

By: Senator(s) Robertson

To: Finance

SENATE BILL NO. 2997

1 AN ACT TO AMEND SECTION 57-89-3, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE DEFINITION OF THE TERMS "BASE INVESTMENT" AND
3 "RESIDENT" OR "RESIDENT OF MISSISSIPPI" FOR PURPOSES OF THE
4 MISSISSIPPI MOTION PICTURE INCENTIVE ACT; TO AMEND SECTION
5 57-89-7, MISSISSIPPI CODE OF 1972, TO REVISE THE BASE INVESTMENT
6 REBATE AUTHORIZED FOR MOTION PICTURE PRODUCTION COMPANIES THAT
7 PRODUCE MOTION PICTURES IN THIS STATE; TO REPEAL SECTION 57-89-5,
8 MISSISSIPPI CODE OF 1972, WHICH PROVIDES A TAX CREDIT FOR MOTION
9 PICTURE PRODUCTION COMPANIES THAT PRODUCE MOTION PICTURES IN THIS
10 STATE; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-89-3, Mississippi Code of 1972, is
13 amended as follows:

14 57-89-3. As used in this chapter, the following terms shall
15 have the meanings ascribed in this section unless the context
16 clearly indicates otherwise:

17 (a) "Base investment" means the actual investment made
18 and expended in Mississippi by a motion picture production company
19 in connection with the production of a state-certified production
20 in the state. The term "base investment" shall * * * include
21 payroll; however, for the purpose of determining the rebate
22 authorized under Section 57-89-7(1)(a), the term "base investment"
23 shall not include payroll paid for persons who are not residents
24 of Mississippi.

25 (b) "Motion picture" means a nationally distributed
26 feature-length film, video, television series or commercial made
27 in Mississippi, in whole or in part, for theatrical or television
28 viewing or as a television pilot. The term "motion picture" shall
29 not include the production of television coverage of news and
30 athletic events, or a film, video, television series or commercial

31 that contains any material or performance defined in Section
32 97-29-103.

33 (c) "Motion picture production company" means a company
34 engaged in the business of producing nationally distributed motion
35 pictures, videos, television series or commercials intended for a
36 theatrical release or for television viewing. The term "motion
37 picture production company" shall not mean or include any company
38 owned, affiliated, or controlled, in whole or in part, by any
39 company or person which is in default on a loan made by the state
40 or a loan guaranteed by the state, or any company or person who
41 has ever declared bankruptcy under which an obligation of the
42 company or person to pay or repay public funds or monies was
43 discharged as a part of such bankruptcy.

44 (d) "Payroll" means salary, wages or other compensation
45 including related benefits.

46 (e) "Resident" or "resident of Mississippi" means a
47 natural person, and for the purpose of determining eligibility for
48 the tax credit provided by Section 57-89-5 or the rebate provided
49 by Section 57-89-7, any person domiciled in the State of
50 Mississippi and any other person who maintains a permanent place
51 of abode within the state and spends in the aggregate more than
52 six (6) months of each year within the state.

53 (f) "State" means the State of Mississippi.

54 (g) "State-certified production" means a motion picture
55 approved by the Mississippi Development Authority produced by a
56 motion picture production company in the state. An application
57 for approval as a state-certified production must be submitted to
58 the Mississippi Development Authority before completion of the
59 project.

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

62 57-89-7. (1) (a) A motion picture production company shall
63 be entitled to a rebate of a portion of the base investment made

64 by the motion picture production company. The amount of the
65 rebate shall be equal to * * *:

66 (i) Twenty percent (20%) of the base investment
67 made by the motion picture production company if the base
68 investment is less than One Million Dollars (\$1,000,000.00),

69 (ii) Twenty-five percent (25%) of the base
70 investment made by the motion picture production company if the
71 base investment is at least One Million Dollars (\$1,000,000.00),
72 but not more than Five Million Dollars (\$5,000,000.00), and

73 (iii) Thirty percent (30%) of the base investment
74 made by the motion picture production company if the base
75 investment is greater than Five Million Dollars (\$5,000,000.00).

76 (b) In addition to the rebate authorized under
77 paragraph (a) of this subsection, a motion picture production
78 company may receive a rebate equal to ten percent (10%) of the
79 portion of the base investment for payroll paid for any employee
80 of the producer who is not a resident and whose wages are:

81 (i) Subject to the Mississippi Income Tax
82 Withholding Law; and

83 (ii) Less than One Million Dollars
84 (\$1,000,000.00).

85 (c) The total amount of rebates authorized for a motion
86 picture project shall not exceed Five Million Dollars
87 (\$5,000,000.00) in the aggregate.

88 (2) A motion picture production company desiring a rebate
89 under this section must submit an application to the State Tax
90 Commission before completion of the project. The application must
91 include a detailed accounting of the base investment made by the
92 motion picture production company and any other information
93 required by the State Tax Commission. Rebates made by the State
94 Tax Commission under this section shall be made from current
95 income tax collections. The State Tax Commission shall not

96 approve any application for a rebate under subsection (1)(b) of
97 this section after July 1, 2012.

98 (3) The State Tax Commission shall have all powers necessary
99 to implement and administer the provisions of this section, and
100 the State Tax Commission shall promulgate rules and regulations,
101 in accordance with the Mississippi Administrative Procedures Law,
102 necessary for the implementation of this section.

103 **SECTION 3.** Section 57-89-5, Mississippi Code of 1972, which
104 provides a tax credit for motion picture production companies that
105 produce motion pictures in this state, is repealed.

106 **SECTION 4.** This act shall take effect and be in force from
107 and after its passage.