MISSISSIPPI LEGISLATURE REGULAR SESSION 2012

By: Representative Formby

To: Ways and Means

HOUSE BILL NO. 751

AN ACT TO AMEND SECTION 27-7-22.36, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME TAX CREDIT FOR ENTERPRISES THAT OWN OR OPERATE UPHOLSTERED HOUSEHOLD FURNITURE MANUFACTURING FACILITIES FOR EACH FULL-TIME EMPLOYEE EMPLOYED BY SUCH A MANUFACTURER IN A NEW CUT AND SEW JOB, TO DELETE THE JULY 1, 2013, DATE OF REPEAL ON THE CODE SECTION AND TO REFLECT THE NAME CHANGE OF THE STATE TAX COMMISSION TO "DEPARTMENT OF REVENUE" IN CONFORMITY WITH THE AGENCY'S REORGANIZATION; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-7-22.36, Mississippi Code of 1972, is amended as follows:

27-7-22.36. (1) As used in this section:

(a) "Full-time employee" means an employee that works at least thirty-five (35) hours per week.

(b) "New cut and sew job" means a job in which the employee cuts and sews upholstery for upholstered household furniture and which job did not exist in this state before January 1, 2010.

(2) Any enterprise owning or operating an upholstered household furniture manufacturing facility is allowed a job tax credit for taxes imposed by this chapter equal to Two Thousand Dollars ($2,000.00) annually for each full-time employee employed in a new cut and sew job for a period of five (5) years from the date the credit commences. The credit shall commence on the date selected by the enterprise. For the year in which the commencement date occurs, the credit will be determined based on the monthly average number of full-time employees employed in new cut and sew jobs subject to the Mississippi income tax withholding that are employed by the enterprise. For each year thereafter, the number of new cut and sew jobs shall be determined by

comparing the monthly average number of full-time employees employed in new cut and sew jobs subject to the Mississippi income tax withholding for the taxable year with the corresponding period of the prior taxable year. The Department of Revenue shall verify that the jobs claimed by enterprises to obtain the credit meet the definition of the term "new cut and sew job." The Department of Revenue shall adjust the credit allowed each year for employment fluctuations.

(3) The credit that may be used each year shall be limited to an amount not greater than the total state income tax liability of the enterprise. Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were earned.

(4) The tax credits provided for in this section shall be in lieu of the tax credits provided for in Section 57-73-21 and any enterprise using the tax credit authorized in this section shall not use the tax credit authorized in Section 57-73-21.

(5) Any taxpayer who is eligible for the credit authorized in this section before January 1, 2012, shall be eligible for the credit authorized in this section, *** * *** and shall be allowed to carry forward the credit after January 1, 2012, as provided for in subsection (3) of this section.

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SECTION 2. This act shall take effect and be in force from and after July 1, 2012.