

Contact: Nancy G. Schnoebelen
Vice President Marketing & Communications
314.615.7617, nschnoebelen@slcec.com

FOR IMMEDIATE RELEASE

August 10, 2009

Stimulus Plan Expands Bond Opportunities for Manufacturers to Help Create Jobs

St. Louis County, MO—Among the many incentives included in the American Recovery and Reinvestment are special bond provisions offering manufacturing companies a previously unavailable avenue to tax-exempt funds needed for expansion. The new bond adjustments apply through the end of 2010 and include:

- **Removal of the 25 percent ancillary facility limitation.** Bonds can be used to finance more non-core manufacturing assets, which were previously capped at 25 percent. Non-core assets include: warehouses, showrooms, offices, loading docks, testing labs, employee parking lots, lunchrooms, and land improvements.
- **Ability to use the bonds to produce intangible property.** Normally, bonds only can be used in connection with fixed assets such as the purchase of land or new construction. With the new regulations, bonds can be used for software production, research labs, recording and film studios, etc.
- **Temporary suspension of alternative minimum tax (AMT).** This provision lowers the interest rate on the bonds. Since the interest income is not subject to AMT, bondholders will accept a lower yield on the bonds.

“These new bonds provide significant savings to St. Louis County manufacturers,” said St. Louis County Executive Charlie A. Dooley. “This is precisely the type of legislation we need to help our manufacturers and small to mid-sized businesses obtain the financing they need to expand and create jobs.”

“Tax-exempt bonds typically are the lowest cost form of financing for manufacturers, offering up to two percent rate savings,” said Rick Palank, senior vice president of St. Louis County Economic Council’s business finance division. “These bonds are important because they can save a manufacturer tens of thousands of dollars in interest expense.”

Additional Tax Incentives under the ARRA

There are a variety of other tax incentives under the ARRA that may or may not be tied to manufacturing. They include: Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, Recovery Zone Bonds (Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds), Advanced Energy Investment Credits for Manufacturers, Renewable Energy Investment Credit, and Renewable Energy Production Credits. For more information on these incentives and how they may apply to your company, contact Rick Palank at 314.615.7667 or rpalank@slcec.com.

###

Innovative Solutions for companies and communities