

By: Representative Watson

To: Ways and Means

## HOUSE BILL NO. 1025

1 AN ACT TO AMEND SECTION 27-7-22.29, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION TO WAIVE THE  
3 PERIOD OF TIME WITHIN WHICH THE JOBS TAX CREDIT FOR PRODUCERS OF  
4 ALTERNATIVE ENERGY MAY BE UTILIZED BY PRODUCERS THAT ARE UNABLE TO  
5 MAINTAIN THE REQUIRED NUMBER OF JOBS AS A RESULT OF CERTAIN  
6 DISASTERS; TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION  
7 TO WAIVE THE REQUIREMENT THAT A CERTAIN NUMBER OF JOBS BE  
8 MAINTAINED BY SUCH PRODUCERS AND EXTEND THE CARRYFORWARD PERIOD OF  
9 THE CREDIT; TO PROVIDE THAT THE PERIOD OF TIME FOR WHICH THE  
10 REQUIREMENTS MAY BE WAIVED AND THE CARRYFORWARD MAY BE EXTENDED  
11 SHALL NOT EXCEED THREE YEARS; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-7-22.29, Mississippi Code of 1972, is  
14 amended as follows:

15 27-7-22.29. (1) Producers are allowed a job tax credit for  
16 taxes imposed by Section 27-7-5 equal to One Thousand Dollars  
17 (\$1,000.00) annually for each net new full-time employee job for a  
18 period of twenty (20) years from the date the credit begins;  
19 however, if the producer is located in an area that has been  
20 declared by the Governor to be a disaster area and as a result of  
21 the disaster the producer is unable to maintain the required  
22 number of employees, the commissioner may extend this time period  
23 for not more three (3) years. The credit shall begin on the date  
24 selected by the producer; however, the beginning date shall not be  
25 more than five (5) years from the date the producer begins  
26 manufacturing or producing alternative energy. For the year in  
27 which the beginning date occurs, the number of new full-time jobs  
28 shall be determined by using the monthly average number of  
29 full-time employees subject to the Mississippi income tax  
30 withholding. Thereafter, the number of new full-time jobs shall  
31 be determined by comparing the monthly average number of full-time

32 employees subject to the Mississippi income tax withholding for  
33 the taxable year with the corresponding period of the prior  
34 taxable year. Once a producer creates twenty-five (25) or more  
35 new full-time employee jobs, the producer shall be eligible for  
36 the credit; however, if the producer is located in an area that  
37 has been declared by the Governor to be a disaster area and as a  
38 result of the disaster the producer is unable to maintain the  
39 required number of employees, the commissioner may waive the  
40 employment requirement for a period of time not to exceed three  
41 (3) years. The credit is not allowed for any year of the  
42 twenty-year period in which the overall monthly average number of  
43 full-time employees subject to the Mississippi income tax  
44 withholding falls below twenty-five (25). The State Tax  
45 Commission shall adjust the credit allowed each year for the net  
46 new employment fluctuations above twenty-five (25).

47 (2) Any tax credit claimed under this section but not used  
48 in any taxable year may be carried forward for five (5)  
49 consecutive years from the close of the tax year in which the  
50 credits were earned; however, if the producer is located in an  
51 area that has been declared by the Governor to be a disaster area  
52 and as a result of the disaster the producer is unable to use the  
53 existing carryforward, the commissioner may extend the period that  
54 the credit may be carried forward for a period of time not to  
55 exceed three (3) years. The credit that may be utilized each year  
56 shall be limited to an amount not greater than the total state  
57 income tax liability of the producer that is generated by, or  
58 arises out of, the alternative energy project.

59 (3) The tax credits provided for in this section shall be in  
60 lieu of the tax credits provided for in Section 57-73-21 and any  
61 producer utilizing the tax credit authorized in this section shall  
62 not utilize the tax credit authorized in Section 57-73-21.

63 **SECTION 2.** This act shall take effect and be in force from  
64 and after July 1, 2007.