By: Senator(s) Parker, McLendon, Blackwell To: Economic and Workforce

Development; Finance

SENATE BILL NO. 2521

AN ACT TO AMEND SECTION 57-62-5, MISSISSIPPI CODE OF 1972, AS 2 APPLYING TO INCENTIVE APPLICANTS FROM AND AFTER JULY 1, 2010, TO REVISE THE DEFINITION OF "NEW DIRECT JOB" SOLELY WITH RESPECT TO A FARM EQUIPMENT MANUFACTURER THAT LOCATES ITS NORTH AMERICAN HEADQUARTERS TO MISSISSIPPI BETWEEN JANUARY 1, 2018, AND DECEMBER 5 6 31, 2020, TO ALLOW A POSITION TO QUALIFY IF CREATED BEFORE A 7 SPECIFIC DATE DETERMINED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY, THAT FALLS ON OR AFTER THE DATE THAT THE MDA FIRST ISSUES TO SUCH 8 9 FARM EOUIPMENT MANUFACTURER ONE OR MORE WRITTEN COMMITMENTS OR OFFERS OF ANY INCENTIVES IN CONNECTION WITH THE NEW HEADQUARTERS 10 11 PROJECT AND RELATED FACILITIES EXPECTED TO RESULT IN THE CREATION 12 OF SUCH NEW JOB; AND FOR RELATED PURPOSES.

- 13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- SECTION 1. Section 57-62-5, Mississippi Code of 1972, is 14
- amended as follows: 15
- 16 [For businesses or industries that received or applied for 17 incentive payments prior to July 1, 2005, this section shall read 18 as follows:]
- 57-62-5. As used in this chapter, the following words and 19
- 20 phrases shall have the meanings ascribed in this section unless
- 21 the context clearly indicates otherwise:
- 22 "Qualified business or industry" means any
- 23 corporation, limited liability company, partnership, sole

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24 proprietorship, business trust or other legal entity and subunits 25 or affiliates thereof, pursuant to rules and regulations of the 26 MDA, which provides an average annual salary, excluding benefits 27 which are not subject to Mississippi income taxes, of at least one 28 hundred twenty-five percent (125%) of the most recently published 29 state average annual wage or the most recently published average annual wage of the county in which the qualified business or 30 31 industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser. An establishment 32 33 shall not be considered to be a qualified business or industry 34 unless it offers, or will offer within one hundred eighty (180) days of the date it receives the first incentive payment pursuant 35 36 to the provisions of this chapter, a basic health benefits plan to the individuals it employs in new direct jobs in this state which 37 38 is approved by the MDA. Qualified business or industry does not

(b) "New direct job" means full-time employment in this state in a qualified business or industry that has qualified to receive an incentive payment pursuant to this chapter, which employment did not exist in this state before the date of approval by the MDA of the application of the qualified business or industry pursuant to the provisions of this chapter. "New direct job" shall include full-time employment in this state of employees who are employed by an entity other than the establishment that has qualified to receive an incentive payment and who are leased

include retail business or gaming business;

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- 49 to the qualified business or industry, if such employment did not
- 50 exist in this state before the date of approval by the MDA of the
- 51 application of the establishment;
- 52 (c) "Full-time job" means a job of at least thirty-five
- 53 (35) hours per week;
- (d) "Estimated direct state benefits" means the tax
- 55 revenues projected by the MDA to accrue to the state as a result
- 56 of the qualified business or industry;
- 57 (e) "Estimated direct state costs" means the costs
- 58 projected by the MDA to accrue to the state as a result of the
- 59 qualified business or industry;
- (f) "Estimated net direct state benefits" means the
- 61 estimated direct state benefits less the estimated direct state
- 62 costs;
- (g) "Net benefit rate" means the estimated net direct
- 64 state benefits computed as a percentage of gross payroll, provided
- 65 that:
- 66 (i) Except as otherwise provided in this paragraph
- 67 (g), the net benefit rate may be variable and shall not exceed
- 68 four percent (4%) of the gross payroll; and shall be set in the
- 69 sole discretion of the MDA;
- 70 (ii) In no event shall incentive payments,

- 71 cumulatively, exceed the estimated net direct state benefits;
- 72 (h) "Gross payroll" means wages for new direct jobs of
- 73 the qualified business or industry; and

- 74 (i) "MDA" means the Mississippi Development Authority.
- 75 [For businesses or industries that received or applied for
- 76 incentive payments from and after July 1, 2005, but prior to July
- 77 1, 2010, this section shall read as follows:]
- 78 57-62-5. As used in this chapter, the following words and
- 79 phrases shall have the meanings ascribed in this section unless
- 80 the context clearly indicates otherwise:
- 81 (a) "Qualified business or industry" means any
- 82 corporation, limited liability company, partnership, sole
- 83 proprietorship, business trust or other legal entity and subunits
- 84 or affiliates thereof, pursuant to rules and regulations of the
- 85 MDA, which:
- 86 (i) Is a data/information processing enterprise
- 87 meeting minimum criteria established by the MDA that provides an
- 88 average annual salary, excluding benefits which are not subject to
- 89 Mississippi income taxes, of at least one hundred percent (100%)
- 90 of the most recently published state average annual wage or the
- 91 most recently published average annual wage of the county in which
- 92 the qualified business or industry is located as determined by the
- 93 Mississippi Department of Employment Security, whichever is the
- 94 lesser, and creates not less than two hundred (200) new direct
- 95 jobs if the enterprise is located in a Tier One or Tier Two area
- 96 (as such areas are designated in accordance with Section
- 97 57-73-21), or which creates not less than one hundred (100) new

98 jobs if the enterprise is located in a Tier Three area (as such 99 areas are designated in accordance with Section 57-73-21); 100 Is a manufacturing or distribution enterprise meeting minimum criteria established by the MDA that provides an 101 102 average annual salary, excluding benefits which are not subject to 103 Mississippi income taxes, of at least one hundred ten percent 104 (110%) of the most recently published state average annual wage or 105 the most recently published average annual wage of the county in 106 which the qualified business or industry is located as determined 107 by the Mississippi Department of Employment Security, whichever is 108 the lesser, invests not less than Twenty Million Dollars (\$20,000,000.00) in land, buildings and equipment, and creates not 109 110 less than fifty (50) new direct jobs if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in 111 accordance with Section 57-73-21), or which creates not less than 112 113 twenty (20) new jobs if the enterprise is located in a Tier Three area (as such areas are designated in accordance with Section 114 57-73-21); 115 116 Is a corporation, limited liability company, (iii) partnership, sole proprietorship, business trust or other legal 117 118 entity and subunits or affiliates thereof, pursuant to rules and 119 regulations of the MDA, which provides an average annual salary, 120 excluding benefits which are not subject to Mississippi income 121 taxes, of at least one hundred twenty-five percent (125%) of the 122 most recently published state average annual wage or the most

123	recently published average annual wage of the county in which the
124	qualified business or industry is located as determined by the
125	Mississippi Department of Employment Security, whichever is the
126	lesser, and creates not less than twenty-five (25) new direct jobs
127	if the enterprise is located in a Tier One or Tier Two area (as
128	such areas are designated in accordance with Section 57-73-21), or
129	which creates not less than ten (10) new jobs if the enterprise is
130	located in a Tier Three area (as such areas are designated in
131	accordance with Section 57-73-21). An establishment shall not be
132	considered to be a qualified business or industry unless it
133	offers, or will offer within one hundred eighty (180) days of the
134	date it receives the first incentive payment pursuant to the
135	provisions of this chapter, a basic health benefits plan to the
136	individuals it employs in new direct jobs in this state which is
137	approved by the MDA. Qualified business or industry does not
138	include retail business or gaming business; or
139	(iv) Is a research and development or a technology
140	intensive enterprise meeting minimum criteria established by the
141	MDA that provides an average annual salary, excluding benefits
142	which are not subject to Mississippi income taxes, of at least one
143	hundred fifty percent (150%) of the most recently published state
144	average annual wage or the most recently published average annual
145	wage of the county in which the qualified business or industry is
146	located as determined by the Mississippi Department of Employment

147 Security, whichever is the lesser, and creates not less than ten 148 (10) new direct jobs.

149 An establishment shall not be considered to be a qualified 150 business or industry unless it offers, or will offer within one 151 hundred eighty (180) days of the date it receives the first 152 incentive payment pursuant to the provisions of this chapter, a 153 basic health benefits plan to the individuals it employs in new 154 direct jobs in this state which is approved by the MDA. Qualified 155 business or industry does not include retail business or gaming 156 business.

- (b) "New direct job" means full-time employment in this state in a qualified business or industry that has qualified to receive an incentive payment pursuant to this chapter, which employment did not exist in this state before the date of approval by the MDA of the application of the qualified business or industry pursuant to the provisions of this chapter. "New direct job" shall include full-time employment in this state of employees who are employed by an entity other than the establishment that has qualified to receive an incentive payment and who are leased to the qualified business or industry, if such employment did not exist in this state before the date of approval by the MDA of the application of the establishment.
- 169 (c) "Full-time job" or "full-time employment" means a
 170 job of at least thirty-five (35) hours per week.

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- 174 (e) "Estimated direct state costs" means the costs
 175 projected by the MDA to accrue to the state as a result of the
 176 qualified business or industry.
- 177 (f) "Estimated net direct state benefits" means the
 178 estimated direct state benefits less the estimated direct state
 179 costs.
- 180 (g) "Net benefit rate" means the estimated net direct

 181 state benefits computed as a percentage of gross payroll, provided

 182 that:
- (i) Except as otherwise provided in this paragraph (g), the net benefit rate may be variable and shall not exceed four percent (4%) of the gross payroll; and shall be set in the sole discretion of the MDA;
- 187 (ii) In no event shall incentive payments,
 188 cumulatively, exceed the estimated net direct state benefits.
- 189 (h) "Gross payroll" means wages for new direct jobs of 190 the qualified business or industry.
- (i) "MDA" means the Mississippi Development Authority.

 [For businesses or industries that apply for incentive

 payments from and after July 1, 2010, this section shall read as

 follows:]

195	57-62-5.	As used	l in thi	s chapter,	the	follo	owing	words	and
196	phrases shall	have the	meanin	gs ascribe	d in	this	secti	on unl	less
197	the context c	learly in	dicates	otherwise	:				

- 198 (a) "Qualified business or industry" means any
 199 corporation, limited liability company, partnership, sole
 200 proprietorship, business trust or other legal entity and subunits
 201 or affiliates thereof, pursuant to rules and regulations of the
 202 MDA, which:
 - meeting minimum criteria established by the MDA that provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred percent (100%) of the most recently published state average annual wage or the most recently published average annual wage of the county in which the qualified business or industry is located as determined by the Mississippi Department of Employment Security, whichever is the lesser, and creates not less than two hundred (200) new direct jobs;
- 213 (ii) Is a corporation, limited liability company,
 214 partnership, sole proprietorship, business trust or other legal
 215 entity and subunits or affiliates thereof, pursuant to rules and
 216 regulations of the MDA, which provides an average annual salary,
 217 excluding benefits which are not subject to Mississippi income
 218 taxes, of at least one hundred ten percent (110%) of the most
 219 recently published state average annual wage or the most recently

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220	published average annual wage of the county in which the qualified
221	business or industry is located as determined by the Mississippi
222	Department of Employment Security, whichever is the lesser, and
223	creates not less than twenty-five (25) new direct jobs; or
224	(iii) Is a corporation, limited liability company,
225	partnership, sole proprietorship, business trust or other legal
226	entity and subunits or affiliates thereof, pursuant to rules and
227	regulations of the MDA, which is a manufacturer that:
228	1. Provides an average annual salary,
229	excluding benefits which are not subject to Mississippi income
230	taxes, of at least one hundred ten percent (110%) of the most
231	recently published state average annual wage or the most recently
232	published average annual wage of the county in which the qualified
233	business or industry is located as determined by the Mississippi
234	Department of Employment Security, whichever is the lesser;
235	2. Has a minimum of five thousand (5,000)
236	existing employees as of the last day of the previous calendar
237	year; and
238	3. MDA determines will create not less than
239	three thousand (3,000) new direct jobs within forty-eight (48)
240	months of the date the MDA determines that the applicant is
241	qualified to receive incentive payments.
242	An establishment shall not be considered to be a qualified
243	business or industry unless it offers, or will offer within one
244	hundred eighty (180) days of the date it receives the first

245	incentive payment pursuant to the provisions of this chapter, a
246	basic health benefits plan to the individuals it employs in new
247	direct jobs in this state which is approved by the MDA. Qualified
248	business or industry does not include retail business or gaming
249	business.
250	(b) "New direct job" means full-time employment in this
251	state in a qualified business or industry that has qualified to
252	receive an incentive payment pursuant to this chapter, which
253	employment did not exist in this state:
254	(i) Before the date of approval by the MDA of the
255	application of the qualified business or industry pursuant to the
256	provisions of this chapter * * *; or
257	(ii) Solely with respect to any farm equipment
258	manufacturer that locates its North American headquarters to
259	Mississippi between January 1, 2018, and December 31, 2020, before
260	a specific date determined by the MDA that falls on or after the
261	date that the MDA first issues to such farm equipment manufacturer
262	one or more written commitments or offers of any incentives in
263	connection with the new headquarters project and related
264	facilities expected to result in the creation of such new job.
265	"New direct job" shall include full-time employment in this
266	state of employees who are employed by an entity other than the
267	establishment that has qualified to receive an incentive payment
268	and who are leased to the qualified business or industry if such

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- 270 by the MDA of the application of the establishment.
- 271 (c) "Full-time job" or "full-time employment" means a
- 272 job of at least thirty-five (35) hours per week.
- 273 (d) "Gross payroll" means wages for new direct jobs of
- 274 the qualified business or industry.
- (e) "MDA" means the Mississippi Development Authority.
- 276 **SECTION 2.** This act shall take effect and be in force from
- 277 and after its passage.