

By: Representative Watson

To: Ways and Means

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 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 SUPPLIERS AND EXTEND THE CARRY FORWARD PERIOD
9 OF THE CREDIT; TO PROVIDE THAT THE PERIOD OF TIME FOR WHICH THE
10 REQUIREMENT MAY BE WAIVED SHALL NOT EXCEED THREE 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 result of
21 the disaster the integrated supplier is unable to maintain the
22 required number of employees, the commissioner may extend this
23 time period for not more three (3) years. The credit shall
24 commence on the date selected by the integrated supplier;
25 provided, however, that the commencement date shall not be more
26 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 result of the disaster the integrated
41 supplier is unable to maintain the required number of employees,
42 the commissioner may waive the employment requirement for a period
43 of time not to exceed three (3) years. The State Tax Commission
44 shall adjust the credit allowed each year for the net new
45 employment fluctuations above the minimum level of twenty (20).

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

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 integrated supplier utilizing the tax credit authorized in this
62 section shall not utilize the tax credit authorized in Section
63 57-73-21.

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

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