

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2525

1 AN ACT TO AMEND SECTION 27-7-22.17, MISSISSIPPI CODE OF 1972,  
 2 TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION TO WAIVE  
 3 THE PERIOD OF TIME WITHIN WHICH THE JOBS TAX CREDIT MAY BE  
 4 UTILIZED BY CERTAIN PERMANENT BUSINESS ENTERPRISES 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 CARRYFORWARD PERIOD OF  
 9 THE CREDIT; TO PROVIDE THAT THE PERIOD OF TIME FOR WHICH THE  
 10 REQUIREMENTS MAY BE WAIVED AND THE CARRYFORWARD PERIOD MAY BE  
 11 EXTENDED 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 27-7-22.17, Mississippi Code of 1972, is  
 14 amended as follows:

15 27-7-22.17. (1) Permanent business enterprises engaged in  
 16 operating a project and companies that are members of an  
 17 affiliated group that includes such permanent business enterprises  
 18 are allowed a job tax credit for taxes imposed by Section 27-7-5  
 19 equal to Five Thousand Dollars (\$5,000.00) annually for each net  
 20 new full-time employee job for a period of twenty (20) years from  
 21 the date the credit commences; however, if the permanent business  
 22 enterprise is located in an area that has been declared by the  
 23 Governor to be a disaster area and as a direct result of the  
 24 disaster the business enterprise is unable to maintain the  
 25 required number of employees, the commissioner may extend this  
 26 time period for not more than two (2) years. The credit shall  
 27 commence on the date selected by the permanent business  
 28 enterprise; \* \* \* however, \* \* \* the commencement date shall not  
 29 be more than five (5) years from the date the business enterprise  
 30 commences commercial production. For the year in which the  
 31 commencement date occurs, the number of new full-time jobs shall

32 be determined by using the monthly average number of full-time  
33 employees subject to the Mississippi income tax withholding.  
34 Thereafter, the number of new full-time jobs shall be determined  
35 by comparing the monthly average number of full-time employees  
36 subject to the Mississippi income tax withholding for the taxable  
37 year with the corresponding period of the prior taxable year.  
38 Once a permanent business enterprise creates or increases  
39 employment three thousand (3,000) or more, such enterprise and the  
40 members of the affiliated group that include such enterprise,  
41 shall be eligible for the credit. The credit is not allowed for  
42 any year of the twenty-year period in which the overall monthly  
43 average number of full-time employees subject to the Mississippi  
44 income tax withholding falls below three thousand (3,000);  
45 however, if the permanent business enterprise is located in an  
46 area that has been declared by the Governor to be a disaster area  
47 and as a direct result of the disaster the business enterprise is  
48 unable to maintain the required number of employees, the  
49 commissioner may waive the employment requirement for a period of  
50 time not to exceed two (2) years. The State Tax Commission shall  
51 adjust the credit allowed each year for the net new employment  
52 fluctuations above three thousand (3,000).

53 (2) Any tax credit claimed under this section but not used  
54 in any taxable year may be carried forward for five (5)  
55 consecutive years from the close of the tax year in which the  
56 credits were earned; however, if the permanent business enterprise  
57 is located in an area that has been declared by the Governor to be  
58 a disaster area and as a direct result of the disaster the  
59 business enterprise is unable to use the existing carryforward,  
60 the commissioner may extend the period that the credit may be  
61 carried forward for a period of time not to exceed two (2) years.  
62 The credit that may be utilized each year shall be limited to an  
63 amount not greater than the total state income tax liability of  
64 the permanent business enterprise and the state income tax

65 liability of any member of the affiliated group that includes such  
66 enterprise that is generated by, or arises out of, the project.

67 (3) The tax credits provided for in this section shall be in  
68 lieu of the tax credits provided for in Section 57-73-21 and any  
69 permanent business enterprise or any member of the affiliated  
70 group that includes such enterprise utilizing the tax credit  
71 authorized in this section shall not utilize the tax credit  
72 authorized in Section 57-73-21.

73 (4) As used in this section:

74 (a) "Project" means a project as defined in Section  
75 57-75-5(f)(iv).

76 (b) "Affiliated group" means one or more corporations  
77 connected through stock ownership with a common parent corporation  
78 where at least eighty percent (80%) of the voting power of all  
79 classes of stock and at least eighty percent (80%) of each class  
80 of the nonvoting stock of each of the member corporations, except  
81 the common parent corporation, is directly owned by one or more of  
82 the other member corporations; and the common parent corporation  
83 directly owns stock possessing at least eighty percent (80%) of  
84 the voting power of all classes of stock and at least eighty  
85 percent (80%) of each class of the nonvoting stock of at least one  
86 (1) of the other member corporations. As used in this subsection,  
87 the term "stock" does not include nonvoting stock that is limited  
88 and preferred as to dividends.

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