

By: Representative White

To: Ways and Means

HOUSE BILL NO. 891

1 AN ACT TO AMEND SECTION 27-7-22.36, MISSISSIPPI CODE OF 1972,  
 2 TO EXTEND THE DATE OF THE REPEALER ON THE INCOME TAX CREDIT FOR  
 3 ENTERPRISES THAT OWN OR OPERATE UPHOLSTERED HOUSEHOLD FURNITURE  
 4 MANUFACTURING FACILITIES FOR EACH FULL-TIME EMPLOYEE EMPLOYED BY  
 5 SUCH ENTERPRISE IN A NEW CUT AND SEW JOB; AND FOR RELATED  
 6 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, \* \* \* 2022, 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, \* \* \* 2022, as provided for in subsection  
52 (3) of this section.

53 (6) This section shall be repealed from and after January  
54 1, \* \* \* 2022.

55 **SECTION 2.** This act shall take effect and be in force from  
56 and after January 1, 2018.

