

## Jobs Tax Credit

Jobs Tax Credits are credits that can be applied to state income tax to reduce an employer's income tax liability. These credits are earned by certain types of businesses that create and sustain new jobs in Mississippi. The following types of businesses qualify for these credits:

- Manufacturers
- Wholesalers
- Processors
- Research and development facilities
- Distributors
- Warehouses

In addition, the following businesses qualify upon receiving a designation by the Mississippi Development Authority:

- Air and transportation maintenance facilities
- Telecommunications companies
- Data and information processing companies
- Computer software development enterprises
- Recreational facilities that impact tourism
- Resort hotels having a minimum of 150 rooms
- Movie industry studios
- Technology-intensive facilities

### **PROGRAM FACTS**

To be eligible for the Jobs Tax Credit, an employer must create and maintain an annual average employment of the minimum number of jobs required based on the development ranking of the county:

County Ranking	Minimum Jobs to be Created	Credit Per Job
Tier I (Developed)	20	2.5% of Payroll
Tier II (Moderately Developed)	15	5% of Payroll
Tier II (Less Developed)	10	10% of Payroll

Contact the Mississippi Development Authority's Financial Resources Division  
at 601.359.3552 or [financial@mississippi.org](mailto:financial@mississippi.org) to learn more.

Jobs Tax Credits are calculated as a percentage of eligible payroll each year for five years, based on the business's location and wages subject to state income tax. The credits are taken in years two through six after the new jobs are created. Credits can be used to offset up to fifty percent of a business's income tax liability, and unused Jobs Tax Credits can be carried forward up to five years.

### ***JOB TRAINING OPTION***

Legislation approved by the Mississippi Legislature in 2013 allows companies that expand or locate in the state to either take the existing Jobs Tax Credit or monetize that credit to use for job training.

When companies that are eligible for the Jobs Tax Credit opt to monetize the credit, MDA provides job training grants to a community or junior college, public university or local workforce investment area in the state to pay costs incurred in training or retraining employees. Grants may cover 75 percent of the costs of training or retraining employees, not to exceed \$1,000 per job in Tier I counties, \$1,500 per job in Tier II counties and \$2,000 per job in Tier III counties.

Companies must elect to utilize a job training grant before creating any eligible jobs, and a company must choose between the Jobs Tax Credit or the job training grant option.

For further details, see the Mississippi Tax Incentives, Exemptions, and Credits guidelines on the Mississippi Department of Revenue website at <https://www.dor.ms.gov/docs/2013IncentiveBook-pdffinal.pdf> or contact MDA's Financial Resources Division.

*February 2015*

Contact the Mississippi Development Authority's Financial Resources Division  
at 601.359.3552 or [financial@mississippi.org](mailto:financial@mississippi.org) to learn more.