

**Adopted  
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1711**

**BY: Committee**

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

7           SECTION 1. (1) As used in this section:

8                   (a) "Business enterprises" means entities primarily  
9 engaged in:

10                           (i) Manufacturing, processing, warehousing,  
11 distribution, wholesaling and research and development, or

12                           (ii) Permanent business enterprises designated by  
13 rule and regulation of the Mississippi Development Authority as  
14 air transportation and maintenance facilities, final destination  
15 or resort hotels having a minimum of one hundred fifty (150) guest  
16 rooms, recreational facilities that impact tourism, movie industry  
17 studios, telecommunications enterprises, data or information  
18 processing enterprises or computer software development  
19 enterprises or any technology intensive facility or enterprise.

20                   (b) "Economically distressed community" means a  
21 municipality in which at least thirty percent (30%) of the  
22 residents have incomes that are less than the national poverty  
23 level as published by the United States Bureau of the Census in  
24 the most recent decennial census for which data is available; in  
25 which the unemployment rate is at least one and one-half (1-1/2)

26 times greater than the national average, as determined by the most  
27 recent data from the United States Bureau of Labor Statistics,  
28 including estimates of unemployment developed using the  
29 calculation method of the United States Bureau of Labor Statistics  
30 Census Share; and:

31 (i) The population of which is at least four  
32 thousand (4,000) if any portion of the municipality is located  
33 within a metropolitan area with a population of fifty thousand  
34 (50,000), or more; or

35 (ii) The population of which is at least one  
36 thousand (1,000) if no portion of the municipality is located  
37 within a metropolitan area with a population of fifty thousand  
38 (50,000), or more.

39 (c) "Telecommunications enterprises" means entities  
40 engaged in the creation, display, management, storage, processing,  
41 transmission or distribution for compensation of images, text,  
42 voice, video or data by wire or by wireless means, or entities  
43 engaged in the construction, design, development, manufacture,  
44 maintenance or distribution for compensation of devices, products,  
45 software or structures used in the above activities. Companies  
46 organized to do business as commercial broadcast radio stations,  
47 television stations or news organizations primarily serving  
48 in-state markets shall not be included within the definition of  
49 the term "telecommunications enterprises."

50 (2) The governing authorities of a municipality may  
51 designate such municipality as an economically distressed  
52 community.

53 (3) Upon designation of a municipality as an economically  
54 distressed community, the governing authorities of a municipality  
55 shall apply to the State Tax Commission for certification of the  
56 municipality as an economically distressed community. Such  
57 application shall provide the information necessary to establish

58 certification as an economically distressed community. The State  
59 Tax Commission shall certify a municipality as an economically  
60 distressed community if it finds that the designation meets the  
61 criteria provided for in subsection (1)(b) of this section.

62 (4) Permanent business enterprises in municipalities  
63 certified by the State Tax Commission as economically distressed  
64 communities are allowed a job tax credit for taxes imposed by  
65 Section 27-7-5 equal to ten percent (10%) of the payroll of the  
66 enterprise for net new full-time employee jobs for five (5) years  
67 beginning with years two (2) through six (6) after the creation of  
68 the minimum number of jobs required by this subsection. The  
69 number of new full-time jobs must be determined by comparing the  
70 monthly average number of full-time employees subject to the  
71 Mississippi income tax withholding for the taxable year with the  
72 corresponding period of the prior taxable year. Only those  
73 permanent business enterprises that increase employment by ten  
74 (10) or more in an economically distressed community are eligible  
75 for the credit. Credit is not allowed during any of the five (5)  
76 years if the net employment increase falls below ten (10). The  
77 State Tax Commission shall adjust the credit allowed each year for  
78 the net new employment fluctuations above the minimum level of ten  
79 (10).

80 (5) Tax credits for five (5) years for the taxes imposed by  
81 Section 27-7-5 shall be awarded for additional net new full-time  
82 jobs created by business enterprises qualified under this section.  
83 The State Tax Commission shall adjust the credit allowed in the  
84 event of payroll fluctuations during the additional five (5) years  
85 of credit.

86 (6) The sale, merger, acquisition, reorganization,  
87 bankruptcy or relocation from one (1) county to another county  
88 within the state of any business enterprise may not create new  
89 eligibility in any succeeding business entity, but any unused job

90 tax credit may be transferred and continued by any transferee of  
91 the business enterprise. The State Tax Commission shall determine  
92 whether or not qualifying net increases or decreases have occurred  
93 or proper transfers of credit have been made and may require  
94 reports, promulgate regulations, and hold hearings as needed for  
95 substantiation and qualification.

96 (7) Any tax credit claimed under this section but not used  
97 in any taxable year may be carried forward for five (5) years from  
98 the close of the tax year in which the qualified jobs were  
99 established but the credit established by this section taken in  
100 any one (1) tax year must be limited to an amount not greater than  
101 fifty percent (50%) of the taxpayer's state income tax liability  
102 which is attributable to income derived from operations in the  
103 state for that year.

104 (8) No business enterprise for the transportation, handling,  
105 storage, processing or disposal of hazardous waste is eligible to  
106 receive the tax credits provided in this section.

107 (9) The credits allowed under this section shall not be used  
108 by any business enterprise or corporation other than the business  
109 enterprise actually qualifying for the credits.

110 (10) A business enterprise that receives a tax credit under  
111 this section shall not be eligible for the tax credit authorized  
112 in Section 57-73-21(2), (3) and (4).

113 **SECTION 2.** This act shall take effect and be in force from  
114 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 PROVIDE AN INCOME TAX JOB CREDIT FOR CERTAIN  
2 BUSINESS ENTERPRISES IN MUNICIPALITIES CERTIFIED AS ECONOMICALLY  
3 DISTRESSED COMMUNITIES; TO PROVIDE FOR THE DESIGNATION OF SUCH  
4 COMMUNITIES AND THE AMOUNT OF SUCH CREDIT; AND FOR RELATED  
5 PURPOSES.