

Tax Increment Financing

Local Tax Increment Financing (Local TIF) permits the use of a portion of local property and sales taxes to assist funding the redevelopment of certain designated areas within your community. Areas eligible for Local TIF must contain property classified as a "Blighted", "Conservation" or an "Economic Development" area, or any combination thereof, as defined by Missouri Statutes.

Typical Budget Items

TIF may be used to pay certain costs incurred with a redevelopment project. Such costs may include, but are not limited to:

- Professional services such as studies, surveys, plans, financial management, legal counsel
- Land acquisition and demolition of structures
- Rehabilitating, repairing existing buildings on site
- Building necessary new infrastructure in the project area such as streets, sewers, parking, lighting
- Relocation of resident and business occupants located in the project area

Supported by Local Tax Incremental Revenues

The idea behind Local TIF is the assumption that property and/or local sales taxes (depending upon the type of redevelopment project) will increase in the designated area after redevelopment, and a portion of the increase of these taxes collected in the future (up to 23 years) may be allocated by your municipality to help pay the certain project costs, partially listed above.

Responsibilities of the Governing Body of the Municipality and the Local TIF Commission

Missouri's TIF Act defines a "Municipality" as an incorporated city, town, village or county. The governing body of your municipality is required to establish a TIF Commission, composed of certain members including representatives of other local taxing authorities within the redevelopment project area as defined by state statute. The municipality is also responsible for the approval of ordinances (or resolutions if a county) that establish a comprehensive Redevelopment Plan, and for approval of the specific TIF Redevelopment Project. Responsibilities of the TIF Commission are many, and may include working with the local government in creating the Redevelopment Plan and TIF Redevelopment Project parameters, holding required public hearings, preparing economic impact reports and revenue projections, blight studies and other documents to justify the need for TIF and as required by state statutes governing Local TIF projects.

The use of TIF is helping dozens of Missouri communities thrive by creating new and better jobs while increasing tax revenue streams from formerly non-productive, unattractive and substandard areas. TIF benefits redevelopment in the urban core areas of our largest metropolitan cities, as well as in smaller Missouri communities, wherever the need exists.

Business and Community Services
301 W. High Street, Rooms 720, 770, Jefferson City, Missouri 65102
Tel: 800-523-1434 Fax: 573-751-7384 Email: missouridevelopment@ded.mo.gov