HOUSE BILL NO. 474
(As Passed the House)

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

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

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

57-73-25. (1) A fifty percent (50%) income tax credit shall be granted to any employer (as defined in subsection (4) of this section) sponsoring basic skills training. The fifty percent (50%) credit shall be granted to employers that participate in employer-sponsored retraining programs through any community/junior college in the district within which the employer is located or training approved by such community/junior college. The retraining must be designed to increase opportunities for employee advancement or retention with the employer. The credit is applied to qualified training or retraining expenses, which are expenses related to instructors, instructional materials and equipment, and the construction and maintenance of facilities by such employer designated for training purposes which is attributable to training or retraining provided through such community/junior college or training approved by such community/junior college. The credits allowed under this section shall only be used by the actual employer qualifying for the credits. The credit shall not exceed fifty percent (50%) of the income tax liability in a tax year and may be carried forward for the five (5) successive years if the amount allowable as credit
exceeds the income tax liability in a tax year; however, if the amount allowable as a credit exceeds the tax liability, the amount of excess shall not be refundable or carried forward to any other taxable year. The credit authorized under this section shall not exceed Two Thousand Five Hundred Dollars ($2,500.00), in the aggregate, per employee, over a three-year period. Nothing in this section shall be interpreted in any manner as to prevent the continuing operation of state-supported university programs.

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

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

(4) For the purposes of this section:

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

(b) "Retraining programs" means employer-sponsored training by an appropriate community/junior college or training approved by such community/junior college for hourly paid employees that have been employed a minimum of one (1) year with the employer applying the tax credit that, upon successful completion, increases the employee's opportunity for consideration for promotion or retention with the employer.
(c) "Employer-sponsored training" means training purchased by the employer from an appropriate community/junior college in the district within which the employer is located or training approved by such community/junior college.

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

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

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

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

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

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