

By: Senator(s) Robertson, Butler, Chaney,
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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2522

1 AN ACT TO AMEND SECTION 27-7-22.29, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION TO WAIVE THE
3 PERIOD OF TIME WITHIN WHICH THE JOBS TAX CREDIT FOR PRODUCERS OF
4 ALTERNATIVE ENERGY MAY BE UTILIZED BY PRODUCERS THAT ARE UNABLE TO
5 MAINTAIN THE REQUIRED NUMBER OF JOBS AS A DIRECT RESULT OF CERTAIN
6 DISASTERS; TO AUTHORIZE THE CHAIRMAN OF THE STATE TAX COMMISSION
7 TO WAIVE THE REQUIREMENT THAT A CERTAIN NUMBER OF JOBS BE
8 MAINTAINED BY SUCH PRODUCERS AND EXTEND THE CARRYFORWARD PERIOD OF
9 THE CREDIT; TO PROVIDE THAT THE PERIOD OF TIME FOR WHICH THE
10 REQUIREMENTS MAY BE WAIVED AND THE CARRYFORWARD MAY BE EXTENDED
11 SHALL NOT EXCEED TWO YEARS; AND FOR RELATED PURPOSES.

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

13 **SECTION 1.** Section 27-7-22.29, Mississippi Code of 1972, is
14 amended as follows:

15 27-7-22.29. (1) Producers are allowed a job tax credit for
16 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
17 (\$1,000.00) annually for each net new full-time employee job for a
18 period of twenty (20) years from the date the credit begins;
19 however, if the producer is located in an area that has been
20 declared by the Governor to be a disaster area and as a direct
21 result of the disaster the producer is unable to maintain the
22 required number of employees, the commissioner may extend this
23 time period for not more two (2) years. The credit shall begin on
24 the date selected by the producer; however, the beginning date
25 shall not be more than five (5) years from the date the producer
26 begins manufacturing or producing alternative energy. For the
27 year in which the beginning date occurs, the number of new
28 full-time jobs shall be determined by using the monthly average
29 number of full-time employees subject to the Mississippi income
30 tax withholding. Thereafter, the number of new full-time jobs
31 shall be determined by comparing the monthly average number of

32 full-time employees subject to the Mississippi income tax
33 withholding for the taxable year with the corresponding period of
34 the prior taxable year. Once a producer creates twenty-five (25)
35 or more new full-time employee jobs, the producer shall be
36 eligible for the credit; however, if the producer is located in an
37 area that has been declared by the Governor to be a disaster area
38 and as a direct result of the disaster the producer is unable to
39 maintain the required number of employees, the commissioner may
40 waive the employment requirement for a period of time not to
41 exceed two (2) years. The credit is not allowed for any year of
42 the twenty-year period in which the overall monthly average number
43 of full-time employees subject to the Mississippi income tax
44 withholding falls below twenty-five (25). The State Tax
45 Commission shall adjust the credit allowed each year for the net
46 new employment fluctuations above twenty-five (25).

47 (2) Any tax credit claimed under this section but not used
48 in any taxable year may be carried forward for five (5)
49 consecutive years from the close of the tax year in which the
50 credits were earned; however, if the producer is located in an
51 area that has been declared by the Governor to be a disaster area
52 and as a direct result of the disaster the producer is unable to
53 use the existing carryforward, the commissioner may extend the
54 period that the credit may be carried forward for a period of time
55 not to exceed two (2) years. The credit that may be utilized each
56 year shall be limited to an amount not greater than the total
57 state income tax liability of the producer that is generated by,
58 or arises out of, the alternative energy project.

59 (3) The tax credits provided for in this section shall be in
60 lieu of the tax credits provided for in Section 57-73-21 and any
61 producer utilizing the tax credit authorized in this section shall
62 not utilize the tax credit authorized in Section 57-73-21.

63 **SECTION 2.** This act shall take effect and be in force from
64 and after July 1, 2007.