

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.

