

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2802

1 AN ACT TO AMEND 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 EXTEND THE DATE OF REPEAL ON THIS SECTION FROM JULY
5 1, 2004, TO JULY 1, 2006; AND FOR RELATED PURPOSES.

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

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

9 57-73-25. (1) A fifty percent (50%) income tax credit shall
10 be granted to any employer (as defined in subsection (4) of this
11 section) sponsoring basic skills training. The fifty percent
12 (50%) credit shall be granted to employers that participate in
13 employer-sponsored retraining programs through any
14 community/junior college in the district within which the employer
15 is located or training approved by such community/junior college.
16 The retraining must be designed to increase opportunities for
17 employee advancement or retention with the employer. The credit
18 is applied to qualified training or retraining expenses, which are
19 expenses related to instructors, instructional materials and
20 equipment, and the construction and maintenance of facilities by
21 such employer designated for training purposes which is
22 attributable to training or retraining provided through such
23 community/junior college or training approved by such
24 community/junior college. The credits allowed under this section
25 shall only be used by the actual employer qualifying for the
26 credits. The credit shall not exceed fifty percent (50%) of the
27 income tax liability in a tax year and may be carried forward for
28 the five (5) successive years if the amount allowable as credit

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

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

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

46 (4) For the purposes of this section:

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

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

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

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

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

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

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

81 (8) This section shall stand repealed from and after July 1,
82 2006.

83 **SECTION 2.** This act shall take effect and be in force from
84 and after July 1, 2004.