

By: Senator(s) DeLano, Wiggins, England,
Ladner, Thompson

To: Finance

SENATE BILL NO. 3126
(As Passed the Senate)

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN GAMING
2 LICENSEES MAKING EXPENDITURES ON BEHALF OF GROWTH CAPITAL
3 INVESTMENT PROJECTS CONSTRUCTING OR EXPANDING NONGAMING FACILITIES
4 AT EXISTING CASINO PROPERTIES, FOR THE PURPOSE OF INCREASING
5 ECONOMIC ACTIVITY AT SUCH PROPERTIES; TO PROVIDE THAT THE CREDIT
6 SHALL BE FOR AN AMOUNT EQUAL TO 50% OF THE INCREMENTAL GAMING
7 TAXES PAID BY THE ENTITY; TO DEFINE INCREMENTAL GAMING TAXES AS
8 THE DIFFERENCE BETWEEN AN ENTITY'S GAMING TAXES PAID ANNUALLY FOR
9 THE FIRST 10 YEARS AFTER THE OPENING OF THE GROWTH CAPITAL
10 INVESTMENT PROJECT AND THE ANNUALIZED AVERAGE OF THE ENTITY'S
11 GAMING TAXES PAID FOR THE THREE-YEAR PERIOD BEFORE THE OPENING OF
12 SUCH PROJECT; TO PROVIDE THAT THE AMOUNT OF THE CREDIT THAT MAY BE
13 UTILIZED BY AN ENTITY IN ANY TAX YEAR SHALL BE NOT GREATER THAN
14 THE TOTAL INCOME TAX LIABILITY OF THE ENTITY, AND THE TOTAL AMOUNT
15 OF THE CREDIT CLAIMED FOR ANY PROJECT MAY NOT EXCEED THE COST OF
16 THAT PROJECT; TO ALLOW AN UNUSED CREDIT TO BE CARRIED FORWARD FOR
17 FIVE CONSECUTIVE YEARS AFTER THE CREDIT WAS EARNED; TO PROVIDE
18 THAT AN ENTITY SHALL APPLY TO THE MISSISSIPPI GAMING COMMISSION,
19 WHICH SHALL DETERMINE THE ELIGIBILITY OF AN EXPENDITURE TO QUALIFY
20 AS A GROWTH CAPITAL INVESTMENT PROJECT FOR PURPOSES OF THE CREDIT;
21 TO PROVIDE THAT THE GAMING COMMISSION SHALL NOT ISSUE CERTIFICATES
22 OF ELIGIBILITY UNDER THIS ACT AFTER DECEMBER 31, 2029; AND FOR
23 RELATED PURPOSES.

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

25 **SECTION 1.** (1) As used in this section, the following terms
26 and phrases shall have the meanings ascribed herein:

27 (a) "Entity" means a gaming licensee having operated in
28 Mississippi for at least five (5) years and making an expenditure



on behalf of a growth capital investment project at its casino property.

(b) "Gaming taxes" means all taxes paid by an entity on its gaming revenue, excluding the gross revenue license fee imposed under Section 75-76-177.

(c) "Growth capital investment project" or "project" means a new capital project with an investment of no less than Seven Million Dollars (\$7,000,000.00) at an existing casino property designed to increase economic activity at the property, including, but not limited to, the construction or expansion of hotels, recreational vehicle (RV) parks, entertainment venues, restaurants, marinas or other nongaming attractions, but not including renovations or upgrades to such facilities, and not including the construction, expansion, renovation or upgrade of gaming facilities.

(d) "Incremental gaming taxes" means an amount calculated annually as the difference between an entity's gaming taxes paid for a twelve-month period beginning on the first day of the month following the opening of a growth capital investment project, or the first day of the same month in the next nine (9) years, and the entity's gaming taxes paid for an annualized three-year average of the thirty-six-month period ending with the full month immediately prior to the opening of the project.

(2) Any entity shall be allowed a credit against the taxes imposed by this chapter. The credit shall be for an amount equal



to fifty percent (50%) of the incremental gaming taxes paid by the entity. However, the amount of the credit that may be utilized by an entity in any one (1) tax year shall be limited to an amount not greater than the total tax liability of the entity under this chapter, and the total amount of the credit claimed for any one (1) project may not exceed the cost of that project. An entity may claim the credit for the tax year after the twelve-month period for which the incremental gaming taxes were calculated. Any credit claimed under this section but not used in any tax year may be carried forward for the five (5) succeeding tax years from the close of the tax year in which the credit was earned.

(3) In order to claim a credit authorized under this section, an entity shall apply to the Mississippi Gaming Commission, which shall determine the eligibility of an expenditure to qualify as a growth capital investment project. The Gaming Commission shall issue a certificate evidencing its determination that the entity is eligible for the credit. The entity shall attach the certificate to all applicable returns on which the credit is claimed. The Gaming Commission shall not issue certificates of eligibility under this section after December 31, 2029.

(4) The Gaming Commission and the department shall have all powers necessary to implement and administer the provisions of this section and may promulgate rules and regulations, in



78 accordance with the Mississippi Administrative Procedures Law,
79 necessary for the implementation of this section.

80 **SECTION 2.** Section 1 of this act shall be codified in
81 Chapter 7, Title 27, Mississippi Code of 1972.

82 **SECTION 3.** This act shall take effect and be in force from
83 and after January 1, 2025.

