

By: Representatives Creekmore IV, Summers,  
Stamps

To: Tourism; Ways and Means

HOUSE BILL NO. 704  
(As Passed the House)

1 AN ACT TO PROVIDE FOR THE REBATE OF A PORTION OF INVESTMENT  
2 AND EXPENDITURES MADE BY COMPANIES ENGAGED IN THE PRODUCTION OF  
3 NATIONALLY DISTRIBUTED CONNECTED SETS OF TELEVISION PROGRAM  
4 EPISODES, CONSISTING OF NOT LESS THAN TWO EPISODES MADE IN  
5 MISSISSIPPI, IN WHOLE OR IN PART, FOR VIEWING THROUGH TRADITIONAL  
6 TELEVISION THAT IS BROADCAST VIA CABLE, SATELLITE OR OVER-THE-AIR  
7 AERIAL ANTENNA SYSTEMS; THROUGH THE DIGITAL DISTRIBUTION OF  
8 TELEVISION CONTENT AS STREAMING MEDIA OVER THE INTERNET THROUGH  
9 STREAMING PLATFORMS, WHICH MAY BE VIEWED ON DIGITAL DEVICES, SUCH  
10 AS A PERSONAL COMPUTER OR HANDHELD DEVICE; OR THROUGH DVD RELEASE;  
11 TO PROVIDE FOR THE AMOUNT OF THE REBATES AUTHORIZED IN THIS ACT;  
12 TO DEFINE CERTAIN TERMS; TO AMEND SECTION 57-89-7, MISSISSIPPI  
13 CODE OF 1972, WHICH IS A SECTION OF THE MISSISSIPPI MOTION PICTURE  
14 INCENTIVE ACT, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR  
15 RELATED PURPOSES.

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

17 **SECTION 1.** (1) As used in this section, the following terms  
18 shall have the meanings ascribed in this subsection unless the  
19 context clearly indicates otherwise:

20 (a) "Base investment" means the actual investment made  
21 and expended in Mississippi by a production company in connection  
22 with the production of a state-certified production in the state.  
23 The term "base investment" includes amounts expended in  
24 Mississippi by a production company as per diem and housing



25 allowances in connection with the production of a state-certified  
26 production in the state. The term "base investment" shall not  
27 include payroll. However, in the case of a production company, or  
28 its owner, principal, member, production partner, independent  
29 contractor director or producer, or subsidiary company that (i) is  
30 designated and pre-qualified by the Mississippi Development  
31 Authority as Mississippi-based or a Mississippi resident; (ii) has  
32 filed income taxes in the State of Mississippi during each of the  
33 previous three (3) years; and (iii) has engaged in activities  
34 related to the production of at least two (2) series in  
35 Mississippi during the past ten (10) years, base investment may  
36 include payroll and fringes paid for any employee who is not a  
37 resident and whose wages are subject to the Mississippi Income Tax  
38 Withholding Law of 1968, if so requested by the production  
39 company. A production company must submit such a request to the  
40 Mississippi Development Authority at the time the company submits  
41 an application for approval as a state-certified production. In  
42 addition, if base investment includes payroll and fringes, and the  
43 payroll and fringes paid for an employee exceeds Three Million  
44 Dollars (\$3,000,000.00), then only the first Three Million Dollars  
45 (\$3,000,000.00) of such payroll and fringes may be included in  
46 base investment.

47 (b) "Employee" means an individual directly involved in  
48 the physical production and/or post-production of a series  
49 produced in the state and who is employed by a:



50 (i) Production company that is directly involved  
51 in the physical production and/or post-production of a series in  
52 the state;

53 (ii) Personal service corporation retained by a  
54 production company to provide persons used directly in the  
55 physical production and/or post-production of a series in the  
56 state; or

57 (iii) Payroll service or loan-out company that is  
58 retained by a production company to provide employees who work  
59 directly in the physical production and/or post-production of a  
60 series in the state.

61 (c) "Fringes" means costs paid by a production company  
62 for employee benefits that are not subject to state income tax.  
63 Fringes may include, but are not limited to, payments by an  
64 employer for unemployment insurance, Federal Insurance  
65 Contribution Act (FICA), workers' compensation insurance, pension  
66 and welfare benefits and health insurance premiums.

67 (d) "Series" means a nationally distributed connected  
68 set of television program episodes, consisting of not less than  
69 two (2) episodes made in Mississippi, in whole or in part, for  
70 viewing through: traditional television that is broadcast via  
71 cable, satellite or over-the-air aerial antenna systems; the  
72 digital distribution of television content as streaming media over  
73 the Internet through streaming platforms, which may be viewed on  
74 digital devices, such as a personal computer or handheld device;



75 or through DVD release. The term "series" shall not include any  
76 production or work described in this paragraph (d) that contains  
77 any material or performance defined in Section 97-29-103.

78 (e) "Production company" means a company engaged in the  
79 business of producing series. The term "production company" shall  
80 not mean or include any company owned, affiliated, or controlled,  
81 in whole or in part, by any company or person which is in default  
82 on a loan made by the state or a loan guaranteed by the state, or  
83 any company or person who has ever declared bankruptcy under which  
84 an obligation of the company or person to pay or repay public  
85 funds or monies was discharged as a part of such bankruptcy.

86 (f) "Payroll" means salary, wages or other compensation  
87 including related benefits paid to employees upon which  
88 Mississippi income tax is due and has been withheld.

89 (g) "Resident" or "resident of Mississippi" means a  
90 natural person, and for the purpose of determining eligibility for  
91 the rebate provided by this section, any person domiciled in the  
92 State of Mississippi and any other person who maintains a  
93 permanent place of abode within the state and spends in the  
94 aggregate more than six (6) months of each year within the state.

95 (h) "State" means the State of Mississippi.

96 (i) "State-certified production" means a series  
97 approved by the Mississippi Development Authority produced by a  
98 production company in the state. An application for approval as a



99 state-certified production must be submitted to the Mississippi  
100 Development Authority before production of the project begins.

101 (2) (a) A production company that expends at least Fifty  
102 Thousand Dollars (\$50,000.00) in base investment, payroll and/or  
103 fringes, in the state shall be entitled to a rebate of a portion  
104 of the base investment made by the production company. Subject to  
105 the provisions of this section, the amount of the rebate shall be  
106 equal to twenty-five percent (25%) of the base investment made by  
107 the production company.

108 (b) In addition to the rebates authorized under  
109 paragraphs (a), (c) and (d) of this subsection, a production  
110 company may receive a rebate equal to twenty percent (20%) of  
111 payroll and fringes paid for any employee who is not a resident  
112 and whose wages are subject to the Mississippi Income Tax  
113 Withholding Law of 1968. However, if the payroll and fringes paid  
114 for an employee exceeds Three Million Dollars (\$3,000,000.00),  
115 then the rebate is authorized only for the first Three Million  
116 Dollars (\$3,000,000.00) of such payroll and fringes.

117 (c) In addition to the rebates authorized under  
118 paragraphs (a), (b) and (d) of this subsection, a production  
119 company may receive a rebate equal to thirty-five percent (35%) of  
120 payroll and fringes paid for any employee who is a resident and  
121 whose wages are subject to the Mississippi Income Tax Withholding  
122 Law of 1968. However, if the payroll and fringes paid for an  
123 employee exceeds Three Million Dollars (\$3,000,000.00), then the



124 rebate is authorized only for the first Three Million Dollars  
125 (\$3,000,000.00) of such payroll and fringes.

126 (d) In addition to the rebates authorized in paragraphs  
127 (a), (b) and (c) of this subsection, a production company may  
128 receive an additional rebate equal to five percent (5%) of the  
129 payroll and fringes paid for any employee who is an honorably  
130 discharged veteran of the United States Armed Forces and whose  
131 wages are subject to the Mississippi Income Tax Withholding Law of  
132 1968.

133 (e) Base investment, payroll and/or fringes for which a  
134 rebate may be requested under this section: (i) may not be used  
135 or included for the purpose of satisfying any minimum investment  
136 required in order to be eligible for a rebate under the  
137 Mississippi Motion Picture Incentive Act and (ii) may not be used  
138 for and shall not be eligible for any rebate authorized under the  
139 Mississippi Motion Picture Incentive Act.

140 (f) If a series has physical production activities  
141 and/or post-production activities both inside and outside the  
142 state, then the production company shall be required to provide an  
143 itemized accounting for each employee regarding such activities  
144 inside and outside the state for the purposes of proration of  
145 eligible payroll based on the percentage of activities performed  
146 in the state.



147 (g) The total amount of rebates authorized for a series  
148 project shall not exceed Five Million Dollars (\$5,000,000.00) in  
149 the aggregate.

150 (h) The total amount of rebates authorized in any  
151 fiscal year shall not exceed Ten Million Dollars (\$10,000,000.00)  
152 in the aggregate.

153 (2) A production company desiring a rebate under this  
154 section must submit a rebate request to the Department of Revenue  
155 upon completion of the project. The request must include a  
156 detailed accounting of the base investment made by the production  
157 company and any other information required by the Department of  
158 Revenue. Rebates made by the Department of Revenue under this  
159 section shall be made from current income tax collections.

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

165 **SECTION 2.** Section 57-89-7, Mississippi Code of 1972, is  
166 amended as follows:

167 57-89-7. (1) (a) A motion picture production company that  
168 expends at least Fifty Thousand Dollars (\$50,000.00) in base  
169 investment, payroll and/or fringes, in the state shall be entitled  
170 to a rebate of a portion of the base investment made by the motion  
171 picture production company. Subject to the provisions of this



172 section, the amount of the rebate shall be equal to twenty-five  
173 percent (25%) of the base investment made by the motion picture  
174 production company.

175 (b) In addition to the rebates authorized under  
176 paragraphs (a), (c) and (d) of this subsection, a motion picture  
177 production company may receive a rebate equal to twenty-five  
178 percent (25%) of payroll and fringes paid for any employee who is  
179 not a resident and whose wages are subject to the Mississippi  
180 Income Tax Withholding Law of 1968. However, if the payroll and  
181 fringes paid for an employee exceeds Five Million Dollars  
182 (\$5,000,000.00), then the rebate is authorized only for the first  
183 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

184 (c) In addition to the rebates authorized under  
185 paragraphs (a), (b) and (d) of this subsection, a motion picture  
186 production company may receive a rebate equal to thirty percent  
187 (30%) of payroll and fringes paid for any employee who is a  
188 resident and whose wages are subject to the Mississippi Income Tax  
189 Withholding Law of 1968. However, if the payroll and fringes paid  
190 for an employee exceeds Five Million Dollars (\$5,000,000.00), then  
191 the rebate is authorized only for the first Five Million Dollars  
192 (\$5,000,000.00) of such payroll and fringes.

193 (d) In addition to the rebates authorized in paragraphs  
194 (a), (b) and (c) of this subsection, a motion picture production  
195 company may receive an additional rebate equal to five percent  
196 (5%) of the payroll and fringes paid for any employee who is an





197 honorably discharged veteran of the United States Armed Forces and  
198 whose wages are subject to the Mississippi Income Tax Withholding  
199 Law of 1968.

200 (e) Base investment, payroll and/or fringes for which a  
201 rebate may be requested under this section: (i) may not be used  
202 or included for the purpose of satisfying any minimum investment  
203 required in order to be eligible for a rebate under Section 1 of  
204 this act and (ii) may not be used for and shall not be eligible  
205 for any rebate authorized under Section 1 of this act.

206 ( \* \* \*f) If a motion picture has physical production  
207 activities and/or post-production activities both inside and  
208 outside the state, then the motion picture production company  
209 shall be required to provide an itemized accounting for each  
210 employee regarding such activities inside and outside the state  
211 for the purposes of proration of eligible payroll based on the  
212 percentage of activities performed in the state.

213 ( \* \* \*g) The total amount of rebates authorized for a  
214 motion picture project shall not exceed Ten Million Dollars  
215 (\$10,000,000.00) in the aggregate.

216 ( \* \* \*h) The total amount of rebates authorized in any  
217 fiscal year shall not exceed Twenty Million Dollars  
218 (\$20,000,000.00) in the aggregate.

219 (2) A motion picture production company desiring a rebate  
220 under this section must submit a rebate request to the Department  
221 of Revenue upon completion of the project. The request must



222 include a detailed accounting of the base investment made by the  
223 motion picture production company and any other information  
224 required by the Department of Revenue. Rebates made by the  
225 Department of Revenue under this section shall be made from  
226 current income tax collections. The Department of Revenue shall  
227 not approve any application for a rebate under subsection (1)(b)  
228 of this section after July 1, 2017.

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

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

237 **SECTION 3.** This act shall take effect and be in force from  
238 and after July 1, 2023.

