

By: Senator(s) Minor

To: Finance

SENATE BILL NO. 2945

1 AN ACT TO AMEND SECTION 57-75-5, MISSISSIPPI CODE OF 1972, TO
 2 REVISE THE DEFINITION OF THE TERM "PROJECT" FOR PURPOSES OF THE
 3 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT TO REVISE THE TYPE OF JOBS
 4 THAT MAY BE CONSIDERED IN DETERMINING WHETHER A PROJECT MEETS THE
 5 MINIMUM JOBS REQUIREMENT FOR CERTAIN PROJECTS UNDER SUCH ACT; TO
 6 AMEND SECTION 27-7-22.19, MISSISSIPPI CODE OF 1972, TO PROVIDE
 7 THAT THE JOBS TAX CREDIT AUTHORIZED FOR INTEGRATED SUPPLIERS OF
 8 CERTAIN PROJECTS DEVELOPED UNDER THE MISSISSIPPI MAJOR ECONOMIC
 9 IMPACT ACT MAY NOT EXCEED 50% OF THE TAXPAYER'S STATE INCOME TAX
 10 LIABILITY THAT IS ATTRIBUTABLE TO INCOME DERIVED FROM OPERATION IN
 11 THE STATE FOR A TAX YEAR; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 57-75-5, Mississippi Code of 1972, is
 14 amended as follows:

15 57-75-5. Words and phrases used in this chapter shall have
 16 meanings as follows, unless the context clearly indicates a
 17 different meaning:

18 (a) "Act" means the Mississippi Major Economic Impact
 19 Act as originally enacted or as hereafter amended.

20 (b) "Authority" means the Mississippi Major Economic
 21 Impact Authority created pursuant to the act.

22 (c) "Bonds" means general obligation bonds, interim
 23 notes and other evidences of debt of the State of Mississippi
 24 issued pursuant to this chapter.

25 (d) "Facility related to the project" means and
 26 includes any of the following, as the same may pertain to the
 27 project within the project area: (i) facilities to provide
 28 potable and industrial water supply systems, sewage and waste
 29 disposal systems and water, natural gas and electric transmission
 30 systems to the site of the project; (ii) airports, airfields and
 31 air terminals; (iii) rail lines; (iv) port facilities; (v)



32 highways, streets and other roadways; (vi) public school
33 buildings, classrooms and instructional facilities, training
34 facilities and equipment, including any functionally related
35 facilities; (vii) parks, outdoor recreation facilities and
36 athletic facilities; (viii) auditoriums, pavilions, campgrounds,
37 art centers, cultural centers, folklore centers and other public
38 facilities; (ix) health care facilities, public or private; and
39 (x) fire protection facilities, equipment and elevated water
40 tanks.

41 (e) "Person" means any natural person, corporation,
42 association, partnership, receiver, trustee, guardian, executor,
43 administrator, fiduciary, governmental unit, public agency,
44 political subdivision, or any other group acting as a unit, and
45 the plural as well as the singular.

46 (f) "Project" means:

47 (i) Any industrial, commercial, research and
48 development, warehousing, distribution, transportation,
49 processing, mining, United States government or tourism enterprise
50 together with all real property required for construction,
51 maintenance and operation of the enterprise with an initial
52 capital investment of not less than Three Hundred Million Dollars
53 (\$300,000,000.00) from private or United States government sources
54 together with all buildings, and other supporting land and
55 facilities, structures or improvements of whatever kind required
56 or useful for construction, maintenance and operation of the
57 enterprise; or with an initial capital investment of not less than
58 One Hundred Fifty Million Dollars (\$150,000,000.00) from private
59 or United States government sources together with all buildings
60 and other supporting land and facilities, structures or
61 improvements of whatever kind required or useful for construction,
62 maintenance and operation of the enterprise and which creates at
63 least one thousand (1,000) net new full-time jobs; or which
64 creates at least one thousand (1,000) net new full-time jobs which



65 provides an average salary, excluding benefits which are not
66 subject to Mississippi income taxation, of at least one hundred
67 twenty-five percent (125%) of the most recently published average
68 annual wage of the state as determined by the Mississippi
69 Employment Security Commission. "Project" shall include any
70 addition to or expansion of an existing enterprise if such
71 addition or expansion has an initial capital investment of not
72 less than Three Hundred Million Dollars (\$300,000,000.00) from
73 private or United States government sources, or has an initial
74 capital investment of not less than One Hundred Fifty Million
75 Dollars (\$150,000,000.00) from private or United States government
76 sources together with all buildings and other supporting land and
77 facilities, structures or improvements of whatever kind required
78 or useful for construction, maintenance and operation of the
79 enterprise and which creates at least one thousand (1,000) net new
80 full-time jobs; or which creates at least one thousand (1,000) net
81 new full-time jobs which provides an average salary, excluding
82 benefits which are not subject to Mississippi income taxation, of
83 at least one hundred twenty-five percent (125%) of the most
84 recently published average annual wage of the state as determined
85 by the Mississippi Employment Security Commission. "Project"
86 shall also include any ancillary development or business resulting
87 from the enterprise, of which the authority is notified, within
88 three (3) years from the date that the enterprise entered into
89 commercial production, that the project area has been selected as
90 the site for the ancillary development or business.

91 (ii) Any major capital project designed to
92 improve, expand or otherwise enhance any active duty United States
93 Air Force or Navy training bases or naval stations, their support
94 areas or their military operations, upon designation by the
95 authority that any such base was or is at risk to be recommended
96 for closure or realignment pursuant to the Defense Base Closure
97 and Realignment Act of 1990; or any major development project



98 determined by the authority to be necessary to acquire base
99 properties and to provide employment opportunities through
100 construction of projects as defined in Section 57-3-5, which shall
101 be located on or provide direct support service or access to such
102 military installation property as such property exists on July 1,
103 1993, in the event of closure or reduction of military operations
104 at the installation. From and after July 1, 1997, projects
105 described in this subparagraph (ii) shall not be considered to be
106 within the meaning of the term "project" for purposes of this
107 section, unless such projects are commenced before July 1, 1997,
108 and shall not be eligible for any funding provided under the
109 Mississippi Major Economic Impact Act.

110 (iii) Any enterprise to be maintained, improved or
111 constructed in Tishomingo County by or for a National Aeronautics
112 and Space Administration facility in such county.

113 (iv) 1. Any major capital project with an initial
114 capital investment from private sources of not less than Seven
115 Hundred Fifty Million Dollars (\$750,000,000.00) which will create
116 at least three thousand (3,000) jobs in the aggregate. For
117 purposes of determining whether a project meets such minimum jobs
118 requirement, the jobs created may be a combination of direct
119 project related jobs, jobs created by suppliers of the project,
120 jobs created for the purpose of providing services for the project
121 and any other type of jobs meeting certain criteria established by
122 the MDA.

123 2. "Project" shall also include any ancillary
124 development or business resulting from an enterprise operating a
125 project as defined in item 1 of this paragraph (f)(iv), of which
126 the authority is notified, within three (3) years from the date
127 that the enterprise entered into commercial production, that the
128 state has been selected as the site for the ancillary development
129 or business.



130 (v) Any major capital project designed to
131 construct the corporate headquarters and initial factory, to be
132 located in the Golden Triangle Region of the state, for any
133 Mississippi corporation that develops, constructs and operates
134 automated robotic systems to improve the quality of, and reduce
135 the costs of, manufacturing wire harness assemblies for certain
136 industries, or manufactures thin film polymer lithium-ion
137 rechargeable batteries which project has a ten-year strategic plan
138 of supporting one thousand (1,000) direct project-related jobs for
139 each group of wire harness contracts amounting to Thirty-five
140 Million Dollars (\$35,000,000.00), or which has a ten-year
141 strategic plan of supporting one thousand five hundred (1,500)
142 direct project-related jobs for each group of polymer lithium-ion
143 rechargeable battery contracts amounting to Forty Million Dollars
144 (\$40,000,000.00).

145 (vi) Any real property owned or controlled by the
146 National Aeronautics and Space Administration, the United States
147 government, or any agency thereof, which is legally conveyed to
148 the State of Mississippi or to the State of Mississippi for the
149 benefit of the Mississippi Major Economic Impact Authority, its
150 successors and assigns pursuant to Section 212 of Public Law
151 104-99, enacted January 26, 1996 (110 Stat. 26 at 38).

152 (vii) Any major capital project designed to
153 manufacture, produce and transmit electrical power using natural
154 gas as its primary raw material to be constructed and maintained
155 in Panola County, Mississippi, with an initial capital investment
156 of not less than Two Hundred Fifty Million Dollars
157 (\$250,000,000.00).

158 (g) "Project area" means the project site, together
159 with any area or territory within the state lying within
160 sixty-five (65) miles of any portion of the project site whether
161 or not such area or territory be contiguous; provided, however,
162 that for the project defined in paragraph (f) (iv) of this section



163 the term "project area" means any area or territory within the
164 state. The project area shall also include all territory within a
165 county if any portion of such county lies within sixty-five (65)
166 miles of any portion of the project site. "Project site" means
167 the real property on which the principal facilities of the
168 enterprise will operate.

169 (h) "Public agency" means:

170 (i) Any department, board, commission, institution
171 or other agency or instrumentality of the state;

172 (ii) Any city, town, county, political
173 subdivision, school district or other district created or existing
174 under the laws of the state or any public agency of any such city,
175 town, county, political subdivision or district or any other
176 public entity created or existing under local and private
177 legislation;

178 (iii) Any department, commission, agency or
179 instrumentality of the United States of America; and

180 (iv) Any other state of the United States of
181 America which may be cooperating with respect to location of the
182 project within the state, or any agency thereof.

183 (i) "State" means State of Mississippi.

184 (j) "Fee-in-lieu" means a negotiated fee to be paid by
185 the project in lieu of any franchise taxes imposed on the project
186 by Chapter 13, Title 27, Mississippi Code of 1972. The
187 fee-in-lieu shall not be less than Twenty-five Thousand Dollars
188 (\$25,000.00) annually. A fee-in-lieu shall not be negotiated for
189 existing enterprises that fall within the definition of the term
190 "project."

191 **SECTION 2.** Section 27-7-22.19, Mississippi Code of 1972, is
192 amended as follows:

193 27-7-22.19. (1) Integrated suppliers are allowed a job tax
194 credit for taxes imposed by Section 27-7-5 equal to One Thousand
195 Dollars (\$1,000.00) annually for each net new full-time employee



196 for five (5) years from the date the credit commences. The credit
197 shall commence on the date selected by the integrated supplier;
198 provided, however, that the commencement date shall not be more
199 than five (5) years from the date the integrated supplier
200 commences commercial production. For the year in which the
201 commencement date occurs, the number of new full-time jobs shall
202 be determined by using the monthly average number of full-time
203 employees subject to Mississippi income tax withholding.
204 Thereafter, the number of new full-time jobs shall be determined
205 by comparing the monthly average number of full-time employees
206 subject to Mississippi income tax withholding for the taxable year
207 with the corresponding period of the prior taxable year. Only
208 those integrated suppliers that increase employment by twenty (20)
209 or more are eligible for the credit. The credit is not allowed
210 during any of the five (5) years if the net employment increase
211 falls below twenty (20). The State Tax Commission shall adjust
212 the credit allowed each year for the net new employment
213 fluctuations above the minimum level of twenty (20).

214 (2) Any tax credit claimed under this section but not used
215 in any taxable year may be carried forward for five (5)
216 consecutive years from the close of the tax year in which the
217 credits were earned. The credit that may be utilized each year
218 shall be limited to an amount not greater than fifty percent (50%)
219 of the taxpayer's state income tax liability which is attributable
220 to income derived from operation in the state for that year.

221 (3) The tax credits provided for in this section shall be in
222 lieu of the tax credits provided for in Section 57-73-21, and any
223 integrated supplier utilizing the tax credit authorized in this
224 section shall not utilize the tax credit authorized in Section
225 57-73-21.

226 (4) As used in this section the term "integrated supplier"
227 means a supplier located on the project site which provides goods



228 or services on the project site solely for a project as defined in
229 Section 57-75-5(f)(iv)1.

230 **SECTION 3.** This act shall take effect and be in force from
231 and after its passage.

