

By: Senator(s) Nunnelee, Brown, Browning,
Bryan, Gordon, Jackson (15th), Mettetal,
Powell, Tollison, Turner, Wilemon, Burton

To: Finance

SENATE BILL NO. 3197
(As Sent to Governor)

1 AN ACT TO AUTHORIZE A JOB TAX CREDIT FOR ENTERPRISES THAT OWN
2 OR OPERATE AN UPHOLSTERED HOUSEHOLD FURNITURE MANUFACTURING
3 FACILITY FOR EACH FULL-TIME EMPLOYEE EMPLOYED BY SUCH MANUFACTURER
4 IN A CUT AND SEW JOB; TO PROVIDE THE AMOUNT OF SUCH CREDIT; TO
5 LIMIT THE AMOUNT OF THE CREDIT THAT MAY BE CLAIMED IN ANY ONE
6 YEAR; TO AUTHORIZE ANY TAX CREDIT CLAIMED BUT NOT USED IN ANY
7 TAXABLE YEAR TO BE CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS; AND
8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** (1) As used in this section:

11 (a) "Full-time employee" means an employee that works
12 at least thirty (30) hours per week.

13 (b) "Cut and sew job" means a job in which the employee
14 cuts and sews upholstery for upholstered household furniture.

15 (2) Any enterprise owning or operating an upholstered
16 household furniture manufacturing facility is allowed a job tax
17 credit for taxes imposed by this chapter equal to Two Thousand
18 Dollars (\$2,000.00) annually for each full-time employee employed
19 in a cut and sew job for a period of ten (10) years from the date
20 the credit commences. The credit shall commence on the date
21 selected by the enterprise. From that date to the end of the
22 year, the credit will be determined based on the remaining monthly
23 average of full-time employees employed in cut and sew jobs
24 subject to the Mississippi income tax withholding that are
25 employed by the enterprise. For each year thereafter, the number
26 of new full-time cut and sew jobs shall be determined by
27 calculating the monthly average number of full-time employees
28 employed in cut and sew jobs subject to the Mississippi income tax



withholding for the year. The State Tax Commission shall adjust the credit allowed each year for employment fluctuations.

(3) The credit that may be utilized 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 utilizing the tax credit authorized in this section shall not utilize the tax credit authorized in Section 57-73-21.

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

(6) This section shall be repealed from and after January 1, 2012.

SECTION 2. Section 1 of this act shall be codified in Chapter 7, Title 27, Mississippi Code of 1972.

SECTION 3. This act shall take effect and be in force from and after January 1, 2009.

