ATLAS INSIGHT

LEGISLATIVE ALERT

Missouri Establishes Innovation Zones and Expands Business Incentives

House Bill Summary

On July 13, 2026, Missouri Governor Mike Kehoe signed HB 3231, establishing certified Missouri Innovation Zones and modifying several state economic development programs. The law creates new Innovation Zone incentives, **adds new incentives** to the existing Missouri Works and Missouri One Start programs, and establishes separate tax-deferral and redevelopment provisions. Eligible cities can designate one contiguous zone, covering no more than 10% of the city, through a master plan submitted to the Missouri Department of Economic Development.

Key Highlights

- **Missouri Innovation Zones, New Program:** Eligible cities may voluntarily designate one contiguous certified zone covering no more than 10% of the city's area. The city must submit a master plan addressing zone boundaries, vacant or underutilized property, infrastructure and public safety priorities, reinvestment of net-new revenues, and projected housing, population, and employment impacts.

- **Missouri Opportunity Zone Tax Deferral, New Program:** Taxpayers may defer certain Missouri income tax liabilities by reinvesting eligible gains in qualifying businesses or property located within a certified Innovation Zone. The Missouri Department of Revenue will administer related filings, certifications, and reporting.

- **Capital Investment Tax Credit, New Missouri Works Incentive:** Beginning January 1, 2027, qualified companies may receive a Missouri Works tax credit of up to 2.5% of eligible new capital investment. Projects must invest at least $30 million within two years inside a certified Innovation Zone or $50 million outside a zone. Investments made before filing a Notice of Intent are ineligible and the credits count toward the existing Missouri Works annual cap.

- **Employer Retention and Reinvestment Incentive, New Missouri Works Incentive:** Qualified companies maintaining and reinvesting in operations within a certified zone may receive withholding benefits of up to 3% of aggregate gross wages paid to qualifying new and retained employees. Companies must employ at least three covered employees at the zone location, and benefits may be authorized for three to ten years.

- **Employer Relocation Incentive, New Missouri One Start Incentive:** Beginning with tax years on or after January 1, 2027, qualified companies creating at least three eligible relocated or new jobs within a certified zone may receive a tax credit of up to $5,000 per qualifying employee for eligible relocation expenses. Eligible relocated employees must earn at least $70,000 and satisfy the 12-month primary residence requirement.

Approval Process & Recommended Action

Companies interested in these benefits should evaluate eligibility, required investment and employment commitments, application timing, and ongoing compliance obligations before moving forward. As the funding is limited and benefits are discretionary, early coordination can help strengthen applications and maximize available incentives. Atlas Insight can assist with program evaluation, incentive modeling, application development, and compliance support.

Please contact **Brian Corde at (732) 410-4568 / bcorde@atlasinsight.com**
to find out if your project might be a good fit for this new incentive.
Learn more about our dedicated Site Selection and Incentives expertise at www.atlasinsight.com.