

PUBLICATION

Spotlight on Mississippi: New and Increased Tax Incentives

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Governor Phil Bryant recently signed into law two pieces of legislation aimed at increasing investment within the State of Mississippi.

The Strengthening Mississippi Academic Research Through Business ("SMART Business") Act (HB 826) takes effect July 1, 2013, and provides a rebate of up to 25 percent of a taxpayer's investments in qualified research costs at colleges and universities within Mississippi. Investors seeking to take advantage of this new incentive are required to submit an application to the Board of Trustees of State Institutions of Higher Learning. Each claim for a rebate pursuant to this Act is limited to \$1 million, and the aggregate amount of rebates authorized to be approved in any given year is capped at \$5 million.

The second new piece of legislation (SB 2462) is effective as of April 12, 2013, and provides an expansion of benefits under Mississippi's current motion picture incentive. Some of the more important changes to the incentive include:

1. an increase in the total amount of rebates authorized for a single motion picture from \$8 million to \$10 million;
2. an additional 5 percent (30 percent total) payroll rebate for salaries paid to Mississippi taxpayers who have been honorably discharged from military service;
3. an adjustment to the deadline for submitting applications for payroll rebates to July 1, 2016; and
4. an expansion of the activities eligible to receive motion picture incentives to include computer and video game production carried on within the state.

These new laws come at a time when states are aggressively competing to attract new investment. If you have any questions concerning how you can participate in either of these legislated incentives for investment in Mississippi, or have any other tax incentive questions, please contact an attorney in the Firm's Tax Department.