AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR EMPLOYERS THAT
INCUR COSTS FOR THE PURPOSE OF PROMOTING EMPLOYEE PHYSICAL FITNESS
AND WELL-BEING; TO PROVIDE THE TYPE OF COSTS THAT QUALIFY FOR THE
INCOME TAX CREDIT; TO LIMIT THE AMOUNT OF THE TAX CREDIT TO THE
LESSER OF 10% OF THE COSTS INCURRED BY THE EMPLOYER FOR SUCH
PURPOSES OR 50% OF THE INCOME TAX IMPOSED UPON THE EMPLOYER FOR
THE TAXABLE YEAR; TO PROVIDE THAT ANY UNUSED PORTION OF THE INCOME
TAX CREDIT MAY BE CARRIED FORWARD FOR THE NEXT FIVE SUCCEEDING TAX
YEARS; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) Subject to the provisions of this section,
for an employer that incurs costs for the purpose of promoting
employee physical fitness and well-being, a credit against the
taxes imposed by this chapter shall be allowed in the amount
provided in subsection (2) of this section. Eligible costs
include, but are not limited to, the net costs of constructing,
equipping, operating and/or maintaining a facility owned by the
employer such as a gymnasium, weight training room, aerobics
workout space, swimming pool, running track, or any indoor or
outdoor court, field or other site used for competitive sports
events or games, and which is used exclusively for the purpose of
promoting the physical fitness and well-being of the employer's
employees. Additional eligible costs include the costs of
employing a qualified person to conduct a class or classes on the
taxpayer's business premises offering (a) information and guidance
on subjects relating to personal and family health such as
nutrition, hygiene and methods of preventing, recognizing and
combating substance addiction or (b) instruction in and
opportunity for fitness enhancement activity such as dance or
other aerobic exercise, yoga, muscle stretching, or martial arts
routines.

(2) The income tax credit provided in subsection (1) of this section shall not exceed the lesser of ten percent (10%) of the costs incurred by the employer during the taxable year for purposes described in subsection (1) of this section or fifty percent (50%) of the income tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to such taxpayer under the state income tax laws, except credit for tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the next five (5) succeeding tax years. The income tax credit provided under this section shall be used only by the actual employer qualifying for the credit.

(3) Amounts used by a taxpayer as a credit under this section may not be used as a deduction by the taxpayer for state income tax purposes.

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

SECTION 3. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.
SECTION 4. This act shall take effect and be in force from and after January 1, 2003.