

By: Representative Arnold

To: Tourism; Ways and Means

HOUSE BILL NO. 71

1 AN ACT TO AMEND SECTION 57-89-7, MISSISSIPPI CODE OF 1972, TO
2 EXTEND TO JULY 1, 2024, THE AUTHORITY OF THE DEPARTMENT OF REVENUE
3 TO APPROVE APPLICATIONS FOR CERTAIN REBATES UNDER THE MISSISSIPPI
4 MOTION PICTURE INCENTIVE ACT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 57-89-7, Mississippi Code of 1972, is
7 amended as follows:

8 57-89-7. (1) (a) A motion picture production company that
9 expends at least Fifty Thousand Dollars (\$50,000.00) in base
10 investment, payroll and/or fringes, in the state shall be entitled
11 to a rebate of a portion of the base investment made by the motion
12 picture production company. Subject to the provisions of this
13 section, the amount of the rebate shall be equal to twenty-five
14 percent (25%) of the base investment made by the motion picture
15 production company.

16 (b) In addition to the rebates authorized under
17 paragraphs (a), (c) and (d) of this subsection, a motion picture
18 production company may receive a rebate equal to twenty-five
19 percent (25%) of payroll and fringes paid for any employee who is



20 not a resident and whose wages are subject to the Mississippi
21 Income Tax Withholding Law of 1968. However, if the payroll and
22 fringes paid for an employee exceeds Five Million Dollars
23 (\$5,000,000.00), then the rebate is authorized only for the first
24 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

25 (c) In addition to the rebates authorized under
26 paragraphs (a), (b) and (d) of this subsection, a motion picture
27 production company may receive a rebate equal to thirty percent
28 (30%) of payroll and fringes paid for any employee who is a
29 resident and whose wages are subject to the Mississippi Income Tax
30 Withholding Law of 1968. However, if the payroll and fringes paid
31 for an employee exceeds Five Million Dollars (\$5,000,000.00), then
32 the rebate is authorized only for the first Five Million Dollars
33 (\$5,000,000.00) of such payroll and fringes.

34 (d) In addition to the rebates authorized in paragraphs
35 (a), (b) and (c) of this subsection, a motion picture production
36 company may receive an additional rebate equal to five percent
37 (5%) of the payroll and fringes paid for any employee who is an
38 honorably discharged veteran of the United States Armed Forces and
39 whose wages are subject to the Mississippi Income Tax Withholding
40 Law of 1968.

41 (e) If a motion picture has physical production
42 activities and/or post-production activities both inside and
43 outside the state, then the motion picture production company
44 shall be required to provide an itemized accounting for each



employee regarding such activities inside and outside the state for the purposes of proration of eligible payroll based on the percentage of activities performed in the state.

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

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

(2) A motion picture production company desiring a rebate under this section must submit a rebate request to the Department of Revenue upon completion of the project. The request must include a detailed accounting of the base investment made by the motion picture production company and any other information required by the Department of Revenue. Rebates made by the Department of Revenue under this section shall be made from current income tax collections. The Department of Revenue shall not approve any application for a rebate under subsection (1)(b) of this section after July 1, * * * 2024.

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



69 (4) The State Auditor may conduct performance and compliance
70 audits under this chapter according to Section 7-7-211(o) and may
71 bill the oversight agency.

72 **SECTION 2.** This act shall take effect and be in force from
73 and after July 1, 2019.

