

Senate Amendments to House Bill No. 1711

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:

7 SECTION 1. (1) As used in this section:

8 (a) "Business enterprises" means entities primarily
9 engaged in:

10 (i) Manufacturing, processing, warehousing,
11 distribution, wholesaling and research and development, or

12 (ii) Permanent business enterprises designated by
13 rule and regulation of the Mississippi Development Authority as
14 air transportation and maintenance facilities, final destination
15 or resort hotels having a minimum of one hundred fifty (150) guest
16 rooms, recreational facilities that impact tourism, movie industry
17 studios, telecommunications enterprises, data or information
18 processing enterprises or computer software development
19 enterprises or any technology intensive facility or enterprise.

20 (b) "Economically distressed community" means a
21 municipality in which at least thirty percent (30%) of the
22 residents have incomes that are less than the national poverty
23 level as published by the United States Bureau of the Census in
24 the most recent decennial census for which data is available; in
25 which the unemployment rate is at least one and one-half (1-1/2)
26 times greater than the national average, as determined by the most
27 recent data from the United States Bureau of Labor Statistics,
28 including estimates of unemployment developed using the
29 calculation method of the United States Bureau of Labor Statistics
30 Census Share; and:

31 (i) The population of which is at least four
32 thousand (4,000) if any portion of the municipality is located

33 within a metropolitan area with a population of fifty thousand
34 (50,000), or more; or

35 (ii) The population of which is at least one
36 thousand (1,000) if no portion of the municipality is located
37 within a metropolitan area with a population of fifty thousand
38 (50,000), or more.

39 (c) "Telecommunications enterprises" means entities
40 engaged in the creation, display, management, storage, processing,
41 transmission or distribution for compensation of images, text,
42 voice, video or data by wire or by wireless means, or entities
43 engaged in the construction, design, development, manufacture,
44 maintenance or distribution for compensation of devices, products,
45 software or structures used in the above activities. Companies
46 organized to do business as commercial broadcast radio stations,
47 television stations or news organizations primarily serving
48 in-state markets shall not be included within the definition of
49 the term "telecommunications enterprises."

50 (2) The governing authorities of a municipality may
51 designate such municipality as an economically distressed
52 community.

53 (3) Upon designation of a municipality as an economically
54 distressed community, the governing authorities of a municipality
55 shall apply to the State Tax Commission for certification of the
56 municipality as an economically distressed community. Such
57 application shall provide the information necessary to establish
58 certification as an economically distressed community. The State
59 Tax Commission shall certify a municipality as an economically
60 distressed community if it finds that the designation meets the
61 criteria provided for in subsection (1)(b) of this section.

62 (4) Permanent business enterprises in municipalities
63 certified by the State Tax Commission as economically distressed
64 communities are allowed a job tax credit for taxes imposed by
65 Section 27-7-5 equal to ten percent (10%) of the payroll of the
66 enterprise for net new full-time employee jobs for five (5) years
67 beginning with years two (2) through six (6) after the creation of

68 the minimum number of jobs required by this subsection. The
69 number of new full-time jobs must be determined by comparing the
70 monthly average number of full-time employees subject to the
71 Mississippi income tax withholding for the taxable year with the
72 corresponding period of the prior taxable year. Only those
73 permanent business enterprises that increase employment by ten
74 (10) or more in an economically distressed community are eligible
75 for the credit. Credit is not allowed during any of the five (5)
76 years if the net employment increase falls below ten (10). The
77 State Tax Commission shall adjust the credit allowed each year for
78 the net new employment fluctuations above the minimum level of ten
79 (10).

80 (5) Tax credits for five (5) years for the taxes imposed by
81 Section 27-7-5 shall be awarded for additional net new full-time
82 jobs created by business enterprises qualified under this section.
83 The State Tax Commission shall adjust the credit allowed in the
84 event of payroll fluctuations during the additional five (5) years
85 of credit.

86 (6) The sale, merger, acquisition, reorganization,
87 bankruptcy or relocation from one (1) county to another county
88 within the state of any business enterprise may not create new
89 eligibility in any succeeding business entity, but any unused job
90 tax credit may be transferred and continued by any transferee of
91 the business enterprise. The State Tax Commission shall determine
92 whether or not qualifying net increases or decreases have occurred
93 or proper transfers of credit have been made and may require
94 reports, promulgate regulations, and hold hearings as needed for
95 substantiation and qualification.

96 (7) Any tax credit claimed under this section but not used
97 in any taxable year may be carried forward for five (5) years from
98 the close of the tax year in which the qualified jobs were
99 established but the credit established by this section taken in
100 any one (1) tax year must be limited to an amount not greater than
101 fifty percent (50%) of the taxpayer's state income tax liability

102 which is attributable to income derived from operations in the
103 state for that year.

104 (8) No business enterprise for the transportation, handling,
105 storage, processing or disposal of hazardous waste is eligible to
106 receive the tax credits provided in this section.

107 (9) The credits allowed under this section shall not be used
108 by any business enterprise or corporation other than the business
109 enterprise actually qualifying for the credits.

110 (10) A business enterprise that receives a tax credit under
111 this section shall not be eligible for the tax credit authorized
112 in Section 57-73-21(2), (3) and (4).

113 **SECTION 2.** This act shall take effect and be in force from
114 and after January 1, 2005.

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

1 AN ACT TO PROVIDE AN INCOME TAX JOB CREDIT FOR CERTAIN
2 BUSINESS ENTERPRISES IN MUNICIPALITIES CERTIFIED AS ECONOMICALLY
3 DISTRESSED COMMUNITIES; TO PROVIDE FOR THE DESIGNATION OF SUCH
4 COMMUNITIES AND THE AMOUNT OF SUCH CREDIT; AND FOR RELATED
5 PURPOSES.

SS26\HB1711A.J

John O. Gilbert
Secretary of the Senate