

By: Representative King

To: Ways and Means

## HOUSE BILL NO. 1494

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT TO EMPLOYERS, WHO IN  
2 PARTICIPATION WITH CERTAIN EDUCATIONAL INSTITUTIONS, EMPLOY  
3 STUDENTS AS PART OF COOPERATIVE OR SCHOOL-TO-WORK EDUCATION  
4 PROGRAMS; TO LIMIT THE AMOUNT OF SUCH CREDIT; TO PROVIDE THAT AN  
5 EMPLOYER MUST FILE A CERTIFICATE OF PARTICIPATION WITH THE STATE  
6 TAX COMMISSION IN ORDER TO BE ELIGIBLE FOR THE TAX CREDIT; TO  
7 REQUIRE THE BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER  
8 LEARNING, THE STATE BOARD FOR COMMUNITY AND JUNIOR COLLEGES, THE  
9 STATE DEPARTMENT OF EDUCATION, THE MISSISSIPPI DEPARTMENT OF  
10 ECONOMIC AND COMMUNITY DEVELOPMENT AND THE STATE TAX COMMISSION TO  
11 PROMULGATE RULES AND REGULATIONS NECESSARY TO ADMINISTER THE  
12 PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

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

14 SECTION 1. (1) The intent of this section is to provide a  
15 financial incentive for employers in Mississippi to participate in  
16 a program of cooperative or school-to-work education with the  
17 public secondary and all post-secondary institutions in  
18 Mississippi to provide employment opportunities in this state to  
19 benefit both students and employers and create the potential for  
20 permanent employment for these students in the Mississippi  
21 business community.

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

25 (a) "Certificate of participation" means a document  
26 issued by the institution, based upon established standards, to  
27 the employer certifying the number of students employed by the  
28 employer in a program of cooperative or school-to-work education  
29 of the institution during each calendar year.

30 (b) "Employer" means any individual or legal entity  
31 approved by the institution for participation in the institution's

32 program of cooperative or school-to-work education.

33 (c) "Designated area of study" means and includes any  
34 industry specific (i) major field of study at a university, (ii)  
35 terminal degree at a community or junior college or (iii) program  
36 of education or training at any institution, including secondary  
37 institutions. In order for any such field of study, degree or  
38 program to qualify for the tax exemption authorized under this  
39 section, it must be so designated and approved by the Executive  
40 Director of the Mississippi Department of Economic and Community  
41 Development.

42 (d) "Executive Director" means the Executive Director  
43 of the Mississippi Department of Economic and Community  
44 Development.

45 (e) "Institution" means any public or private  
46 institution of higher learning, any community or junior college  
47 under the governance of the State Board for Community and Junior  
48 Colleges, and any secondary school (i) accredited by the State  
49 Department of Education and which accreditation is not suspended or  
50 in a probation status and (ii) under the governance of a school  
51 board that has adopted a resolution of commitment.

52 (f) "Program of cooperative or school-to-work  
53 education" means the policies and procedures of any institution  
54 pursuant to which students are gainfully employed by an employer  
55 in a designated area of study pursuant to terms and conditions  
56 agreed upon by the institution and the employer, including student  
57 performance standards, the purpose of which program is to assist  
58 the student in acquiring work-related experience in and a  
59 practical application of their academic studies.

60 (g) "Resolution of commitment" means a resolution  
61 adopted by the school board of any school district in which is  
62 located an eligible secondary school stating (i) the desire of the  
63 school district to participate in a program of cooperative or  
64 school-to-work education, (ii) the commitment of the school

65 district to participate in accordance with the provisions of this  
66 act and all rules and regulations promulgated in furtherance  
67 thereof and (iii) the commitment of the school district to  
68 designate eligible students and cooperate with eligible employers.

69 (h) "School board" means the governing authorities of  
70 any public school district established and operating according to  
71 law which has adopted a resolution of commitment.

72 (i) "Student" means any student of the age of sixteen  
73 (16) years or older who is approved by the institution for  
74 participation in the institution's program of cooperative or  
75 school-to-work education.

76 (j) "Performance standards" means the standards agreed  
77 to by the employer and the institution that govern the performance  
78 of the student participating in the program of cooperative or  
79 school-to-work education.

80 (3) (a) Any employer that employs one or more students as  
81 part of a program of cooperative or school-to-work education of  
82 any institution shall be allowed a credit in the current tax year  
83 against the tax imposed by Chapter 7, Title 27, Mississippi Code  
84 of 1972, in an amount equal to fifty percent (50%) of the wages  
85 paid each such student by the employer during the current tax  
86 year, or Five Hundred Dollars (\$500.00) for each such student,  
87 whichever is less. If the amount allowable as a credit exceeds  
88 such tax, the excess credit may be carried forward for use only in  
89 the next succeeding tax year.

90 (b) To evidence the eligibility of the employer for the  
91 credit authorized in paragraph (a) of this subsection (3), the  
92 employer shall file with the employer's income tax return for the  
93 tax year during which the credit was earned or is claimed, a  
94 certificate of participation setting forth the number of students  
95 employed by the employer in each school semester during the  
96 immediately preceding calendar year, the period of time each  
97 student was employed, the position or job responsibility of each

98 student with the employer, and the major area of study, terminal  
99 degree or program of education or training of each student. Each  
100 institution shall forward a certificate of participation to each  
101 employer no later than February 15 of each calendar year. The  
102 form of the certificate of participation for programs in all  
103 institutions shall be devised jointly by the Board of Trustees of  
104 State Institutions of Higher Learning, the State Board for  
105 Community and Junior Colleges and the State Department of  
106 Education, and shall be approved by the State Tax Commission. The  
107 State Tax Commission shall disallow any credit claimed if the  
108 certificate of participation does not accompany the income tax  
109 return.

110 (4) The Board of Trustees of State Institutions of Higher  
111 Learning, the State Board for Community and Junior Colleges, the  
112 State Department of Education, the Department of Economic and  
113 Community Development and the State Tax Commission shall cooperate  
114 to promulgate rules or regulations required to implement the  
115 provisions of this act.

116 (5) This section shall stand repealed from and after  
117 December 31, 2004.

118 SECTION 2. Section 1 of this act shall be codified in  
119 Chapter 7, Title 27, Mississippi Code 1972.

120 SECTION 3. This act shall take effect and be in force from  
121 and after January 1, 2000.