouri State University.

Sincerely,

Allen D. Kunkel, CEcD  
Associate Vice President for Economic Development



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# Missouri Department of Economic Development

Business and Community Solutions Division

MICHAEL L. PARSON  
Governor

ROBERT B. DIXON  
Director

MICHAEL B. LANAHAN  
Division Director

## SMALL BUSINESS INCUBATOR TAX CREDIT CERTIFICATE OF ELIGIBILITY

[REDACTED]  
[REDACTED]  
[REDACTED]

**Type of Business:**  
Individual

**Social Security Number:**

[REDACTED]

**Date:**  
01/31/2020

**Federal I.D. Number:**

**Approved Tax Benefit Number:**

[REDACTED]

**MO Tax I.D. Number:**

Dear Taxpayer:

This acknowledges receipt of documentation that a/an contribution of \$2,500.00 has been made to The Efactory during the tax period beginning 01/01/2019 and ending 12/31/2019. Pursuant to Sections 620.495.1 - 620.495.12, RSMo, you are entitled to a tax credit equal to 50% of the contribution or **\$1,250.00**.

The tax credit may be claimed for taxes otherwise incurred during the tax period for which the contribution was made or during any of the five succeeding tax periods. To claim earned credits, enter the amount of the credit being claimed on the appropriate line of your state tax return and attach a copy of this authorization to the tax return. The certificate amount does not reflect redeemed tax credits.

The credits may be used to offset income tax otherwise imposed by Chapter 143, RSMo, franchise tax otherwise imposed by Chapter 147, RSMo (corporations only), financial institution tax otherwise imposed by Chapter 148 (financial institutions and insurance companies only)RSMo, or transferred to another taxpayer(s). To transfer any part of this tax credit you must complete Missouri Form MO-TF, "Missouri Transfer." Complete the form each time you want to transfer all or part of the above-approved credit. A separate Form MO-TF must be filed for each transferee named in Section 2. The amount transferred may not exceed the amount of your approved credit. If you have any questions, please contact the Finance Management Team at (573) 751-4539.

  
Sarah Warren  
Incentive Specialist

  
Brenda Horstman  
Manager, Business and Community Finance