

By: Senator(s) Dearing

To: Finance

SENATE BILL NO. 3069

1 AN ACT TO AMEND SECTION 57-89-5, MISSISSIPPI CODE OF 1972, TO
 2 INCREASE THE AMOUNT OF THE INCOME TAX CREDIT TO WHICH MOTION
 3 PICTURE PRODUCTION COMPANIES ARE ENTITLED FOR THE EMPLOYMENT OF
 4 MISSISSIPPI RESIDENTS IN CONNECTION WITH A STATE-CERTIFIED
 5 PRODUCTION IN THIS STATE; TO AMEND SECTION 57-89-7, MISSISSIPPI
 6 CODE OF 1972, TO INCREASE THE PORTION OF A MOTION PICTURE
 7 PRODUCTION COMPANY'S BASE INVESTMENT TO WHICH SUCH A COMPANY IS
 8 ENTITLED AS A REBATE; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 57-89-5, Mississippi Code of 1972, is
 11 amended as follows:

12 57-89-5. (1) A motion picture production company shall be
 13 entitled to a tax credit for the employment of residents of
 14 Mississippi in connection with production of a state-certified
 15 production in the state. The credit shall be equal to fifteen
 16 percent (15%) of the total aggregate payroll for residents
 17 employed in connection with such state-certified production during
 18 the taxable year.

19 (2) The credit may be applied to the tax liability
 20 applicable to the motion picture production company imposed by
 21 Chapter 7 of Title 27, Mississippi Code of 1972. The credit shall
 22 be limited to the tax liability created by the activity for which
 23 the credit is granted.

24 (3) If the motion picture production company is an entity
 25 not subject to the tax imposed by Chapter 7 of Title 27,
 26 Mississippi Code of 1972, the tax credit shall flow through to its
 27 partners or members as follows:

28 (a) Corporate partners or members shall claim their
 29 share of the credit on their corporation income tax return.

30 (b) Individual partners or members shall claim their
31 share of the credit on their individual income tax returns.

32 (c) Partners or members that are estates or trusts
33 shall claim their share of the credit on their fiduciary income
34 tax returns.

35 (4) Any unused credit may be carried forward no more than
36 ten (10) years from the date the credit was earned. The credit
37 authorized in this section is not refundable.

38 (5) A motion picture production company desiring a tax
39 credit under this section must submit an application to the State
40 Tax Commission. The application must include a detailed
41 accounting of the total aggregate payroll for residents employed
42 in connection with such state-certified production during the
43 taxable year and any other information required by the State Tax
44 Commission.

45 (6) The State Tax Commission shall have all powers necessary
46 to implement and administer the provisions of this section, and
47 the commission shall promulgate rules and regulations, in
48 accordance with the Mississippi Administrative Procedures Law,
49 necessary for the implementation of this section.

50 **SECTION 2.** Section 57-89-7, Mississippi Code of 1972, is
51 amended as follows:

52 57-89-7. (1) A motion picture production company shall be
53 entitled to a rebate of a portion of the base investment made by
54 the motion picture production company. The amount of the rebate
55 shall be equal to fifteen percent (15%) of the base investment
56 made by the motion picture production company.

57 (2) A motion picture production company desiring a rebate
58 under this section must submit an application to the State Tax
59 Commission upon completion of the project. The application must
60 include a detailed accounting of the base investment made by the
61 motion picture production company and any other information
62 required by the State Tax Commission. Rebates made by the State

63 Tax Commission under this section shall be made from current
64 income tax collections.

65 (3) The State Tax Commission shall have all powers necessary
66 to implement and administer the provisions of this section, and
67 the State Tax Commission shall promulgate rules and regulations,
68 in accordance with the Mississippi Administrative Procedures Law,
69 necessary for the implementation of this section.

70 **SECTION 3.** This act shall take effect and be in force from
71 and after July 1, 2007.