

## Chapter 01 Jobs Tax Credit

- 100 Qualifying for and Calculating the Jobs Tax Credit
- 101 Under Miss. Code Ann. Section 57-73-21, income tax credits are available for:
1. Permanent business enterprises primarily engaged in manufacturing, processing, distribution, wholesaling, research and development, warehousing and warehousing activities.
  2. Permanent business enterprises designated by rule or regulation of the Mississippi Development Authority (MDA) as air transportation and maintenance facilities, final destination or resort hotels having a minimum of 150 guest rooms, recreational facilities that impact tourism, movie industry studios, telecommunication enterprises, data or information processing enterprises, computer software development enterprises or any technology intensive facility or enterprise.
- 102 No business enterprise for the transportation, handling, storage, processing or disposal of hazardous waste is eligible to receive this credit.
- 103 The credit is not available to businesses that move from one location within the state to another location within the state without increasing employment. Any business that utilizes the MDA Job Training Grant Fund will not be eligible for the Jobs Tax Credit authorized under Miss. Code Ann. Section 57-73-21.
- 104 The jobs tax credit is for each net new full time job created as long as the minimum increase has been achieved and maintained. The minimum increase in jobs necessary to qualify for the credit must occur within 1 year. A full-time job is a job of at least thirty-five (35) hours a week and includes leased employees from an entity that is in the business of leasing employees as long as all other requirements are met. Part-time jobs may not be combined to add up to a full-time job. The credit is based on filled positions and the employees must be employed in this state and subject to Mississippi Withholding Tax. The credit is allowed each year for 5 years beginning in years 2 through 6 after the creation of the job. The year the jobs are created is year 1. The unused portions of the credit can be carried forward for up to 5 years from the original year in which the excess credit could not be used. The earliest year's unexpired credit may be used first.
- 105 For purposes of this credit, the counties in Mississippi are classified as Tier Three (less developed), Tier Two (moderately developed), and Tier One (developed). The counties are evaluated and ranked each year based on the unemployment rate and per capita income of each county for the most recent 36 month period. They are then divided into the three previously mentioned groups with one-third of the counties in each group. The classification for a specific county can change from year to year based on this evaluation.
- 106 This classification is used to determine the minimum number of jobs a business enterprise must create in a given year before it qualifies for the credit. It is also used to determine the amount of credit per job created. The amount of credit per employee and the job levels for each county classification are as follows:

<u>County Classification</u>	<u>Minimum Annual Increase in Number of Jobs</u>	<u>Credit per Job</u>
Tier One	20	2.50% of payroll
Tier Two	15	5.00% of payroll
Tier Three	10	10.00% of payroll

- 107 If, after qualifying for one five year period, the business increases the number of jobs substantially enough to qualify again for another five year period, they may apply for a second five year period. Each five year period is accounted for separately. Jobs created within an existing five year period that do not meet the minimum number of jobs required to qualify for an additional five year period are allowed to be included within the existing five year period.
- 108 After a taxpayer has qualified for the credit, the credit is not allowed for a year if the net employment increase falls below the minimum required for qualification. The credit is only lost for the year(s) that the taxpayer is below the minimum. A recapture of credit taken in previous year(s) is not required. If the taxpayer's employment level increases back above the minimum, then the taxpayer may use the credit for the remainder of the period. However, the original five year period for the credit (years 2 through 6) is not extended. A taxpayer can only earn credit at a given level of employment for a single five (5) year period.
- 109 To determine whether a taxpayer with an existing facility has created the minimum number of jobs to qualify for the credit, the taxpayer must compare the average annual employment level for the previous year with the average annual employment in the current year. If the amount of the increase exceeds the minimum required, then the employer will qualify for the credit. This allows the credit for employers who have not constructed a new facility, but have substantially increased employment at an existing facility.
- 110 To determine whether a taxpayer with a new facility qualifies for the credit, the average employment for the portion of the year after production was started should be compared with the same period for the previous year. If the increase exceeds the minimum, then the taxpayer will qualify for the credit. For example, a calendar year taxpayer begins doing business in Mississippi and constructs a new facility that begins production on June 1, 2014. To determine whether the taxpayer qualifies for the credit, June through December of 2014 should be compared to June through December of 2013. If the increase meets the minimum requirement, then the taxpayer would qualify for the credit.
- 111 The sale, merger, acquisition, reorganization, bankruptcy or relocation from one county to another county within the state of any business enterprise may not create new eligibility in the current or any succeeding business entity, but any unused job tax credit may be transferred and continued by any transferee of the business enterprise. The Commissioner shall determine whether qualifying net increases have occurred or proper transfers of credit have been made and may require the business enterprise to submit such information as needed for substantiation and qualification.

- 112 The credit cannot be used by any business enterprise or corporation other than the business enterprise actually qualifying for the credits. Credit received by a partnership, LLC or an S-Corporation may be passed through to offset tax due from the activity that created the credit. The credit is subject to the same limitations that the pass through entity would have had. The tax due on salaries or wages paid by an S-Corporation and guaranteed payments to partners by a partnership cannot be offset by the credit.
- 113 The total of the Jobs Tax Credit, the Headquarters Credit and the Research & Development Skills Credit is limited to 50% of the Mississippi income tax liability. These credits may be used in combination with any of the other credits. The credit is not refundable.
- 114 Compliance with the equal pay provisions of the federal Equal Pay Act of 1963, the Americans with Disabilities Act of 1990 and the fair pay provisions of the Civil Rights Act of 1964 is required in order to qualify for these credits.
- 115 (Reserved)
- 200 Same Ownership
- 201 If an employer qualified for the credit but then reduced employment levels through layoffs or plant closures, the reduction in employment must continue for a minimum of five (5) years before the employer may use the reduced employment levels in the computation of additional credit. If the reduction in employment is for five (5) years or more, then the employer may requalify for the credit on any additional jobs. If the reduction has continued for less than five (5) years, then the employer may requalify in very limited circumstances. Such situations will be considered on a case by case basis. The taxpayer should submit a letter with a request to receive the credit and a justification for the request. The credit will be granted at the discretion of the Commissioner.
- 202 If an employer retains ownership of a facility and replaces some, or all, of the existing equipment, but makes the same or a similar product, then the base employment level is not affected by the equipment replacement. The jobs tax credit would not be available unless a qualifying increase in employment has occurred.
- 203 If an employer retains ownership of a facility, suspends operations and retools the production floor with ninety-five percent (95%) new equipment that makes a new product not similar to the old product, then the facility will be treated as a new facility.
- 204 If an employer closes an old facility and opens a new facility making the same or a related product, then the employment level at the old facility would be used to determine whether employment increases at the new facility qualify for the jobs tax credit.
- 205 (Reserved)
- 300 Different Ownership

- 301 If an employer sells a plant to a related party, then the related party will be treated the same as the employer. If an employer sells a facility to an unrelated third party, and the new owner continues the old operations, then the new owner must exceed the old owner's peak employment by a qualifying increase in order to receive any jobs tax credit. If an employer sells a facility to an unrelated third party and the new owner suspends operations to retool the production floor, then the facility will be treated as a new facility for the new owner. However, the retooling must include replacing ninety-five (95%) of the equipment to make a new product that is not similar to the old product.
- 302 If an employer ceases operations at a facility for a year or more and sells the facility to an unrelated third party, then the facility will be treated as a new facility for the new owner, even if the same or a similar product is being made. If the new owner has shut down a facility with similar operations at the same time, then the facility will not be treated as a new facility. If a completely different product is being made, the one-year shut down requirement may be shortened. This will be considered on a case by case basis.
- 303 If, the new employer requesting the incentive produces a product that was manufactured at a facility in this state that was closed, then the new employer will not earn the jobs tax credit for the new facility unless the employment levels exceeds any previous high at the closed facility. If the employer who owns the new facility is located in this state, it will be able to earn the jobs tax credit, but only to the extent that its level of employment plus the level of the original location (up to any previous high level of employment at the old location before the closing or retooling level) combined is in excess of any previous high level of employment at the original location. The definition of original product will include upgrades and modifications of a normal product line.
- 304 A business that acquires an unrelated business enterprise that has ceased operation and laid off all of its employees, and that continues operation of the enterprise in the same or similar type of business as the old owner may be eligible for the credit. The new owner would be eligible for the credit as long as the cessation of the business enterprise by the old owner was not for the purpose of securing new eligibility for the credit.
- 305 This credit is authorized under Miss. Code Ann. Section 57-73-21(2), (3) and (4).
- 306 (Reserved)
- 400 Jobs Tax Credit for Economically Distressed Communities
- 401 This credit is available to the same types of businesses which are eligible for the basic Jobs Tax Credit. These businesses must create at least ten (10) new full-time jobs and be located in an area within a city where thirty percent (30%) of the residents are below the national poverty level and where the unemployment rate is 1½ times the national average.
- 402 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in Sections 100 through 300 above apply, except for the following:
1. The amount of credit is equal to ten percent (10%) of the payroll of each new full-time job.

2. The credit can offset fifty percent (50%) of the income tax liability attributable to the income generated by the operations in this state.
  3. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years of the beginning of commercial production.
  4. The business must attach a map to the application showing the location of the business inside the economically distressed area.
  5. There is no extension of the credit period.
- 403 The MDOR must certify the area as an economically distressed community before the Economically Distressed Community Jobs Tax Credit can be taken. For the MDOR to certify an economically distressed community, the city officials must provide the following:
1. A map detailing the area to be certified.
  2. A copy of the documentation from the US Census Bureau proving that thirty percent (30%) of the residents are below poverty level.
  3. The census tract grouping unemployment rate for the area and the national unemployment rate for the same area for the same time period.
  4. The population of the city.
- After receiving this information, the MDOR will verify the information and, if all requirements are met, will certify the area as an economically distressed community.
- 404 This credit is authorized under Miss. Code Ann. Section 27-7-22.27.
- 405 (Reserved)
- 500 Jobs Tax Credit for Brownfields
- 501 This credit is available to any commercial or industrial property owner who incurs costs in the remediation of contaminated property in accordance with the Mississippi Brownfields Voluntary Cleanup and Redevelopment Act. There is no minimum number of new full-time jobs that must be created.
- 502 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in Sections 100 through 300 above apply, except for the following:
1. There is no minimum number of new full-time jobs that must be created, regardless of where the property is located.
  2. This Brownfields Jobs Tax Credit cannot be taken in conjunction with the National or Regional Headquarters Credit or the Research and Development Skills Credit.
  3. The owner of the brownfields property must attach a copy of the certification from the Commission on Environmental Quality of the completion of the remediation and the amount of cost incurred in the project to the application.
- 503 This credit is authorized under Miss. Code Ann. Section 57-73-21(7).
- 504 (Reserved)
- 600 Jobs Tax Credit for Alternative Energy Suppliers

- 601 This credit is for a business engaged in the manufacture or production of alternative energy; 50% of the finished product of the alternative energy project must be derived from resources or products from this state.
- 602 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in Sections 100 through 300 above apply, except for the following:
1. A minimum of 25 new jobs must be created.
  2. The amount of credit is equal to \$1,000 per new full-time job regardless of where the business is located.
  3. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years of the beginning of commercial production.
  4. The credit is good for a period of 20 years.
  5. The credit can offset 100% of the income tax liability attributable to the income generated by the alternative energy project in this state.
  6. The Alternative Energy Jobs Tax Credit cannot be taken in conjunction with the basic Jobs Tax Credit, the National or Regional Headquarters Credit or the Research and Development Skills Credit.
  7. An affidavit from the producer describing the resources and products from this state used in the production of the alternative energy and attesting to the truthfulness of the statement must be attached to the application.
- 603 This credit is authorized under Miss. Code Ann. Section 27-7-22.29.
- 604 (Reserved)
- 700 Jobs Tax Credit for Upholstered Household Furniture Manufacturer
- 701 This credit is for any business owning or operating an upholstered household furniture manufacturing facility employing new, full-time, cut and sew jobs that did not exist before January 1, 2010.
- 702 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in Sections 100 through 300 above apply, except for the following:
1. There is no minimum number of jobs provision.
  2. The amount of credit is equal to \$2,000 per new full-time job regardless of where the business is located.
  3. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years from the close of the tax year in which the credits were earned.
  4. The credit is good for a period of 5 years.
  5. The credit can offset up to 100% of the income tax liability of the business each year.
  6. The Upholstered Furniture Manufacturer Jobs Tax Credit cannot be taken in conjunction with the basic Jobs Tax Credit, the National or Regional Headquarters Credit or the Research and Development Skills Credit.

7. A description of the items being manufactured and the jobs being performed must be attached to the application.
8. There is no extension of the credit period.

703 This credit is authorized under Miss. Code Ann. Section 27-7-22.36.

704 (Reserved)

800 Applying for the Credit and Claiming the Credit

801 An application is not required to qualify for the Jobs Tax Credits but may be submitted for review. An application is only required in order lock in the county classification.

802 If an employer plans to expand its labor forces in a facility in a Tier Three or Tier Two county, then the employer may complete the certification application and make a request in a letter that the current designation of the county be retained. This allows an employer to retain the county designation and the amount of anticipated credit that was in effect for the expansion.

803 If there is no construction or expansion of a facility, the expansion in labor forces must take place by the end of the following tax year for the certification and county designation to remain valid. If there is a construction or expansion of a facility, it must begin within one (1) year of the certification for the certification and county designation to remain valid. This initial certification applies to the credits covered under the specific certification generated during years two (2) through six (6) after the expansion of labor. This certification to lock in the county's classification will not be granted retroactively. For subsequent qualification and credit for additional increases in employment, the county designation in effect at that time should be used to determine the qualification and amount of the credit.

804 For detailed instructions concerning the application process or claiming the credits see the Mississippi Tax Incentives, Exemptions and Credits Book.

805 (Reserved)

*35.X.01 revised effective June 1, 2016.*

## Chapter 01 Jobs Tax Credit

100 Qualifying for and Calculating the Jobs Tax Credit

101 Under Miss. Code Ann. Section 57-73-21, income tax credits are available for:

1. Permanent business enterprises primarily engaged in manufacturing, processing, distribution, wholesaling, research and development, ~~and~~ warehousing and warehousing activities.
2. Permanent business enterprises designated by rule or regulation of the Mississippi Development Authority (MDA) as air transportation and maintenance facilities, final destination or resort hotels having a minimum of 150 guest rooms, recreational facilities that impact tourism, movie industry studios, telecommunication enterprises, data or information processing enterprises, computer software development enterprises or any technology intensive facility or enterprise.

102 No business enterprise for the transportation, handling, storage, processing or disposal of hazardous waste is eligible to receive this credit.

103 The credit is not available to businesses that move from one location within the state to another location within the state without increasing employment. Any business that utilizes the MDA Job Training Grant Fund will not be eligible for the Jobs Tax Credit authorized under Miss. Code Ann. Section 57-73-21.

~~103~~104The jobs tax credit is for each net new full time job created as long as the minimum increase has been achieved and maintained. The minimum increase in jobs necessary to qualify for the credit must occur within 1 year. A full-time job is a job of at least thirty-five (35) hours a week and includes leased employees from an entity that is in the business of leasing employees as long as all other requirements are met. Part-time jobs may not be combined to add up to a full-time job. The credit is based on filled positions and the employees must be employed in this state and subject to Mississippi Withholding Tax. The credit is allowed each year for 5 years beginning in years 2 through 6 after the creation of the job. The year the jobs are created is year 1. The unused portions of the credit can be carried forward for up to 5 years from the original year in which the excess credit could not be used. The earliest year's unexpired credit may be used first. ~~These credits may be used in combination with any of the other credits.~~

~~104~~105For ~~the~~ purposes of this credit, the counties in Mississippi are classified as Tier Three (less developed), Tier Two (moderately developed), and Tier One (developed). The counties are evaluated and ranked each year based on the unemployment rate and per capita income of each county for the most recent 36 month period. They are then divided into the three previously mentioned groups with one-third of the counties in each group. The classification for a specific county can change from year to year based on this evaluation.

~~105~~106This classification is used to determine the minimum number of jobs a business enterprise must create in a given year before it qualifies for the credit. It is also used to determine the amount of credit per job created. The amount of credit per employee and the job levels for each county classification are as follows:

<u>County Classification</u>	<u>Minimum Annual Increase in Number of Jobs</u>	<u>Credit per Job</u>
Tier One	20	2.50% of payroll
Tier Two	15	5.00% of payroll
Tier Three	10	10.00% of payroll

~~106~~ After a taxpayer has qualified for the credit, the credit is not allowed for a year if the net employment increase falls below the minimum required for qualification. The credit is only lost for the year(s) that the taxpayer is below the minimum. A recapture of credit taken in previous year(s) is not required. If the taxpayer's employment level increases back above the minimum, then the taxpayer may use the credit for the remainder of the period, however, the original five year period for the credit (years 2 through 6) is not extended. A taxpayer can only earn credit at a given level of employment for a single five (5) year period. 107

If, after qualifying for one five year period, the business increases the number of jobs substantially enough to qualify again for another five year period, they may apply for a second five year period. Each five year period is accounted for separately. Jobs created within an existing five year period that do not meet the minimum number of jobs required to qualify for an additional five year period are allowed to be included within the existing five year period.

~~106~~108 After a taxpayer has qualified for the credit, the credit is not allowed for a year if the net employment increase falls below the minimum required for qualification. The credit is only lost for the year(s) that the taxpayer is below the minimum. A recapture of credit taken in previous year(s) is not required. If the taxpayer's employment level increases back above the minimum, then the taxpayer may use the credit for the remainder of the period. ~~h~~ However, the original five year period for the credit (years 2 through 6) is not extended. A taxpayer can only earn credit at a given level of employment for a single five (5) (5)-year period.

~~107~~109 To determine whether a taxpayer with an existing facility has created the minimum number of jobs to qualify for the credit, the taxpayer must compare the average annual employment level for the previous year with the average annual employment in the current year. If the amount of the increase exceeds the minimum required, then the employer ~~would~~ will qualify for the credit. This allows the credit for employers who have not constructed a new facility, but have substantially increased employment at an existing facility.

~~108~~110 To determine whether a taxpayer with a new facility qualifies for the credit, the average employment for the portion of the year after production was started should be compared with the same period for the previous year. If the increase exceeds the minimum, then the taxpayer ~~would~~ will qualify for the credit. For example, a calendar year taxpayer begins doing business in Mississippi and constructs a new facility that ~~starts up~~ begins production on June 1, ~~2007~~ 2014. To determine whether the taxpayer qualifies for the credit, June through December of ~~2007~~ 2014 should be compared to June through December of ~~2006~~ 2013. If the increase meets the minimum requirement, then the taxpayer would qualify for the credit.

~~109111~~ The amount of increase in jobs necessary to qualify for the credit must occur within 1 year. To determine when the new full-time jobs are created, the business compares the average number of full-time positions in one fiscal year with the average for the prior year. When dealing with a short period, compare the short period to the same period of the prior year. Jobs cannot be accumulated over several years to qualify. The credit is available for each net new full-time job created as long as the minimum number has been achieved and maintained

~~110~~ If an employer qualified for the credit but then reduced employment levels through layoffs or plant closures, the reduction in employment must continue for a minimum of five (5) years before the employer may use the reduced employment levels in the computation of additional credit. If the reduction in employment is for five (5) years or more, then the employer may requalify for the credit on any additional jobs. If the reduction has continued for less than five (5) years, then the employer may requalify in very limited circumstances. Such situations will be considered on a case-by-case basis. The taxpayer should submit a letter with a request to receive the credit and a justification for the request. The credit will be granted at the discretion of the Commissioner. 111 The sale, merger, acquisition, reorganization, bankruptcy or relocation from one county to another county within the state of any business enterprise may not create new eligibility in the current or any succeeding business entity, but any unused job tax credit may be transferred and continued by any transferee of the business enterprise. The Commissioner shall determine whether qualifying net increases have occurred or proper transfers of credit have been made and may require the business enterprise to submit such information as needed for substantiation and qualification.

112 The credit cannot be used by any business enterprise or corporation other than the business enterprise actually qualifying for the credits. Credit received by a partnership, LLC or an S-Corporation may be passed through to offset tax due from the activity that created the credit. The credit is subject to the same limitations that the pass-through entity would have had. The tax due on salaries or wages paid by an S-Corporation and guaranteed payments to partners by a partnership cannot be offset by the credit.

113 The total of the Jobs Tax Credit, the Headquarters Credit and the Research & Development Skills Credit is limited to 50% of the Mississippi income tax liability. These credits may be used in combination with any of the other credits. The credit is not refundable.

~~114~~ The form prescribed by the Commissioner which shows the computation of the credit must be attached to the Mississippi state income tax return.

~~115~~ 114 Compliance with the equal pay provisions of the federal Equal Pay Act of 1963, the Americans with Disabilities Act of 1990 and the fair pay provisions of the Civil Rights Act of 1964 is required in order to qualify for these credits.

~~116~~ 115 (Reserved)

200 Same Ownership

201 If an employer qualified for the credit but then reduced employment levels through layoffs or plant closures, the reduction in employment must continue for a minimum of five (5) years before the employer may use the reduced employment levels in the computation of additional

credit. If the reduction in employment is for five (5) years or more, then the employer may requalify for the credit on any additional jobs. If the reduction has continued for less than five (5) years, then the employer may requalify in very limited circumstances. Such situations will be considered on a case by case basis. The taxpayer should submit a letter with a request to receive the credit and a justification for the request. The credit will be granted at the discretion of the Commissioner.~~If an employer retains ownership of a facility and replaces some, or all, of the existing equipment, but makes the same or a similar product, then the base employment level is not affected by the equipment replacement.~~

~~202~~ If an employer retains ownership of a facility and replaces some, or all, of the existing equipment, but makes the same or a similar product, then the base employment level is not affected by the equipment replacement. The jobs tax credit would not be available unless a qualifying increase in employment has occurred.

~~203~~<sup>43</sup> If an employer retains ownership of a facility, suspends operations and retools the production floor with ninety-five percent (95%) new equipment that makes a new product not similar to the old product, then the facility will be treated as a new facility.

204 If an employer closes an old facility and opens a new facility making the same or a related product, then the employment level at the old facility would be used to determine whether employment increases at the new facility qualify for the jobs tax credit.

~~203~~ ~~If an employer retains ownership of a facility, suspends operations and retools the production floor with ninety-five percent (95%) new equipment that makes a new product not similar to the old product, then the facility will be treated as a new facility.~~

205 (Reserved)

### 300 Different Ownership

301 If an employer sells a plant to a related party, then the related party will be treated the same as the employer. If an employer sells a facility to an unrelated third party, and the new owner continues the old operations, then the new owner must exceed the old owner's peak employment by a qualifying increase in order to receive any jobs tax credit. If an employer sells a facility to an unrelated third party and the new owner suspends operations to retool the production floor, then the facility will be treated as a new facility for the new owner. However, the retooling must include replacing ninety-five (95%) of the equipment to make a new product that is not similar to the old product.

302 If an employer ceases operations at a facility for a year or more and sells the facility to an unrelated third party, then the facility will be treated as a new facility for the new owner, even if the same or a similar product is being made. If the new owner has shut down a facility with similar operations at the same time, then the facility will not be treated as a new facility. If a completely different product is being made, the one-year shut down requirement may be shortened. This will be considered on a case by case basis.

303 If, the new employer facility requesting the incentive produces a product that was manufactured at a facility in this state that was closed, then the requesting facility new employer will not earn the jobs tax credit for the new facility unless the employment levels

exceeds any previous high at the closed facility. If the ~~requesting~~ employer who owns the new facility is located in this state, it will be able to earn the jobs tax credit, but only to the extent that its level of employment plus the level of the original location (up to any previous high level of employment at the old location before the closing or retooling level) combined is in excess of any previous high level of employment at the original location. The definition of original product will include upgrades and modifications of a normal product line.

304 A business that acquires an unrelated business enterprise that has ceased operation and laid off all of its employees, and that continues operation of the enterprise in the same or similar type of business as the old owner may be eligible for the credit. The new owner would be eligible for the credit as long as the cessation of the business enterprise by the old owner was not for the purpose of securing new eligibility for the credit.

3045 This credit is authorized under Miss. Code Ann. Section 57-73-21(2), (3) and (4).

3043056 (Reserved)

400 Jobs Tax Credit for Economically Distressed Communities

401 This credit is available to the same types of businesses which are eligible for the basic Jobs Tax Credit. These businesses must create at least ten (10) new full-time jobs and be located in an area within a city where thirty percent (30%) of the residents are below the national poverty level and where the unemployment rate is 1½ times the national average.

402 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in sSections 100 through 300 above apply, except for the following:

6. The amount of credit is equal to ten percent (10%) of the payroll of each new full-time job.
7. The credit can offset fifty percent (50%) of the income tax liability attributable to the income generated by the operations in this state.
8. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years of the beginning of commercial production.
9. The business must attach a map to the application showing the location of the business inside the economically distressed area.
10. There is no extension of the credit period.

403 The MDOR must certify the area as an economically distressed community before the Economically Distressed Community Jobs Tax Credit can be taken. For the MDOR to certify an economically distressed community, the city officials must provide the following:

1. A map detailing the area to be certified.
2. A copy of the documentation from the US Census Bureau proving that thirty percent (30%) of the residents are below poverty level.
3. The census tract grouping unemployment rate for the area and the national unemployment rate for the same area for the same time period.
4. The population of the city.

After receiving this information, the MDOR will verify the information and, if all requirements are met, will certify the area as an economically distressed community.

404 This credit is authorized under Miss. Code Ann. Section 27-7-22.27.

404405 (Reserved)

500 Jobs Tax Credit for Brownfields

501 This credit is available to any commercial or industrial property owner ~~which~~who incurs costs in the remediation ~~process~~of contaminated property in accordance with the Mississippi Brownfields Voluntary Cleanup and Redevelopment Act. There is no minimum number of new full-time jobs that must be created.

502 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in sSections 100 through 300 above apply, except for the following:

4. There is no minimum number of new full-time jobs that must be created, regardless of where the property is located.
5. This Brownfields Jobs Tax Credit cannot be taken in conjunction with the National or Regional Headquarters Credit or the Research and Development Skills Credit.
6. The owner of the brownfields property must attach a copy of the certification from the Commission on Environmental Quality of the completion of the remediation and the amount of cost incurred in the project to the application.

503 This credit is authorized under Miss. Code Ann. Section 57-73-21(7).

5034 (Reserved)

600 Jobs Tax Credit for Alternative Energy Suppliers

601 This credit is for a business engaged in the manufacture or production of alternative energy;-50% of the finished product of the alternative energy project must be derived from resources or products from this state.

602 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in sSections 100 through 300 above apply, except for the following:

8. A minimum of 25 new jobs must be created.
9. The amount of credit is equal to \$1,000 per new full-time job regardless of where the business is located.
10. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years of the beginning of commercial production.
11. The credit is good for a period of 20 years.
12. The credit can offset 100% of the income tax liability attributable to the income generated by the alternative energy project in this state.
13. The Alternative Energy Jobs Tax Credit cannot be taken in conjunction with the basic Jobs Tax Credit, the National or Regional Headquarters Credit or the Research and Development Skills Credit.

14. An affidavit from the producer describing the resources and products from this state used in the production of the alternative energy and attesting to the truthfulness of the statement must be attached to the application.

603 This credit is authorized under Miss. Code Ann. Section 27-7-22.29.

6034 (Reserved)

700 Jobs Tax Credit for Upholstered Household Furniture Manufacturer

701 This credit is for any business owning or operating an upholstered household furniture manufacturing facility employing new, full-time, cut and sew jobs that did not exist before January 1, 2010.

702 All other requirements, instructions or limitations as previously defined for the basic Jobs Tax Credit in sSections 100 through 300 above apply, except for the following:

9. There is no minimum number of jobs provision.

10. The amount of credit is equal to \$2,000 per new full-time job regardless of where the business is located.

11. The business may choose when to begin taking advantage of the credit, but it must be within five (5) years from the close of the tax year in which the credits were earned.

12. The credit is good for a period of 5 years.

13. The credit can offset up to 100% of the income tax liability of the business each year.

14. The Upholstered Furniture Manufacturer Jobs Tax Credit cannot be taken in conjunction with the basic Jobs Tax Credit, the National or Regional Headquarters Credit or the Research and Development Skills Credit.

15. A description of the items being manufactured and the jobs being performed must be attached to the application.

16. There is no extension of the credit period.

703 This credit is authorized under Miss. Code Ann. Section 27-7-22.36.

7034 (Reserved)

200800 Certification of the Credit Applying for the Credit and Claiming the Credit

201801 An application is not required to qualify for the Jobs Tax Credits but may be submitted for review. An application for this credit is not only required in order lock in the county classification. . However, an application must be submitted to lock in the county classification.

202802 If an employer plans to expand its labor forces in a facility in a Tier Three or Tier Two county, then the employer may complete the certification application and make a request in a letter that the current designation of the county be retained in relationship to the expansion.

This allows an employer to retain the county designation and the amount of anticipated credit that was in effect for the expansion.

~~203~~803 If there is no construction or expansion of a facility, the expansion in labor forces must take place by the end of the following tax year for the certification and county designation to remain valid. If there is a construction or expansion of a facility, it must begin within one (1) year of the certification for the certification and county designation to remain valid. This initial certification ~~is only good for~~applies to the credits covered under the specific certification generated during years two (2) through six (6) after the expansion of labor. This certification to lock in the county's classification will not be granted retroactively. For subsequent qualification and credit for additional increases in employment, the county designation in effect at that time should be used to determine the qualification and amount of the credit.

804 For detailed instructions concerning the application process or claiming the credits see the Mississippi Tax Incentives, Exemptions and Credits Book.

~~204~~805 (Reserved)

*35.X.01 revised effective ~~August 15~~June 1, 200816.*