

By: Senator(s) Parker, McLendon, Blackwell

To: Economic and Workforce  
Development; Finance

## SENATE BILL NO. 2521

1 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  
3 REVISE THE DEFINITION OF "NEW DIRECT JOB" SOLELY WITH RESPECT TO A  
4 FARM EQUIPMENT MANUFACTURER THAT LOCATES ITS NORTH AMERICAN  
5 HEADQUARTERS TO MISSISSIPPI BETWEEN JANUARY 1, 2018, AND DECEMBER  
6 31, 2020, TO ALLOW A POSITION TO QUALIFY IF CREATED BEFORE A  
7 SPECIFIC DATE DETERMINED BY THE MISSISSIPPI DEVELOPMENT AUTHORITY,  
8 THAT FALLS ON OR AFTER THE DATE THAT THE MDA FIRST ISSUES TO SUCH  
9 FARM EQUIPMENT MANUFACTURER ONE OR MORE WRITTEN COMMITMENTS OR  
10 OFFERS OF ANY INCENTIVES IN CONNECTION WITH THE NEW HEADQUARTERS  
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:

14 **SECTION 1.** Section 57-62-5, Mississippi Code of 1972, is  
15 amended as follows:

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:]**

19 57-62-5. As used in this chapter, the following words and  
20 phrases shall have the meanings ascribed in this section unless  
21 the context clearly indicates otherwise:

22 (a) "Qualified business or industry" means any  
23 corporation, limited liability company, partnership, sole



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  
30 annual wage of the county in which the qualified business or  
31 industry is located as determined by the Mississippi Department of  
32 Employment Security, whichever is the lesser. An establishment  
33 shall not be considered to be a qualified business or industry  
34 unless it offers, or will offer within one hundred eighty (180)  
35 days of the date it receives the first incentive payment pursuant  
36 to the provisions of this chapter, a basic health benefits plan to  
37 the individuals it employs in new direct jobs in this state which  
38 is approved by the MDA. Qualified business or industry does not  
39 include retail business or gaming business;

40           (b) "New direct job" means full-time employment in this  
41 state in a qualified business or industry that has qualified to  
42 receive an incentive payment pursuant to this chapter, which  
43 employment did not exist in this state before the date of approval  
44 by the MDA of the application of the qualified business or  
45 industry pursuant to the provisions of this chapter. "New direct  
46 job" shall include full-time employment in this state of employees  
47 who are employed by an entity other than the establishment that  
48 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;

(c) "Full-time job" means a job of at least thirty-five (35) hours per week;

(d) "Estimated direct state benefits" means the tax revenues projected by the MDA to accrue to the state as a result of the qualified business or industry;

(e) "Estimated direct state costs" means the costs projected by the MDA to accrue to the state as a result of the qualified business or industry;

(f) "Estimated net direct state benefits" means the estimated direct state benefits less the estimated direct state costs;

(g) "Net benefit rate" means the estimated net direct state benefits computed as a percentage of gross payroll, provided 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;

(ii) In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits;

(h) "Gross payroll" means wages for new direct jobs of the qualified business or industry; and



(i) "MDA" means the Mississippi Development Authority.

**[For businesses or industries that received or applied for incentive payments from and after July 1, 2005, but prior to July 1, 2010, this section shall read as follows:]**

57-62-5. As used in this chapter, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Qualified business or industry" means any corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which:

(i) Is a data/information processing enterprise 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 if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in accordance with Section 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 (ii) Is a manufacturing or distribution enterprise  
101 meeting minimum criteria established by the MDA that provides an  
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  
109 (\$20,000,000.00) in land, buildings and equipment, and creates not  
110 less than fifty (50) new direct jobs if the enterprise is located  
111 in a Tier One or Tier Two area (as such areas are designated in  
112 accordance with Section 57-73-21), or which creates not less than  
113 twenty (20) new jobs if the enterprise is located in a Tier Three  
114 area (as such areas are designated in accordance with Section  
115 57-73-21);

116 (iii) Is a corporation, limited liability company,  
117 partnership, sole proprietorship, business trust or other legal  
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



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 twenty-five (25) new direct jobs if the enterprise is located in a Tier One or Tier Two area (as such areas are designated in accordance with Section 57-73-21), or which creates not less than ten (10) new jobs if the enterprise is located in a Tier Three area (as such areas are designated in accordance with Section 57-73-21). An establishment shall not be considered to be a qualified business or industry unless it offers, or will offer within one hundred eighty (180) days of the date it receives the first incentive payment pursuant to the provisions of this chapter, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is approved by the MDA. Qualified business or industry does not include retail business or gaming business; or

(iv) Is a research and development or a technology intensive enterprise 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 fifty percent (150%) 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 ten (10) new direct jobs.

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

(c) "Full-time job" or "full-time employment" means a job of at least thirty-five (35) hours per week.



(d) "Estimated direct state benefits" means the tax revenues projected by the MDA to accrue to the state as a result of the qualified business or industry.

(e) "Estimated direct state costs" means the costs projected by the MDA to accrue to the state as a result of the qualified business or industry.

(f) "Estimated net direct state benefits" means the estimated direct state benefits less the estimated direct state costs.

(g) "Net benefit rate" means the estimated net direct state benefits computed as a percentage of gross payroll, provided 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;

(ii) In no event shall incentive payments, cumulatively, exceed the estimated net direct state benefits.

(h) "Gross payroll" means wages for new direct jobs of 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:]**





57-62-5. As used in this chapter, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Qualified business or industry" means any corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which:

(i) Is a data/information processing enterprise 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;

(ii) Is a corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred ten percent (110%) 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 twenty-five (25) new direct jobs; or

(iii) Is a corporation, limited liability company, partnership, sole proprietorship, business trust or other legal entity and subunits or affiliates thereof, pursuant to rules and regulations of the MDA, which is a manufacturer that:

1. Provides an average annual salary, excluding benefits which are not subject to Mississippi income taxes, of at least one hundred ten percent (110%) 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;

2. Has a minimum of five thousand (5,000) existing employees as of the last day of the previous calendar year; and

3. MDA determines will create not less than three thousand (3,000) new direct jobs within forty-eight (48) months of the date the MDA determines that the applicant is qualified to receive incentive payments.

An establishment shall not be considered to be a qualified business or industry unless it offers, or will offer within one hundred eighty (180) days of the date it receives the first



incentive payment pursuant to the provisions of this chapter, a basic health benefits plan to the individuals it employs in new direct jobs in this state which is approved by the MDA. Qualified business or industry does not include retail business or gaming 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:

(i) Before the date of approval by the MDA of the application of the qualified business or industry pursuant to the provisions of this chapter \* \* \*; or

(ii) Solely with respect to any farm equipment manufacturer that locates its North American headquarters to Mississippi between January 1, 2018, and December 31, 2020, before a specific date determined by the MDA that falls on or after the date that the MDA first issues to such farm equipment manufacturer one or more written commitments or offers of any incentives in connection with the new headquarters project and related facilities expected to result in the creation of such new job.

"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



269 employment did not exist in this state before the date of approval  
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.

275 (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.

