

By: Senator(s) Horhn, Burton, Butler (36th),  
Butler (38th), Chassaniol, Dawkins,  
Fillingane, Jackson (11th), Jackson (32nd),  
Jordan, Montgomery, Simmons (12th), Simmons  
(13th), Sojourner, Tindell, Wiggins

To: Economic Development;  
Finance

COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 2462

1 AN ACT TO AMEND SECTION 57-89-3, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE DEFINITION OF THE TERMS "MOTION PICTURE" AND "MOTION  
3 PICTURE PRODUCTION COMPANY" UNDER THE MISSISSIPPI MOTION PICTURE  
4 INCENTIVE ACT TO INCLUDE COMPUTER OR VIDEO GAMES; TO AMEND SECTION  
5 57-89-7, MISSISSIPPI CODE OF 1972, TO INCREASE TO \$5,000,000.00  
6 THE AMOUNT OF PAYROLL THAT MAY BE APPLIED TO THE MISSISSIPPI  
7 MOTION PICTURE INCENTIVE ACT REBATE; TO AUTHORIZE A MOTION  
8 PICTURE PRODUCTION COMPANY TO RECEIVE A REBATE EQUAL TO 5% OF THE  
9 PAYROLL PAID FOR ANY EMPLOYEE WHO IS A VETERAN OF THE UNITED  
10 STATES ARMED FORCES; TO INCREASE THE TOTAL AMOUNT OF REBATES THAT  
11 A MOTION PICTURE PRODUCTION COMPANY MAY RECEIVE FOR A MOTION  
12 PICTURE PROJECT UNDER THE MISSISSIPPI MOTION PICTURE INCENTIVE ACT  
13 TO \$10,000,000.00; TO PROVIDE THAT THE DEPARTMENT OF REVENUE SHALL  
14 NOT APPROVE A REBATE UNDER CERTAIN PROVISIONS OF THE MISSISSIPPI  
15 MOTION PICTURE INCENTIVE ACT AFTER JULY 1, 2016; AND FOR RELATED  
16 PURPOSES.

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

18 **SECTION 1.** Section 57-89-3, Mississippi Code of 1972, is  
19 amended as follows:

20 57-89-3. As used in this chapter, the following terms shall  
21 have the meanings ascribed in this section unless the context  
22 clearly indicates otherwise:

23 (a) "Base investment" means the actual investment made  
24 and expended in Mississippi by a motion picture production company  
25 in connection with the production of a state-certified production



26 in the state. The term "base investment" includes amounts  
27 expended in Mississippi by a motion picture production company as  
28 per diem and housing allowances in connection with the production  
29 of a state-certified production in the state. The term "base  
30 investment" shall not include payroll.

31 (b) "Employee" means an individual directly involved in  
32 the physical production and/or post-production of a motion picture  
33 produced in the state and who is employed by a:

34 (i) Motion picture production company that is  
35 directly involved in the physical production and/or  
36 post-production of a motion picture in the state;

37 (ii) Personal service corporation retained by a  
38 motion picture production company to provide persons used directly  
39 in the physical production and/or post-production of a motion  
40 picture in the state; or

41 (iii) Payroll service or loan-out company that is  
42 retained by a motion picture production company to provide  
43 employees who work directly in the physical production and/or  
44 post-production of a motion picture in the state.

45 (c) "Motion picture" means a nationally distributed  
46 feature-length film, video, DVD, television program or  
47 series, \* \* \* commercial, or computer or video game made in  
48 Mississippi, in whole or in part, for theatrical or DVD release or  
49 television viewing or as a television pilot or viewing through  
50 streaming video or Internet delivery, or for playing on a video



51 game console, personal computer or handheld device. The term  
52 "motion picture" shall not include the production of television  
53 coverage of news and athletic events, or a film, video, DVD,  
54 television program, series, or commercial that contains any  
55 material or performance defined in Section 97-29-103.

56 (d) "Motion picture production company" means a company  
57 engaged in the business of producing nationally distributed motion  
58 pictures, videos, DVDs, television programs or series, \* \* \*  
59 commercials, or computer or video games intended for a theatrical  
60 release \* \* \*, for television viewing or for playing on a video  
61 game console, personal computer or handheld device. The term  
62 "motion picture production company" includes a company engaged in  
63 the business of making such productions through the use of  
64 animation, interactive media, preproduction and post-production 3D  
65 applications, video game cinematics, virtual production, visual  
66 effects, and motion capture within the fields of feature film,  
67 television, commercials and games. The term "motion picture  
68 production company" shall not mean or include any company owned,  
69 affiliated, or controlled, in whole or in part, by any company or  
70 person which is in default on a loan made by the state or a loan  
71 guaranteed by the state, or any company or person who has ever  
72 declared bankruptcy under which an obligation of the company or  
73 person to pay or repay public funds or monies was discharged as a  
74 part of such bankruptcy.



75 (e) "Payroll" means salary, wages or other compensation  
76 including related benefits paid to employees upon which  
77 Mississippi income tax is due and has been withheld.

78 (f) "Resident" or "resident of Mississippi" means a  
79 natural person, and for the purpose of determining eligibility for  
80 the rebate provided by Section 57-89-7, any person domiciled in  
81 the State of Mississippi and any other person who maintains a  
82 permanent place of abode within the state and spends in the  
83 aggregate more than six (6) months of each year within the state.

84 (g) "State" means the State of Mississippi.

85 (h) "State-certified production" means a motion picture  
86 approved by the Mississippi Development Authority produced by a  
87 motion picture production company in the state. An application  
88 for approval as a state-certified production must be submitted to  
89 the Mississippi Development Authority before production of the  
90 project begins.

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

93 57-89-7. (1) (a) A motion picture production company that  
94 expends at least Fifty Thousand Dollars (\$50,000.00) in base  
95 investment or payroll, or both, in the state shall be entitled to  
96 a rebate of a portion of the base investment made by the motion  
97 picture production company. Subject to the provisions of this  
98 section, the amount of the rebate shall be equal to twenty-five



99 percent (25%) of the base investment made by the motion picture  
100 production company.

101 (b) In addition to the rebates authorized under  
102 paragraphs (a) \* \* \*, (c) and (d) of this subsection, a motion  
103 picture production company may receive a rebate equal to  
104 twenty-five percent (25%) of payroll paid for any employee who is  
105 not a resident and whose wages are subject to the Mississippi  
106 Income Tax Withholding Law of 1968. However, if the payroll paid  
107 for an employee exceeds \* \* \* Five Million Dollars (\$5,000,000.00,  
108 then the rebate is authorized only for the first \* \* \* Five  
109 Million Dollars (\$5,000,000.00) of such payroll.

110 (c) In addition to the rebates authorized under  
111 paragraphs (a) \* \* \*, (b) and (d) of this subsection, a motion  
112 picture production company may receive a rebate equal to thirty  
113 percent (30%) of payroll paid for any employee who is a resident  
114 and whose wages are subject to the Mississippi Income Tax  
115 Withholding Law of 1968. However, if the payroll paid for an  
116 employee exceeds \* \* \* Five Million Dollars (\$5,000,000.00), then  
117 the rebate is authorized only for the first \* \* \* Five Million  
118 Dollars (\$5,000,000.00) of such payroll.

119 (d) In addition to the rebates authorized in paragraphs  
120 (a), (b) and (c) of this subsection, a motion picture production  
121 company may receive an additional rebate equal to five percent  
122 (5%) of the payroll paid for any employee who is an honorably  
123 discharged veteran of the United States Armed Forces and whose



124 wages are subject to the Mississippi Income Tax Withholding Law of  
125 1968.

126 ( \* \* \*e) If a motion picture has physical production  
127 activities and/or post-production activities both inside and  
128 outside the state, then the motion picture production company  
129 shall be required to provide an itemized accounting for each  
130 employee regarding such activities inside and outside the state  
131 for the purposes of proration of eligible payroll based on the  
132 percentage of activities performed in the state.

133 ( \* \* \*f) The total amount of rebates authorized for a  
134 motion picture project shall not exceed \* \* \* Ten Million Dollars  
135 (\$10,000,000.00) in the aggregate.

136 ( \* \* \*g) The total amount of rebates authorized in any  
137 fiscal year shall not exceed Twenty Million Dollars  
138 (\$20,000,000.00) in the aggregate.

139 (2) A motion picture production company desiring a rebate  
140 under this section must submit a rebate request to the Department  
141 of Revenue upon completion of the project. The request must  
142 include a detailed accounting of the base investment made by the  
143 motion picture production company and any other information  
144 required by the Department of Revenue. Rebates made by the  
145 Department of Revenue under this section shall be made from  
146 current income tax collections. The Department of Revenue shall  
147 not approve any application for a rebate under subsection (1)(b)  
148 of this section after July 1, \* \* \* 2016.



149           (3) The Department of Revenue shall have all powers  
150 necessary to implement and administer the provisions of this  
151 section, and the Department of Revenue shall promulgate rules and  
152 regulations, in accordance with the Mississippi Administrative  
153 Procedures Law, necessary for the implementation of this section.

154           **SECTION 3.** This act shall take effect and be in force from  
155 and after its passage.

