

## **Senate Amendments to House Bill No. 1880**

**TO THE CLERK OF THE HOUSE:**

**THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:**

### **AMENDMENT NO. 1**

**Amend by striking all after the enacting clause and inserting in lieu thereof the following:**

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

17                (a) "Employee" means an individual directly involved in  
18 the physical production and/or post-production of a television  
19 production produced in the state and who is employed by a:

20                        (i) Production company that is directly involved  
21 in the physical production and/or post-production of a television  
22 production in the state;

23                        (ii) Personal service corporation retained by a  
24 production company to provide persons used directly in the  
25 physical production and/or post-production of a television  
26 production in the state; and/or

27                        (iii) Payroll service or loan-out company that is  
28 retained by a production company to provide employees who work  
29 directly in the physical production and/or post-production of a  
30 television production in the state.

31           (b) "Fringes" means costs paid by a production company  
32 for employee benefits that are subject to state income tax.

33           (c) "Payroll" means salary, wages or other  
34 compensation, including related benefits paid to employees upon  
35 which Mississippi income tax is due and has been withheld.

36           (d) "Production company" means a company engaged in the  
37 business of producing television productions. The term  
38 "production company" shall not mean or include any company owned,  
39 affiliated or controlled, in whole or in part, by any company or  
40 person which is in default on a loan made by the state or a loan  
41 guaranteed by the state, or any company or person who has ever  
42 declared bankruptcy under which an obligation of the company or  
43 person to pay or repay public funds or monies was discharged as a  
44 part of such bankruptcy.

45           (e) "Qualified expenditures" means the actual expenses  
46 incurred and paid in Mississippi by a production company in  
47 connection with the production of a state-certified production in  
48 the state and which are subject to payroll taxes or any taxes  
49 under Chapter 65, Title 27, Mississippi Code of 1972.

50           (f) "Resident" or "resident of Mississippi" means a  
51 natural person and, for the purpose of determining eligibility for  
52 the tax credit provided by this section, any person domiciled in  
53 the State of Mississippi and any other person who maintains a  
54 permanent place of abode within the state and spends in the  
55 aggregate more than six (6) months of each year within the state.

56           (g) "State" means the State of Mississippi.

57           (h) "State-certified production" means a television  
58 production approved by the Mississippi Development Authority  
59 produced by a production company in the state. An application for  
60 approval as a state-certified production must be submitted to the  
61 Mississippi Development Authority before production of the project  
62 begins.

63           (i) "Television production" means any scripted or  
64 unscripted series, content or pilot episodes intended for  
65 broadcast or streaming. The term "television production" shall  
66 not include any production or work described in this paragraph (d)  
67 that contains any material or performance defined in Section  
68 97-29-103.

69           (2) (a) A production company that expends at least Four  
70 Million Dollars (\$4,000,000.00) in qualified expenditures in the  
71 state for the production of a state-certified production in which  
72 at least sixty-five percent (65%) of the running time occurs from  
73 activities in Mississippi shall be entitled to a credit against  
74 the taxes imposed by Section 27-7-5. The amount of the credit  
75 shall not exceed twenty-five percent (25%) of the qualified  
76 expenditures made by the production company and shall consist of:

77                   (i) A credit against the taxes imposed by Section  
78 27-7-5 in an amount equal to twenty percent (20%) of payroll and  
79 fringes paid for any employee who is not a resident and whose  
80 wages are subject to the Mississippi Income Tax Withholding Law of  
81 1968; however, if the payroll and fringes paid for an employee  
82 exceeds Three Million Dollars (\$3,000,000.00), then the credit is

83 authorized only for the first Three Million Dollars

84 (\$3,000,000.00) of such payroll and fringes;

85 (ii) A credit against the taxes imposed by Section  
86 27-7-5 in an amount equal to thirty percent (30%) of payroll and  
87 fringes paid for any employee who is a resident and whose wages  
88 are subject to the Mississippi Income Tax Withholding Law of 1968;  
89 however, if the payroll and fringes paid for an employee exceeds  
90 Three Million Dollars (\$3,000,000.00), then the credit is

91 authorized only for the first Three Million Dollars

92 (\$3,000,000.00) of such payroll and fringes; and

93 (iii) A credit against the taxes imposed by  
94 Section 27-7-5 in an amount equal to twenty-five percent (25%) of  
95 qualified expenditures subject to tax under Chapter 65, Title 27,  
96 Mississippi Code of 1972; however, if such expenditures exceed  
97 Three Million Dollars (\$3,000,000.00), then the credit is

98 authorized only for the first Three Million Dollars

99 (\$3,000,000.00) of such expenditures.

100 (b) Qualified expenditures for which a tax credit may  
101 be claimed under this section: (i) may not be used or included  
102 for the purpose of satisfying any minimum investment required in  
103 order to be eligible for a rebate under the Mississippi Motion  
104 Picture Incentive Act or under Section 57-89-51, and (ii) may not  
105 be used for and shall not be eligible for any rebate authorized  
106 under the Mississippi Motion Picture Incentive Act or under  
107 Section 57-89-51.

108           (c) If a television production has physical production  
109 activities and/or post-production activities both inside and  
110 outside the state, then the production company shall be required  
111 to provide an itemized accounting for each employee regarding such  
112 activities inside and outside the state for the purposes of  
113 proration of eligible payroll based on the percentage of  
114 activities performed in the state.

115           (d) (i) If the amount of the tax credit authorized by  
116 this section exceeds the total state income tax liability of the  
117 production company for the credit year, the amount that exceeds  
118 the total state income tax liability may be carried forward for  
119 the ten (10) succeeding tax years.

120           (ii) In lieu of claiming a tax credit, the  
121 production company may elect to claim a rebate in the amount of  
122 seventy-five percent (75%) of the amount that would be eligible to  
123 claim as a credit. The election may be made at any time after the  
124 certification of the rebate. If the production company has  
125 utilized a credit on an income tax return before making an  
126 election to claim a rebate, then the available rebate will be  
127 reduced by the amount of credit utilized. If claiming a credit  
128 instead of a rebate, the production company shall claim the credit  
129 on the income tax return for the tax year for which the credit is  
130 certified.

131           (iii) Credits authorized by this section that are  
132 earned by a partnership, limited liability company, S corporation  
133 or other similar pass-through entity shall be allocated among all

134 partners, members or shareholders, respectively, either in  
135 proportion to their ownership interest in such entity or as the  
136 partners, members or shareholders mutually agree as provided in an  
137 executed document. Partners, members or other owners of a  
138 pass-through entity are not eligible to elect a refund of excess  
139 credit in lieu of a carryforward of the credit. However, a  
140 partnership or limited liability company taxed as a partnership  
141 may elect to claim a rebate at the entity level on a form  
142 prescribed by the Department of Revenue.

143               (iv) Rebate requests must be submitted to the  
144 Department of Revenue on forms prescribed by the department. The  
145 Department of Revenue then will provide the production company  
146 with a voucher for the approved amount. Within twelve (12) months  
147 of the issuance of the voucher by the Department of Revenue, the  
148 production company may submit the voucher to the department to  
149 receive payment. Rebates shall be made from current tax  
150 collections.

151               (e) The total amount of credits and rebates authorized  
152 in any fiscal year shall not exceed Forty-two Million Dollars  
153 (\$42,000,000.00) in the aggregate.

154               (3) A production company desiring a credit under this  
155 section must submit a request to the Department of Revenue upon  
156 completion of the project. The request must include a detailed  
157 accounting of the qualified expenditures made by the production  
158 company, the amount of payroll and fringes paid by the production

company and any other information required by the Department of Revenue.

(4) 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.

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

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

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

185 (c) In addition to the rebates authorized under  
186 paragraphs (a), (b) and (d) of this subsection, a motion picture  
187 production company may receive a rebate equal to thirty percent  
188 (30%) of payroll and fringes paid for any employee who is a  
189 resident and whose wages are subject to the Mississippi Income Tax  
190 Withholding Law of 1968. However, if the payroll and fringes paid  
191 for an employee exceeds Five Million Dollars (\$5,000,000.00), then  
192 the rebate is authorized only for the first Five Million Dollars  
193 (\$5,000,000.00) of such payroll and fringes.

194 (d) In addition to the rebates authorized in paragraphs  
195 (a), (b) and (c) of this subsection, a motion picture production  
196 company may receive an additional rebate equal to five percent  
197 (5%) of the payroll and fringes paid for any employee who is an  
198 honorably discharged veteran of the United States Armed Forces and  
199 whose wages are subject to the Mississippi Income Tax Withholding  
200 Law of 1968.

201 (e) Base investment, payroll and/or fringes for which a  
202 rebate may be requested under this section: (i) may not be used  
203 or included for the purpose of satisfying any minimum investment  
204 required in order to be eligible for a rebate under Section  
205 57-89-51 or under Section 1 of this act and (ii) may not be used  
206 for and shall not be eligible for any rebate authorized under  
207 Section 57-89-51 or under Section 1 of this act.

208 (f) If a motion picture has physical production  
209 activities and/or post-production activities both inside and  
210 outside the state, then the motion picture production company



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.

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

(h) 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, 2017.

(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.

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

**SECTION 3.** Section 57-89-51, Mississippi Code of 1972, is amended as follows:

57-89-51. (1) As used in this section, the following terms shall have the meanings ascribed in this subsection unless the context clearly indicates otherwise:

(a) "Base investment" means the actual investment made and expended in Mississippi by a production company in connection with the production of a state-certified production in the state. The term "base investment" includes amounts expended in Mississippi by a production company as per diem and housing allowances in connection with the production of a state-certified production in the state. The term "base investment" shall not include payroll. However, in the case of a production company, or its owner, principal, member, production partner, independent contractor director or producer, or subsidiary company that (i) is designated and pre-qualified by the Mississippi Development Authority as Mississippi-based or a Mississippi resident; (ii) has filed income taxes in the State of Mississippi during each of the previous three (3) years; and (iii) has engaged in activities related to the production of at least two (2) series in Mississippi during the past ten (10) years, base investment may include payroll and fringes paid for any employee who is not a resident and whose wages are subject to the Mississippi Income Tax

Withholding Law of 1968, if so requested by the production company. A production company must submit such a request to the Mississippi Development Authority at the time the company submits an application for approval as a state-certified production. In addition, if base investment includes payroll and fringes, and the payroll and fringes paid for an employee exceeds Three Million Dollars (\$3,000,000.00), then only the first Three Million Dollars (\$3,000,000.00) of such payroll and fringes may be included in base investment.

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

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

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

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

(c) "Fringes" means costs paid by a production company for employee benefits that are not subject to state income tax. Fringes may include, but are not limited to, payments by an

288 employer for unemployment insurance, Federal Insurance  
289 Contribution Act (FICA), workers' compensation insurance, pension  
290 and welfare benefits and health insurance premiums.

291 (d) "Series" means a nationally distributed connected  
292 set of television program episodes, consisting of not less than  
293 two (2) episodes made in Mississippi, in whole or in part, for  
294 viewing through: traditional television that is broadcast via  
295 cable, satellite or over-the-air aerial antenna systems; the  
296 digital distribution of television content as streaming media over  
297 the Internet through streaming platforms, which may be viewed on  
298 digital devices, such as a personal computer or handheld device;  
299 or through DVD release. The term "series" shall not include any  
300 production or work described in this paragraph (d) that contains  
301 any material or performance defined in Section 97-29-103.

302 (e) "Production company" means a company engaged in the  
303 business of producing series. The term "production company" shall  
304 not mean or include any company owned, affiliated, or controlled,  
305 in whole or in part, by any company or person which is in default  
306 on a loan made by the state or a loan guaranteed by the state, or  
307 any company or person who has ever declared bankruptcy under which  
308 an obligation of the company or person to pay or repay public  
309 funds or monies was discharged as a part of such bankruptcy.

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

313 (g) "Resident" or "resident of Mississippi" means a  
314 natural person, and for the purpose of determining eligibility for  
315 the rebate provided by this section, any person domiciled in the  
316 State of Mississippi and any other person who maintains a  
317 permanent place of abode within the state and spends in the  
318 aggregate more than six (6) months of each year within the state.

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

320 (i) "State-certified production" means a series  
321 approved by the Mississippi Development Authority produced by a  
322 production company in the state. An application for approval as a  
323 state-certified production must be submitted to the Mississippi  
324 Development Authority before production of the project begins.

325 (2) (a) A production company that expends at least Fifty  
326 Thousand Dollars (\$50,000.00) in base investment, payroll and/or  
327 fringes, in the state shall be entitled to a rebate of a portion  
328 of the base investment made by the production company. Subject to  
329 the provisions of this section, the amount of the rebate shall be  
330 equal to twenty-five percent (25%) of the base investment made by  
331 the production company.

332 (b) In addition to the rebates authorized under  
333 paragraphs (a), (c) and (d) of this subsection, a production  
334 company may receive a rebate equal to twenty percent (20%) of  
335 payroll and fringes paid for any employee who is not a resident  
336 and whose wages are subject to the Mississippi Income Tax  
337 Withholding Law of 1968. However, if the payroll and fringes paid  
338 for an employee exceeds Three Million Dollars (\$3,000,000.00),

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

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

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

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

(f) If a series has physical production activities and/or post-production activities both inside and outside the state, then the production company 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.

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

( \* \* \*3) A 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 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.

( \* \* \*4) 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.

**SECTION 4.** This act shall take effect and be in force from and after January 1, 2025, and shall stand repealed on December 31, 2024.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1       AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR A PORTION OF  
2 CERTAIN EXPENDITURES MADE BY COMPANIES ENGAGED IN CERTAIN  
3 TELEVISION PRODUCTIONS IN MISSISSIPPI; TO DEFINE CERTAIN TERMS; TO  
4 ESTABLISH THE AMOUNT OF THE CREDIT; TO PROVIDE THAT, IF THE AMOUNT  
5 OF THE CREDIT CLAIMED BY A PRODUCTION COMPANY EXCEEDS THE AMOUNT  
6 OF INCOME TAX LIABILITY OF THE PRODUCTION COMPANY FOR A TAXABLE  
7 YEAR, THE PRODUCTION COMPANY MAY CARRY THE EXCESS CREDIT FORWARD  
8 FOR 10 YEARS; TO PROVIDE THAT, IN LIEU OF CLAIMING A TAX CREDIT,  
9 THE PRODUCTION COMPANY MAY ELECT TO CLAIM A REBATE IN THE AMOUNT  
10 OF 75% OF THE AMOUNT IT WOULD BE ELIGIBLE TO CLAIM AS A CREDIT; TO  
11 AMEND SECTIONS 57-89-7 AND 57-89-51, MISSISSIPPI CODE OF 1972, TO  
12 CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED PURPOSES.

SS26\HB1880A.J

Amanda White  
Secretary of the Senate