MISSISSIPPI LEGISLATURE REGULAR SESSION 1999

By: Senator(s) Blackmon

To: Finance

SENATE BILL NO. 2005

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

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

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

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

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

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

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

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

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

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

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

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

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

(5) Any employer that employs one or more qualified students as part of the program during the summer shall be allowed a credit, equal to fifty percent (50%) of the amount of wages paid to each qualified student by the employer, against the amount of income taxes imposed upon the employer under the laws of this state for the tax year in which the wages were paid, subject to the limitations of subsection (7) of this section. An employer may not pay a student, for which the employer desires the tax credit provided in subsection (5) of this section, more than the minimum wage required by 29 USCS Section 206 (Supp. 1996).

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

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

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

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

(9) Section 1 of this act shall be codified in Title 27, Chapter 7, Mississippi Code of 1972.

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

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

SECTION 4. This act shall take effect and be in force from and after its passage.