

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 1341: Taxation; income tax credit incentives for certain activities at brownfield sites.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

30 **SECTION 1.** This act shall be known and may be cited as the
31 "Mississippi Brownfields Voluntary Cleanup and Redevelopment
32 Incentives Act."

33 **SECTION 2.** The Legislature finds:

34 (a) There are properties in Mississippi, often referred
35 to as "brownfields," that were contaminated or were perceived to
36 have been contaminated by past activities, but are attractive
37 locations for redevelopment.

38 (b) The safe development or redevelopment of
39 brownfields would benefit the citizens of Mississippi in many
40 ways, including improving the tax base of local governments and
41 creating job opportunities for citizens in the vicinity of
42 brownfields.

43 (c) Owners and prospective developers and redevelopers
44 of brownfields, local governments in which brownfields are located
45 and federal and state government agencies should be encouraged to
46 provide capital and labor to improve brownfields so that the
47 property can be determined to be safe or made safe for appropriate
48 future use.

49 (d) The reduction of public health and environmental
50 hazards on existing brownfield sites is essential to creating a
51 better quality of life for the citizens of this state.

52 (e) Section 49-35-27, Mississippi Code of 1972,
53 requires the Department of Environmental Quality to conduct a
54 survey of incentive programs in other states for cleanup of
55 contaminated sites by January 1, 1999. The department has
56 conducted its survey and filed its report showing incentives
57 provided in other states.

58 **SECTION 3.** The following shall be codified as Section
59 27-7-22.16, Mississippi Code of 1972:

60 27-7-22.16. (1) (a) Except as otherwise provided under
61 this subsection, the words and phrases used in this section shall
62 have the meanings ascribed to them in Section 49-35-5, Mississippi
63 Code of 1972.

64 (b) "Remediation costs" means reasonable costs paid for
65 the assessment, investigation, remediation, monitoring and related
66 activities at a brownfield agreement site which are consistent
67 with the remedy selected for the site, and costs paid to the
68 Department of Environmental Quality for the processing of the
69 brownfield agreement application and administration of a
70 brownfield agreement. Remediation costs shall not include (i)
71 costs incurred before June 24, 1999; (ii) costs incurred after the
72 issuance of a No Further Action letter under Section 49-35-15,
73 Mississippi Code of 1972; (iii) costs incurred before the
74 acceptance of a brownfield agreement site into the Mississippi
75 Brownfields Voluntary Cleanup and Redevelopment program; (iv)
76 costs incurred for any legal services or litigation costs; and (v)
77 any funds provided by any federal, state or local governmental
78 agency or political subdivision.

79 (2) Subject to the limitations provided in subsection (4) of
80 this section, upon submission to the State Tax Commission of

81 information provided for in subsection (5) of this section and any
82 other documentation as the State Tax Commission may require, any
83 brownfield party who (a) has conducted remediation at a brownfield
84 agreement site in accordance with Sections 49-35-1 through
85 49-35-25 and (b) has incurred remediation costs for activities
86 under Sections 49-35-1 through 49-35-25, as approved by the
87 Commission on Environmental Quality, shall be allowed a credit in
88 an amount equal to twenty-five percent (25%) of the remediation
89 costs at the brownfield agreement site as approved by the
90 commission, against the taxes imposed under this chapter for the
91 tax year in which the costs are incurred.

92 (3) (a) Before applying for the tax credit authorized in
93 this section, a brownfield party shall submit an application to
94 the Department of Environmental Quality for certification that the
95 brownfield party has conducted remediation at a brownfield
96 agreement site in accordance with Sections 49-35-1 through
97 49-35-25 during the tax year(s) for which the credit is sought.
98 The application shall be on forms prescribed by the Commission on
99 Environmental Quality and provided by the Department. The
100 application shall include the following:

101 (i) A section identifying the brownfield party,
102 the brownfield agreement site, the date the brownfield agreement
103 was executed and the tax year for which the credit is sought;

104 (ii) A certification that the costs to be
105 submitted to the State Tax Commission are remediation costs
106 incurred by the brownfield party during the tax year(s) for which
107 the credit is sought. The certification shall include a listing
108 of all remediation conducted and the associated costs; and

109 (iii) Any other information which the Commission
110 on Environmental Quality or the State Tax Commission deems
111 appropriate.

112 (b) Within sixty (60) days after receipt by the
113 Department of a completed application, the department shall
114 approve or disapprove the application. The Department shall
115 notify the brownfield party in writing of its decision. If the
116 department approves the application, the department shall provide
117 the brownfield party with certification that the brownfield party
118 has conducted remediation at a brownfield agreement site in
119 accordance with Sections 49-35-1 through 49-35-25 during the tax
120 year(s) for which the credit is sought. If the Department
121 disapproves the application, the Department shall notify the
122 brownfield party in writing and state the reasons for the
123 disapproval.

124 (c) Within thirty (30) days after receipt of the
125 Department's decision, the brownfield party may request a hearing
126 before the Commission regarding the Department's decision to
127 disapprove the application. An appeal of the Commission's
128 decision may be taken as provided under Section 49-17-41.

129 (d) The Department's review of the application under
130 this section shall be considered a part of the administration of
131 the brownfield agreement.

132 (e) The department's review of the application for
133 review of remediation costs under this section shall be considered
134 a part of the administration of the brownfield agreement.

135 (4) (a) The annual credit provided for in this section
136 shall not exceed the lesser of Forty Thousand Dollars (\$40,000.00)
137 or the amount of the income tax imposed upon the brownfield party
138 at the brownfield agreement site for the taxable year as reduced
139 by the sum of all other credits allowable to the brownfield party
140 under this chapter, except for credit for tax payments made by or
141 on behalf of the brownfield party. Any unused portion of the
142 credit may be carried forward for succeeding tax years.

143 (b) The maximum total credit under this section for a
144 brownfield agreement site is One Hundred Fifty Thousand Dollars
145 (\$150,000.00).

146 (5) To be eligible for the tax credit, the brownfield party
147 must submit a copy of the letter from the commission stating the
148 amount of remediation costs approved by the commission for the
149 given tax year.

150 **SECTION 4.** Section 57-1-301, Mississippi Code of 1972, is
151 amended as follows:

152 57-1-301. (1) There is established a local governments
153 capital improvements revolving loan program to be administered by
154 the Mississippi Development Authority for the purpose of assisting
155 counties and municipalities in making capital improvements.

156 (2) For purposes of Sections 57-1-301 through 57-1-335,
157 "capital improvements" include any combination of the following:

158 (a) Construction or repair of water and sewer
159 facilities;

160 (b) Construction or repair of drainage systems for
161 industrial development;

162 (c) Improvements in fire protection;

163 (d) Construction of new buildings for economic
164 development purposes;

165 (e) Renovation or repair of existing buildings for
166 economic development purposes;

167 (f) Construction or repair of access roads for
168 industrial development;

169 (g) Purchase of buildings for economic development
170 purposes;

171 (h) Construction or repair of railroad spurs for
172 industrial development;

173 (i) Construction of any county or municipally owned
174 health care facilities, excluding any county health departments;

175 (j) Construction, purchase, renovation or repair of any
176 building to be utilized as an auditorium or convention center;

177 (k) Construction of multipurpose facilities for tourism
178 development;

179 (l) Loans to a county to aid in retiring
180 interest-bearing loans utilized for the purchase of a motion
181 picture sound stage; * * *

182 (m) Construction, repair and renovation of parks,
183 swimming pools and recreational and athletic facilities; or

184 (n) Remediation of brownfield agreement sites in
185 accordance with Sections 49-35-1 through 49-35-25.

186 **SECTION 5.** Section 57-1-303, Mississippi Code of 1972, as
187 amended by House Bill No. 310, 2005 Regular Session, is amended as
188 follows:

189 57-1-303. (1) (a) (i) There is created a special fund in
190 the State Treasury to be designated as the "Local Governments
191 Capital Improvements Revolving Loan Fund," which fund shall
192 consist of such monies as provided in Sections 57-1-307 through
193 57-1-335. The fund shall be maintained in perpetuity for the
194 purposes established in Sections 57-1-301 through 57-1-335.
195 Unexpended amounts remaining in the fund at the end of a fiscal
196 year shall not lapse into the State General Fund, and any interest
197 earned on amounts in the fund shall be deposited to the credit of
198 the fund. Monies in the fund may not be used or expended for any
199 purpose except as authorized under Sections 57-1-301 through
200 57-1-335.

201 (ii) Monies in the Local Governments Capital
202 Improvements Revolving Loan Fund which are derived from interest
203 on loan payments received by the Mississippi Development Authority
204 after January 1, 2002, for loans funded with proceeds of bonds
205 whose interest is not exempt from income taxation under the
206 provisions of the Internal Revenue Code may be used by the

207 Mississippi Development Authority for the ordinary and necessary
208 general support of the Mississippi Development Authority.
209 However, such monies may not be used for the purpose of providing
210 salary increases for Mississippi Development Authority employees.
211 The Mississippi Development Authority may escalate its budget and
212 expend such monies in accordance with rules and regulations of the
213 Department of Finance and Administration in a manner consistent
214 with the escalation of federal funds. This subparagraph (ii)
215 shall be repealed from and after July 1, 2007.

216 (b) The Local Governments Capital Improvements
217 Revolving Loan Fund shall be divided into the Taxable Local
218 Governments Capital Improvements Revolving Loan Subaccount and the
219 Nontaxable Local Governments Capital Improvements Revolving Loan
220 Subaccount. Funds allocated to the Nontaxable Local Governments
221 Capital Improvements Revolving Loan Subaccount shall be utilized
222 to provide loans for capital improvements that would qualify for
223 the issuance of bonds whose interest is exempt from income
224 taxation under the provisions of the Internal Revenue Code. Funds
225 allocated to the Taxable Local Governments Capital Improvements
226 Revolving Loan Subaccount shall be utilized to provide loans for
227 any eligible capital improvements, including, but not limited to,
228 capital improvements that would qualify for the issuance of bonds
229 whose interest is exempt from income taxation under the provisions
230 of the Internal Revenue Code.

231 (c) Of the funds deposited into the Local Governments
232 Capital Improvements Revolving Loan Fund, not less than
233 Twenty-five Million Dollars (\$25,000,000.00) shall be allocated to
234 the Nontaxable Local Governments Capital Improvements Revolving
235 Loan Subaccount, and the remainder of such funds shall be
236 allocated to the Taxable Local Governments Capital Improvements
237 Revolving Loan Subaccount.

238 (2) A county or an incorporated municipality may apply to
239 the Mississippi Development Authority for a loan under the local
240 governments capital improvements revolving loan program
241 established under Sections 57-1-301 through 57-1-335.

242 (3) (a) The Mississippi Development Authority shall
243 establish a loan program by which loans, at the rate of interest
244 provided for in paragraph (b) of this subsection, may be made
245 available to counties and incorporated municipalities to assist
246 counties and incorporated municipalities in making capital
247 improvements. Loans from the revolving fund may be made to
248 counties and municipalities as set forth in a loan agreement in
249 amounts not to exceed one hundred percent (100%) of eligible
250 project costs as established by the Mississippi Development
251 Authority. The Mississippi Development Authority may require
252 county or municipal participation or funding from other sources,
253 or otherwise limit the percentage of costs covered by loans from
254 the revolving fund. The Mississippi Development Authority may
255 establish a maximum amount for any loan in order to provide for
256 broad and equitable participation in the program and loans for
257 projects described in Section 57-1-301(1)(m) shall not exceed Two
258 Hundred Fifty Thousand Dollars (\$250,000.00) per project.

259 (b) (i) Except as otherwise provided in this paragraph
260 (b), the rate of interest on loans made from the Local Governments
261 Capital Improvements Revolving Loan Fund for capital improvements
262 that would qualify for the issuance of bonds whose interest is
263 exempt from income taxation under the provisions of the Internal
264 Revenue Code shall be at the rate of three percent (3%) per annum,
265 calculated according to the actuarial method. The rate of
266 interest on loans for all other capital improvements shall be at
267 the true interest cost on the most recent issue of twenty-year
268 state general obligation bonds occurring prior to the date such
269 loan is made.

270 (ii) The rate of interest on loans made after
271 April 9, 2002, from the Local Governments Capital Improvements
272 Revolving Loan Fund for capital improvements that would qualify
273 for the issuance of bonds whose interest is exempt from income
274 taxation under the provisions of the Internal Revenue Code shall
275 be at the rate of two percent (2%) per annum, calculated according
276 to the actuarial method. The rate of interest on loans made after
277 April 9, 2002, for all other capital improvements shall be at the
278 rate of three percent (3%) per annum, calculated according to the
279 actuarial method.

280 (iii) Notwithstanding the provisions of this
281 paragraph to the contrary, loans made for the purposes of the
282 capital project described in Section 57-1-301(2)(1) shall bear no
283 interest.

284 (4) A county that receives a loan from the revolving fund
285 shall pledge for repayment of the loan any part of the homestead
286 exemption annual tax loss reimbursement to which it may be
287 entitled under Section 27-33-77. An incorporated municipality
288 that receives a loan from the revolving fund shall pledge for
289 repayment of the loan any part of the sales tax revenue
290 distribution to which it may be entitled under Section 27-65-75.
291 Each loan agreement shall provide for (i) monthly payments, (ii)
292 semiannual payments, or (iii) other periodic payments, the annual
293 total of which shall not exceed the annual total for any other
294 year of the loan by more than fifteen percent (15%). The loan
295 agreement shall provide for the repayment of all funds received
296 within not more than twenty (20) years from the date of project
297 completion.

298 (5) The State Auditor, upon request of the Mississippi
299 Development Authority, shall audit the receipts and expenditures
300 of a county or an incorporated municipality whose loan payments
301 appear to be in arrears, and if he finds that the county or

302 municipality is in arrears in such payments, he shall immediately
303 notify the Executive Director of the Department of Finance and
304 Administration who shall withhold all future payments to the
305 county of homestead exemption reimbursements under Section
306 27-33-77 and all sums allocated to the county or the municipality
307 under Section 27-65-75 until such time as the county or the
308 municipality is again current in its loan payments as certified by
309 the Mississippi Development Authority.

310 (6) Evidences of indebtedness which are issued pursuant to
311 this chapter shall not be deemed indebtedness within the meaning
312 specified in Section 21-33-303 with regard to cities or
313 incorporated towns, and in Section 19-9-5 with regard to counties.

314 (7) There is created a special fund in the State Treasury to
315 be designated as the "Local Governments Brownfields Redevelopment
316 Grant Fund." The fund shall consist of those monies as provided
317 in Section 57-1-307. The fund shall be maintained in perpetuity
318 for the purposes established in this section. Unexpended amounts
319 remaining in the fund at the end of the fiscal year shall not
320 lapse into the State General Fund, and any interest earned on
321 amounts in the fund shall be deposited to the credit of the fund.
322 Monies in the fund may not be used or expended for any purpose
323 except as authorized in this section.

324 (8) (a) The Mississippi Development Authority shall
325 establish a local governments brownfields redevelopment grant
326 program to provide funds to counties and incorporated
327 municipalities for coordination of activities related to
328 brownfields redevelopment. Activities eligible for funding under
329 this program include identification of brownfield sites, site
330 assessments that have been conducted in accordance with Sections
331 49-35-1 through 49-35-25, and development of remedial action plans
332 that have been conducted in accordance with Sections 49-35-1
333 through 49-35-25. The implementation of remedial action plans or

334 site remediation and post-remediation monitoring shall not be
335 considered eligible activities. The authority shall provide
336 grants to counties or incorporated municipalities, if the county
337 or incorporated municipality demonstrates and the authority
338 determines that following remediation the site will be directly
339 associated with the creation or retention of jobs.

340 (b) Grants shall be awarded on a competitive basis,
341 subject to the availability of funding. Grants shall be limited
342 to a maximum of One Hundred Thousand Dollars (\$100,000.00).

343 (c) Grant amounts shall not exceed seventy-five percent
344 (75%) of the total project amount. The remaining twenty-five
345 percent (25%) shall be provided by the county or incorporated
346 municipality as local matching funds.

347 **SECTION 6.** Section 57-1-307, Mississippi Code of 1972, is
348 amended as follows:

349 57-1-307. (1) The State Bond Commission, at one time, or
350 from time to time, may declare by resolution the necessity for
351 issuance of general obligation bonds of the State of Mississippi
352 to provide funds for all costs incurred or to be incurred for the
353 purposes described in Section 57-1-303. Upon the adoption of a
354 resolution by the Mississippi Development Authority, declaring the
355 necessity for the issuance of any part or all of the general
356 obligation bonds authorized by this section, the Mississippi
357 Development Authority shall deliver a certified copy of its
358 resolution or resolutions to the State Bond Commission. Upon
359 receipt of such resolution, the State Bond Commission, in its
360 discretion, may act as the issuing agent, prescribe the form of
361 the bonds, advertise for and accept bids, issue and sell the bonds
362 so authorized to be sold and do any and all other things necessary
363 and advisable in connection with the issuance and sale of such
364 bonds. The total amount of bonds issued under Sections 57-1-307
365 through 57-1-335 shall not exceed One Hundred Five Million Dollars

366 (\$105,000,000.00); provided, however, that an additional amount of
367 bonds may be issued under Sections 57-1-307 and 57-1-335 in an
368 amount not to exceed Thirteen Million Dollars (\$13,000,000.00),
369 and the proceeds of any such additional amount of bonds so issued
370 shall be utilized solely to provide loans for capital improvements
371 that would qualify for the issuance of bonds whose interest is
372 exempt from income taxation under the provisions of the Internal
373 Revenue Code. Of the additional bonds authorized under House Bill
374 No. 1341, 2005 Regular Session, Two Million Five Hundred Thousand
375 Dollars (\$2,500,000.00) shall be used only to provide loans to
376 counties and incorporated municipalities for remediation of a
377 brownfield agreement site under Sections 49-35-1 through 49-35-25.

378 (2) Proceeds from the sale of bonds shall be deposited in
379 the special fund created in Section 57-1-303. Except as otherwise
380 provided in this section, any investment earnings on amounts
381 deposited into the special fund created in Section 57-1-303 shall
382 be used to pay debt service on bonds issued under Sections
383 57-1-307 through 57-1-335, in accordance with the proceedings
384 authorizing issuance of such bonds. The investment earnings on
385 the additional bonds authorized to be issued under House Bill No.
386 1341, 2005 Regular Session, fifty percent (50%) shall be deposited
387 into the Local Governments Brownfield Site Remediation Grant Fund
388 created under Section 57-1-303. The remaining fifty percent (50%)
389 of the interest earnings shall be used as otherwise provided in
390 this subsection.

391 **SECTION 7.** Section 57-73-21, Mississippi Code of 1972, is
392 amended as follows:

393 57-73-21. (1) Annually by December 31, using the most
394 current data available from the University Research Center,
395 Mississippi State Employment Security Commission and the United
396 States Department of Commerce, the State Tax Commission shall rank
397 and designate the state's counties as provided in this section.

398 The twenty-eight (28) counties in this state having a combination
399 of the highest unemployment rate and lowest per capita income for
400 the most recent thirty-six-month period, with equal weight being
401 given to each category, are designated Tier Three areas. The
402 twenty-seven (27) counties in the state with a combination of the
403 next highest unemployment rate and next lowest per capita income
404 for the most recent thirty-six-month period, with equal weight
405 being given to each category, are designated Tier Two areas. The
406 twenty-seven (27) counties in the state with a combination of the
407 lowest unemployment rate and the highest per capita income for the
408 most recent thirty-six-month period, with equal weight being given
409 to each category, are designated Tier One areas. Counties
410 designated by the Tax Commission qualify for the appropriate tax
411 credit for jobs as provided in subsections (2), (3) and (4) of
412 this section. The designation by the Tax Commission is effective
413 for the tax years of permanent business enterprises which begin
414 after the date of designation. For companies which plan an
415 expansion in their labor forces, the Tax Commission shall
416 prescribe certification procedures to ensure that the companies
417 can claim credits in future years without regard to whether or not
418 a particular county is removed from the list of Tier Three or Tier
419 Two areas.

420 (2) Permanent business enterprises primarily engaged in
421 manufacturing, processing, warehousing, distribution, wholesaling
422 and research and development, or permanent business enterprises
423 designated by rule and regulation of the Mississippi Development
424 Authority as air transportation and maintenance facilities, final
425 destination or resort hotels having a minimum of one hundred fifty
426 (150) guest rooms, recreational facilities that impact tourism,
427 movie industry studios, telecommunications enterprises, data or
428 information processing enterprises or computer software
429 development enterprises or any technology intensive facility or

430 enterprise, in counties designated by the Tax Commission as Tier
431 Three areas are allowed a job tax credit for taxes imposed by
432 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
433 for each net new full-time employee job for five (5) years
434 beginning with years two (2) through six (6) after the creation of
435 the job. The number of new full-time jobs must be determined by
436 comparing the monthly average number of full-time employees
437 subject to the Mississippi income tax withholding for the taxable
438 year with the corresponding period of the prior taxable year.
439 Only those permanent businesses that increase employment by ten
440 (10) or more in a Tier Three area are eligible for the credit.
441 Credit is not allowed during any of the five (5) years if the net
442 employment increase falls below ten (10). The Tax Commission
443 shall adjust the credit allowed each year for the net new
444 employment fluctuations above the minimum level of ten (10).

445 (3) Permanent business enterprises primarily engaged in
446 manufacturing, processing, warehousing, distribution, wholesaling
447 and research and development, or permanent business enterprises
448 designated by rule and regulation of the Mississippi Development
449 Authority as air transportation and maintenance facilities, final
450 destination or resort hotels having a minimum of one hundred fifty
451 (150) guest rooms, recreational facilities that impact tourism,
452 movie industry studios, telecommunications enterprises, data or
453 information processing enterprises or computer software
454 development enterprises or any technology intensive facility or
455 enterprise, in counties that have been designated by the Tax
456 Commission as Tier Two areas are allowed a job tax credit for
457 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
458 (\$1,000.00) annually for each net new full-time employee job for
459 five (5) years beginning with years two (2) through six (6) after
460 the creation of the job. The number of new full-time jobs must be
461 determined by comparing the monthly average number of full-time

462 employees subject to Mississippi income tax withholding for the
463 taxable year with the corresponding period of the prior taxable
464 year. Only those permanent businesses that increase employment by
465 fifteen (15) or more in Tier Two areas are eligible for the
466 credit. The credit is not allowed during any of the five (5)
467 years if the net employment increase falls below fifteen (15).
468 The Tax Commission shall adjust the credit allowed each year for
469 the net new employment fluctuations above the minimum level of
470 fifteen (15).

471 (4) Permanent business enterprises primarily engaged in
472 manufacturing, processing, warehousing, distribution, wholesaling
473 and research and development, or permanent business enterprises
474 designated by rule and regulation of the Mississippi Development
475 Authority as air transportation and maintenance facilities, final
476 destination or resort hotels having a minimum of one hundred fifty
477 (150) guest rooms, recreational facilities that impact tourism,
478 movie industry studios, telecommunications enterprises, data or
479 information processing enterprises or computer software
480 development enterprises or any technology intensive facility or
481 enterprise, in counties designated by the Tax Commission as Tier
482 One areas are allowed a job tax credit for taxes imposed by
483 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
484 for each net new full-time employee job for five (5) years
485 beginning with years two (2) through six (6) after the creation of
486 the job. The number of new full-time jobs must be determined by
487 comparing the monthly average number of full-time employees
488 subject to Mississippi income tax withholding for the taxable year
489 with the corresponding period of the prior taxable year. Only
490 those permanent businesses that increase employment by twenty (20)
491 or more in Tier One areas are eligible for the credit. The credit
492 is not allowed during any of the five (5) years if the net
493 employment increase falls below twenty (20). The Tax Commission

494 shall adjust the credit allowed each year for the net new
495 employment fluctuations above the minimum level of twenty (20).

496 (5) In addition to the credits authorized in subsections
497 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
498 credit for each net new full-time employee or an additional One
499 Thousand Dollars (\$1,000.00) credit for each net new full-time
500 employee who is paid a salary, excluding benefits which are not
501 subject to Mississippi income taxation, of at least one hundred
502 twenty-five percent (125%) of the average annual wage of the state
503 or an additional Two Thousand Dollars (\$2,000.00) credit for each
504 net new full-time employee who is paid a salary, excluding
505 benefits which are not subject to Mississippi income taxation, of
506 at least two hundred percent (200%) of the average annual wage of
507 the state, shall be allowed for any company establishing or
508 transferring its national or regional headquarters from within or
509 outside the State of Mississippi. A minimum of thirty-five (35)
510 jobs must be created to qualify for the additional credit. The
511 State Tax Commission shall establish criteria and prescribe
512 procedures to determine if a company qualifies as a national or
513 regional headquarters for purposes of receiving the credit awarded
514 in this subsection. As used in this subsection, the average
515 annual wage of the state is the most recently published average
516 annual wage as determined by the Department of Employment
517 Security.

518 (6) In addition to the credits authorized in subsections
519 (2), (3), (4) and (5), any job requiring research and development
520 skills (chemist, engineer, etc.) shall qualify for an additional
521 One Thousand Dollars (\$1,000.00) credit for each net new full-time
522 employee.

523 (7) In lieu of the tax credits provided in subsections (2)
524 through (6), any commercial or industrial property owner which
525 remediates contaminated property in accordance with Sections

526 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
527 imposed by Section 27-7-5 equal to the amounts provided in
528 subsection (2), (3) or (4) for each net new full-time employee job
529 for five (5) years beginning with years two (2) through six (6)
530 after the creation of the job. The number of new full-time jobs
531 must be determined by comparing the monthly average number of
532 full-time employees subject to Mississippi income tax withholding
533 for the taxable year with the corresponding period of the prior
534 taxable year. This subsection shall be administered in the same
535 manner as subsections (2), (3) and (4), except the landowner shall
536 not be required to increase employment by the levels provided in
537 subsections (2), (3) and (4) to be eligible for the tax credit.

538 (8) Tax credits for five (5) years for the taxes imposed by
539 Section 27-7-5 shall be awarded for additional net new full-time
540 jobs created by business enterprises qualified under subsections
541 (2), (3), (4), (5), (6) and (7) of this section. Except as
542 otherwise provided, the Tax Commission shall adjust the credit
543 allowed in the event of employment fluctuations during the
544 additional five (5) years of credit.

545 (9) The sale, merger, acquisition, reorganization,
546 bankruptcy or relocation from one county to another county within
547 the state of any business enterprise may not create new
548 eligibility in any succeeding business entity, but any unused job
549 tax credit may be transferred and continued by any transferee of
550 the business enterprise. The Tax Commission shall determine
551 whether or not qualifying net increases or decreases have occurred
552 or proper transfers of credit have been made and may require
553 reports, promulgate regulations, and hold hearings as needed for
554 substantiation and qualification.

555 (10) Any tax credit claimed under this section but not used
556 in any taxable year may be carried forward for five (5) years from
557 the close of the tax year in which the qualified jobs were

558 established but the credit established by this section taken in
559 any one (1) tax year must be limited to an amount not greater than
560 fifty percent (50%) of the taxpayer's state income tax liability
561 which is attributable to income derived from operations in the
562 state for that year.

563 (11) No business enterprise for the transportation,
564 handling, storage, processing or disposal of hazardous waste is
565 eligible to receive the tax credits provided in this section.

566 (12) The credits allowed under this section shall not be
567 used by any business enterprise or corporation other than the
568 business enterprise actually qualifying for the credits.

569 (13) The tax credits provided for in this section shall be
570 in addition to any tax credits described in Sections 57-51-13(b),
571 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
572 action by the Department of Economic Development prior to July 1,
573 1989, to any business enterprise determined prior to July 1, 1989,
574 by the Department of Economic Development to be a qualified
575 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
576 a qualified company as described in Section 57-53-1, as the case
577 may be; however, from and after July 1, 1989, tax credits shall be
578 allowed only under either this section or Sections 57-51-13(b),
579 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
580 employee.

581 (14) As used in this section, the term "telecommunications
582 enterprises" means entities engaged in the creation, display,
583 management, storage, processing, transmission or distribution for
584 compensation of images, text, voice, video or data by wire or by
585 wireless means, or entities engaged in the construction, design,
586 development, manufacture, maintenance or distribution for
587 compensation of devices, products, software or structures used in
588 the above activities. Companies organized to do business as
589 commercial broadcast radio stations, television stations or news

590 organizations primarily serving in-state markets shall not be
591 included within the definition of the term "telecommunications
592 enterprises."

593 **SECTION 8.** Nothing in this act shall affect or defeat any
594 claim, assessment, appeal, suit, right or cause of action for
595 taxes due or accrued under the income tax laws before the date on
596 which this act becomes effective or are begun thereafter. The
597 provisions of the income tax laws are expressly continued in full
598 force, effect and operation for the purpose of the assessment,
599 collection and enrollment of liens for any taxes due or accrued
600 and the execution of any warrant under such laws before the date
601 on which this act becomes effective, and for the imposition of any
602 penalties, forfeitures or claims for failure to comply with such
603 laws.

604 **SECTION 9.** This act shall take effect and be in force from
605 and after January 1, 2005.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO CREATE THE MISSISSIPPI BROWNFIELDS VOLUNTARY
2 CLEANUP AND REDEVELOPMENT INCENTIVES ACT; TO EXPRESS THE FINDINGS
3 OF THE LEGISLATURE; TO CREATE A NEW SECTION TO BE CODIFIED AS
4 SECTION 27-7-22.16, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN
5 INCOME TAX CREDIT FOR REMEDIATION COST INCURRED AT A BROWNFIELD
6 AGREEMENT SITE; TO DEFINE CERTAIN TERMS; TO PRESCRIBE THE AMOUNT
7 OF THE INCOME TAX CREDIT; TO REQUIRE THE COMMISSION ON
8 ENVIRONMENTAL QUALITY TO CERTIFY THOSE BROWNFIELD PROPERTIES THAT
9 HAVE BEEN REMEDIATED; TO PROVIDE FOR SUBMISSION OF SUPPORTING
10 INFORMATION TO THE STATE TAX COMMISSION; TO AMEND SECTION
11 57-1-301, MISSISSIPPI CODE OF 1972, TO MODIFY THE DEFINITION OF
12 CAPITAL IMPROVEMENT TO INCLUDE BROWNFIELD SITE REMEDIATION; TO
13 AMEND SECTION 57-1-303, MISSISSIPPI CODE OF 1972, TO CREATE THE
14 LOCAL GOVERNMENTS BROWNFIELDS REDEVELOPMENT GRANT FUND AND
15 PROGRAM; TO AMEND SECTION 57-1-307, MISSISSIPPI CODE OF 1972, TO
16 INCREASE THE AMOUNT OF GENERAL OBLIGATION BONDS AUTHORIZED TO BE
17 ISSUED UNDER THE LOCAL GOVERNMENTS AND CAPITAL IMPROVEMENTS
18 REVOLVING LOAN PROGRAM; TO DEDICATE A PORTION OF THE PROCEEDS OF
19 THE ADDITIONAL BONDS FOR LOANS TO LOCAL GOVERNMENTS FOR
20 BROWNFIELDS SITE REMEDIATION; TO REQUIRE THE PLACEMENT OF A
21 PORTION OF THE INTEREST EARNINGS ON THE PROCEEDS OF THE ADDITIONAL
22 BONDS AUTHORIZED IN THIS ACT TO BE PAID INTO THE LOCAL GOVERNMENTS
23 BROWNFIELDS REDEVELOPMENT GRANT FUND; TO AMEND SECTION 57-73-21,
24 MISSISSIPPI CODE OF 1972, TO AUTHORIZE A JOB TAX CREDIT FOR
25 COMMERCIAL AND INDUSTRIAL PROPERTY OWNERS CLEANING UP A BROWNFIELD
26 AGREEMENT SITE UNDER THE MISSISSIPPI BROWNFIELDS VOLUNTARY CLEANUP

27 AND REDEVELOPMENT ACT; TO SPECIFY THE AMOUNT OF THE JOB TAX
28 CREDIT; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

X (SIGNED)
Watson

X (SIGNED)
Franks

X (SIGNED)
Cummings

CONFEREES FOR THE SENATE

X (SIGNED)
Moffatt

X (SIGNED)
Robertson

(NOT SIGNED)
Albritton