

By: Representative Watson

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1044

1 AN ACT TO AMEND SECTION 27-7-22.19, 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 INTEGRATED
4 SUPPLIERS MAY BE UTILIZED BY INTEGRATED SUPPLIERS THAT ARE UNABLE
5 TO MAINTAIN THE REQUIRED NUMBER OF JOBS AS A DIRECT RESULT OF
6 CERTAIN DISASTERS; TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX
7 COMMISSION TO WAIVE THE REQUIREMENT THAT A CERTAIN NUMBER OF JOBS
8 BE MAINTAINED BY SUCH SUPPLIERS AND EXTEND THE CARRYFORWARD PERIOD
9 OF THE CREDIT; TO PROVIDE THAT THE PERIOD OF TIME FOR WHICH THE
10 REQUIREMENT MAY BE WAIVED SHALL NOT EXCEED TWO YEARS; AND FOR
11 RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-7-22.19, Mississippi Code of 1972, is
14 amended as follows:

15 27-7-22.19. (1) Integrated suppliers are allowed a job tax
16 credit for taxes imposed by Section 27-7-5 equal to One Thousand
17 Dollars (\$1,000.00) annually for each net new full-time employee
18 for five (5) years from the date the credit commences; however, if
19 the integrated supplier is located in an area that has been
20 declared by the Governor to be a disaster area and as a direct
21 result of the disaster the integrated supplier is unable to
22 maintain the required number of employees, the commissioner may
23 extend this time period for not more than two (2) years. The
24 credit shall commence on the date selected by the integrated
25 supplier; provided, however, that the commencement date shall not
26 be more than five (5) years from the date the integrated supplier
27 commences commercial production. For the year in which the
28 commencement date occurs, the number of new full-time jobs shall
29 be determined by using the monthly average number of full-time
30 employees subject to Mississippi income tax withholding.
31 Thereafter, the number of new full-time jobs shall be determined

32 by comparing the monthly average number of full-time employees
33 subject to Mississippi income tax withholding for the taxable year
34 with the corresponding period of the prior taxable year. Only
35 those integrated suppliers that increase employment by twenty (20)
36 or more are eligible for the credit. The credit is not allowed
37 during any of the five (5) years if the net employment increase
38 falls below twenty (20); however, if the integrated supplier is
39 located in an area that has been declared by the Governor to be a
40 disaster area and as a direct result of the disaster the
41 integrated supplier is unable to maintain the required number of
42 employees, the commissioner may waive the employment requirement
43 for a period of time not to exceed two (2) years. The State Tax
44 Commission shall adjust the credit allowed each year for the net
45 new employment fluctuations above the minimum level of twenty
46 (20).

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 integrated supplier is
51 located in an area that has been declared by the Governor to be a
52 disaster area and as a direct result of the disaster the
53 integrated supplier is unable to use the existing carryforward,
54 the commissioner may extend the period that the credit may be
55 carried forward for a period of time not to exceed two (2) years.
56 The credit that may be utilized each year shall be limited to an
57 amount not greater than fifty percent (50%) of the taxpayer's
58 state income tax liability which is attributable to income derived
59 from operation in the state for that year.

60 (3) The tax credits provided for in this section shall be in
61 lieu of the tax credits provided for in Section 57-73-21, and any
62 integrated supplier utilizing the tax credit authorized in this
63 section shall not utilize the tax credit authorized in Section
64 57-73-21.

65 (4) As used in this section the term "integrated supplier"
66 means a supplier located on the project site which provides goods
67 or services on the project site solely for a project as defined in
68 Section 57-75-5(f)(iv)1.

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