

By: Representatives Flagg, Reynolds, Moak

To: Ways and Means

HOUSE BILL NO. 602

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT TO EMPLOYERS WHO
2 EMPLOY STUDENTS DURING THE SUMMER BETWEEN THE SPRING AND FALL
3 SCHOOL TERMS; TO LIMIT THE AMOUNT OF SUCH CREDIT; TO REQUIRE THE
4 MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO
5 PROMULGATE RULES AND REGULATIONS NECESSARY TO ADMINISTER THE
6 PROVISIONS OF THIS ACT; TO PROVIDE THAT THE EXECUTIVE DIRECTOR OF
7 THE MISSISSIPPI DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
8 SHALL DETERMINE WHETHER OR NOT A STUDENT QUALIFIES TO PARTICIPATE
9 IN THE MISSISSIPPI STUDENT SUMMER EMPLOYMENT PROGRAM; TO PROVIDE
10 THAT AN EMPLOYER MUST PROVIDE THE STATE TAX COMMISSION WITH
11 CERTAIN INFORMATION IN ORDER TO RECEIVE THE TAX CREDIT; AND FOR
12 RELATED PURPOSES.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 SECTION 1. (1) This section shall be known and may be cited
15 as the Mississippi Student Summer Employment Act.

16 (2) The purpose of this section is to provide a financial
17 incentive for employers in Mississippi to participate in a program
18 to employ school students during the summer between the spring and
19 fall school terms to provide employment opportunities in this
20 state to benefit both students and employers.

21 (3) As used in this section, the following words and phrases
22 shall have the meanings ascribed in this section unless the
23 context clearly indicates otherwise:

24 (a) "Certificate" means a document issued by the
25 Mississippi Department of Economic and Community Development,
26 based upon established criteria, to an employer certifying the
27 number of qualified students employed by the employer in the
28 Mississippi Student Summer Employment Program during each calendar
29 year.

30 (b) "Department" means the Mississippi Department of
31 Economic and Community Development.

32 (c) "Employer" means any individual or legal entity
33 approved by the Mississippi Department of Economic and Community
34 Development for participation in the Mississippi Student Summer
35 Employment Program.

36 (d) "Executive director" means the Executive Director
37 of the Mississippi Department of Economic and Community
38 Development.

39 (e) "Program" means the Mississippi Student Summer
40 Employment Program.

41 (f) "Qualified student" means any student between the
42 ages of fifteen (15) and eighteen (18) years of age who is
43 approved by the Mississippi Department of Economic and Community
44 Development for participation in the Mississippi Student Summer
45 Employment Program.

46 (g) "Summer" means the period of time between the
47 spring and fall school terms for the 1999 calendar year and such
48 period of time for each calendar year thereafter.

49 (4) The department shall promulgate rules and regulations
50 regarding criteria that employers and students must satisfy in
51 order to qualify to participate in the program.

52 (5) Any employer that employs one or more qualified students
53 as part of the program during the summer shall be allowed a
54 credit, equal to fifty percent (50%) of the amount of wages paid
55 to each qualified student by the employer, against the amount of
56 income taxes imposed upon the employer under the laws of this
57 state for the tax year in which the wages were paid, subject to
58 the limitations of subsection (7) of this section. An employer
59 may not pay a student, for which the employer desires the tax
60 credit provided in this subsection (5), more than the minimum wage
61 required by 29 USCS Section 206.

62 (6) If an employer desires to qualify for the income tax
63 credit provided in subsection (5) of this section, the employer
64 must provide the department with documentation verifying the name

65 of each student for which the employer seeks to claim the tax
66 credit, the student's school district and school of attendance and
67 any other information required by the department. The executive
68 director shall review the information submitted by the employer
69 and determine whether a student meets the criteria to be a
70 qualified student for which an employer may claim the income tax
71 credit provided in subsection (5) of this section. If the
72 executive director determines that a student meets the necessary
73 criteria, he shall issue a certificate to that effect to the
74 employer and the qualified student. The certificate will
75 authorize the employer to claim a credit against income taxes for
76 the amount of wages paid to each qualified student as provided in
77 subsection (5) of this section.

78 (7) The income tax credit provided in subsection (5) of this
79 section shall not exceed fifty percent (50%) of the income tax
80 imposed upon the employer for the taxable year reduced by the sum
81 of all other credits allowable to such employer under the state
82 income tax laws, except credit for tax payments made by or on
83 behalf of the taxpayer. The credit authorized in this section may
84 be carried forward for the next four (4) successive tax years if
85 the amount allowed as credit exceeds the employer's income tax
86 liability for the taxable year. However, thereafter, if the
87 amount allowable as credit exceeds the employer's income tax
88 liability for the taxable year, the amount of excess credit shall
89 not be refundable or carried forward to any other taxable year.

90 (8) To obtain the tax credit provided in this section, an
91 employer must provide to the State Tax Commission proof of the
92 wages paid to each qualified student for which the employer claims
93 the credit, a copy of the certificate issued by the executive
94 director and any other information required by the State Tax
95 Commission.

96 (9) Section 1 of this act shall be codified as a separate
97 Code section in Title 27, Chapter 7, Mississippi Code of 1972.

98 SECTION 2. This act shall stand repealed on January 1, 2004.

99 SECTION 3. Nothing in this act shall affect or defeat any
100 claim, assessment, appeal, suit, right or cause of action for
101 taxes due or accrued under the income tax laws before the date on
102 which this act becomes effective, whether such claims,
103 assessments, appeals, suits or actions have been begun before the
104 date on which this act becomes effective or are begun thereafter;
105 and the provisions of the income tax laws are expressly continued
106 in full force, effect and operation for the purpose of the
107 assessment, collection and enrollment of liens for any taxes due
108 or accrued and the execution of any warrant under such laws before
109 the date on which this act becomes effective, and for the
110 imposition of any penalties, forfeitures or claims for failure to
111 comply with such laws.

112 SECTION 4. This act shall take effect and be in force from
113 and after January 1, 1999.