

By: Representative Ford

To: Ways and Means

HOUSE BILL NO. 474  
(As Passed the House)

1 AN ACT TO REENACT SECTION 57-73-25, MISSISSIPPI CODE OF 1972,  
2 WHICH PROVIDES AN INCOME TAX CREDIT FOR CERTAIN EMPLOYERS  
3 SPONSORING BASIC SKILLS TRAINING AND RETRAINING PROGRAMS FOR  
4 EMPLOYEES; TO AMEND REENACTED SECTION 57-73-25, MISSISSIPPI CODE  
5 OF 1972, TO EXTEND THE DATE OF REPEAL ON THAT SECTION FROM JULY 1,  
6 2002, TO JULY 1, 2004; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-73-25, Mississippi Code of 1972, is  
9 reenacted and amended as follows:

10 57-73-25. (1) A fifty percent (50%) income tax credit shall  
11 be granted to any employer (as defined in subsection (4) of this  
12 section) sponsoring basic skills training. The fifty percent  
13 (50%) credit shall be granted to employers that participate in  
14 employer-sponsored retraining programs through any  
15 community/junior college in the district within which the employer  
16 is located or training approved by such community/junior college.  
17 The retraining must be designed to increase opportunities for  
18 employee advancement or retention with the employer. The credit  
19 is applied to qualified training or retraining expenses, which are  
20 expenses related to instructors, instructional materials and  
21 equipment, and the construction and maintenance of facilities by  
22 such employer designated for training purposes which is  
23 attributable to training or retraining provided through such  
24 community/junior college or training approved by such  
25 community/junior college. The credits allowed under this section  
26 shall only be used by the actual employer qualifying for the  
27 credits. The credit shall not exceed fifty percent (50%) of the  
28 income tax liability in a tax year and may be carried forward for  
29 the five (5) successive years if the amount allowable as credit



30 exceeds the income tax liability in a tax year; however,  
31 thereafter, if the amount allowable as a credit exceeds the tax  
32 liability, the amount of excess shall not be refundable or carried  
33 forward to any other taxable year. The credit authorized under  
34 this section shall not exceed Two Thousand Five Hundred Dollars  
35 (\$2,500.00), in the aggregate, per employee, over a three-year  
36 period. Nothing in this section shall be interpreted in any  
37 manner as to prevent the continuing operation of state-supported  
38 university programs.

39 (2) Employer-sponsored training shall include an evaluation  
40 by the local community or junior college that serves the employer  
41 to ensure that the training provided is job related and conforms  
42 to the definitions of "basic skills training" and "retraining  
43 programs" as hereinafter defined.

44 (3) Employers shall be certified as eligible for the tax  
45 credit by the local community or junior college that serves the  
46 employer and the State Tax Commission.

47 (4) For the purposes of this section:

48 (a) "Basic skills training" means any  
49 employer-sponsored training by an appropriate community/junior  
50 college or training approved by such community/junior college that  
51 enhances reading, writing or math skills, up to the twelfth grade  
52 level, of employees who are unable to function effectively on the  
53 job due to deficiencies in these areas or who would be displaced  
54 because such skill deficiencies will inhibit their training for  
55 new technology.

56 (b) "Retraining programs" means employer-sponsored  
57 training by an appropriate community/junior college or training  
58 approved by such community/junior college for hourly paid  
59 employees that have been employed a minimum of one (1) year with  
60 the employer applying the tax credit that, upon successful  
61 completion, increases the employee's opportunity for consideration  
62 for promotion or retention with the employer.



63 (c) "Employer-sponsored training" means training  
64 purchased by the employer from an appropriate community/junior  
65 college in the district within which the employer is located or  
66 training approved by such community/junior college.

67 (d) "Employer" means those permanent business  
68 enterprises as defined and set out in Section 57-73-21(2), (3),  
69 (4) and (5).

70 (5) The tax credits provided for in this section shall be in  
71 addition to all other tax credits heretofore granted by the laws  
72 of the state.

73 (6) A community/junior college may commit to provide  
74 employer-sponsored basic skills training or retraining programs  
75 for an employer for a multiple number of years, not to exceed five  
76 (5) years.

77 (7) The State Board for Community and Junior Colleges shall  
78 make a report to the Legislature by January 30 of each year  
79 summarizing the number of participants, the junior or community  
80 college through which said training was offered and the type  
81 training offered.

82 (8) This section shall stand repealed from and after July 1,  
83 2004.

84 **SECTION 2.** This act shall take effect and be in force from  
85 and after July 1, 2002.

