

By: Representative White

To: Ways and Means

HOUSE BILL NO. 496

1 AN ACT TO AMEND SECTION 27-7-22.36, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR ENTERPRISES THAT OWN OR
3 OPERATE UPHOLSTERED HOUSEHOLD FURNITURE MANUFACTURING FACILITIES
4 FOR EACH FULL-TIME EMPLOYEE EMPLOYED BY SUCH ENTERPRISE IN A NEW
5 CUT AND SEW JOB, TO EXTEND THE DATE OF REPEAL ON SUCH SECTION; AND
6 FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 27-7-22.36, Mississippi Code of 1972, is
9 amended as follows:

10 27-7-22.36. (1) As used in this section:

11 (a) "Full-time employee" means an employee that works
12 at least thirty-five (35) hours per week.

13 (b) "New cut and sew job" means a job in which the
14 employee cuts and sews upholstery for upholstered household
15 furniture and which job did not exist in this state before January
16 1, 2010.

17 (2) Any enterprise owning or operating an upholstered
18 household furniture manufacturing facility is allowed a job tax
19 credit for taxes imposed by this chapter equal to Two Thousand
20 Dollars (\$2,000.00) annually for each full-time employee employed



21 in a new cut and sew job for a period of five (5) years from the
22 date the credit commences. The credit shall commence on the date
23 selected by the enterprise. For the year in which the
24 commencement date occurs, the credit will be determined based on
25 the monthly average number of full-time employees employed in new
26 cut and sew jobs subject to the Mississippi income tax withholding
27 that are employed by the enterprise. For each year thereafter,
28 the number of new cut and sew jobs shall be determined by
29 comparing the monthly average number of full-time employees
30 employed in new cut and sew jobs subject to the Mississippi income
31 tax withholding for the taxable year with the corresponding period
32 of the prior taxable year. The Department of Revenue shall verify
33 that the jobs claimed by enterprises to obtain the credit meet the
34 definition of the term "new cut and sew job." The Department of
35 Revenue shall adjust the credit allowed each year for employment
36 fluctuations.

37 (3) The credit that may be used each year shall be limited
38 to an amount not greater than the total state income tax liability
39 of the enterprise. Any tax credit claimed under this section but
40 not used in any taxable year may be carried forward for five (5)
41 consecutive years from the close of the tax year in which the
42 credits were earned.

43 (4) The tax credits provided for in this section shall be in
44 lieu of the tax credits provided for in Section 57-73-21 and any



45 enterprise using the tax credit authorized in this section shall
46 not use the tax credit authorized in Section 57-73-21.

47 (5) Any taxpayer who is eligible for the credit authorized
48 in this section prior to January 1, * * * 2019, shall be eligible
49 for the credit authorized in this section, notwithstanding the
50 repeal of this section, and shall be allowed to carry forward the
51 credit after January 1, * * * 2019, as provided for in subsection
52 (3) of this section.

53 (6) This section shall be repealed from and after January 1,
54 * * * 2019.

55 **SECTION 2.** This act shall take effect and be in force from
56 and after January 1, 2016.

