

By: Flaggs

To: Ways and Means

HOUSE BILL NO. 178

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

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

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

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

22 (3) 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" means a document issued by the  
26 Mississippi Department of Economic and Community Development,

27 based upon established criteria, to an employer approving a  
28 student for participation in the Mississippi Student Summer  
29 Employment Program.

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 a 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 2000 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 section, 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 this section, the employer must provide the  
64 department with documentation verifying the name of each student  
65 for which the employer seeks to claim the tax credit, the  
66 student's school district and school of attendance and any other  
67 information required by the department. The executive director  
68 shall review the information submitted by the employer and  
69 determine whether a student meets the criteria to be a qualified  
70 student for which an employer may claim the income tax credit  
71 provided in this section. If the executive director determines  
72 that a student meets the necessary criteria, he shall issue a  
73 certificate to that effect to the employer and the qualified  
74 student. The certificate will authorize the employer to claim a  
75 credit against income taxes for the amount of wages paid to each  
76 qualified student as provided in this section.

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

86 credit exceeds the employer's income tax liability for the taxable  
87 year, the amount of excess credit shall not be refundable or  
88 carried forward to any other taxable year.

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

95 (9) This section shall stand repealed on January 1, 2005.

96 SECTION 2. Section 1 of this act shall be codified as a  
97 separate Code section in Chapter 7, Title 27, Mississippi Code of  
98 1972.

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, 2000.