

**MISSISSIPPI DEVELOPMENT AUTHORITY
ADVANTAGE JOBS INCENTIVE PROGRAM**

GUIDELINES

SUMMARY

The Mississippi Advantage Jobs Incentive Program (“Advantage Jobs”) provides for a cash rebate to qualified employers for a period of up to ten years. This program is designed to assist qualified companies that promise significant development of the economy of the State of Mississippi (State) through the creation of quality jobs.

To receive this incentive, interested companies must submit an application to the Mississippi Development Authority (“MDA”). Upon approval, an Advantage Jobs Incentive Certificate (“Certificate”) will be issued that documents the terms of the rebate program. Once the approved company has met all requirements, the Mississippi State Tax Commission (“Tax Commission”) must be notified. After four quarters of program compliance, the Tax Commission will begin to make rebate payments to the company. Payments will continue for ten years, assuming that all requirements are maintained.

ELIGIBLE COMPANY

In order to receive benefits under the Advantage Jobs program, a company must be able to demonstrate that the creation of proposed jobs will provide a direct benefit to the State. To qualify, the company must meet the following requirements:

- Any business except retail and gaming establishments that provide an average annual wage of 125% of the county or state wage, whichever is less. The enterprise must create and maintain a minimum of 10 new full-time jobs in a Tier Three county, or 25 new full-time jobs in a Tier One or Two county;
- Data or information processing enterprises that provide an average annual wage of 100% of the county or state wage, whichever is less. The enterprise must create at least 100 new full-time jobs in a Tier Three county or 200 new full-time jobs in a Tier One or Two county;
- Manufacturing and distribution enterprises that provide an annual average wage of 110% of the county or state wage, whichever is less. The enterprise must invest at least \$20,000,000 in land, buildings, and equipment and create at least 20 new, full-time jobs in a Tier Three county or 50 new full-time jobs in a Tier One or Two county;
- Research and development enterprises that provide an annual average wage of 150% of the state or county wage, whichever is less. The enterprise must create at least 10 new, full-time jobs; or
- Technology intensive enterprises that provide an annual average wage of 150% of the state wage. The enterprise must create at least 10 new, full-time jobs.

The average annual wage is the total employee earnings subject to Mississippi personal income taxes, including bonuses and overtime. All jobs at the approved facility must be included in the calculation of the company’s average wage when determining whether the wages paid meet the required state or county thresholds. All jobs are also

included in the calculation to determine whether program requirements are being met.

The new jobs may be created due to a new business enterprise or an expansion of an existing business, as long as the company meets the minimum criteria set forth by the MDA. To qualify, the jobs must not have existed in this state before the date of approval by the MDA of the Advantage Jobs application.

Additionally, any business entity that qualifies for the Advantage Jobs Incentive Program must also:

- Provide, or plan to provide to any new employees, a basic health benefit plan. Such plan must be in effect within 180 days of receiving any incentives.
- Meet jobs creation and wage requirements within twenty-four (24) months of the issuance of an Advantage Jobs Incentive Certificate (“Certificate”).
- Provide the Mississippi Development Authority with a performance agreement that outlines how the rebate will be used.

Ineligible Industries

The following industries do not qualify for the Advantage Jobs Incentive Program:

- **Gaming** – any gaming company that is regulated and/or subject to regulation by the State Gaming Commission cannot receive the Advantage Jobs Incentive.
- **Retail**– any business or industry that buys a product and resells it without changing the form of the product is considered a retail establishment and cannot receive the Advantage Jobs Incentive.
- **Professional Services** - professional establishments that provide services such as legal, medical, financial, or accounting with offices open to the public do not qualify for this incentive.
- **Telecommunications** - any business that operates as a commercial broadcast radio station, television station, or news organization primarily serving in-state markets is not qualified to participate on the rebate program.

INCENTIVE PAYMENT

The amount of the Advantage Jobs rebate is tied directly to the net economic benefit received by the state. This net benefit is shown as a Mississippi percentage of payroll that, based on the number of jobs and average annual salary estimates provided by the company, is allowable given the economic impact of the project.

The net economic benefit is the lesser of:

- (1) the qualified employees' state personal income tax withholding;
- (2) a cost/benefit analysis prepared by MDA (the net benefit rate and the cumulative estimated net direct state benefit); or
- (3) a legal maximum of 4%.

Once the company has met all eligibility requirements, it must notify the Tax Commission. The Tax Commission will insure that the company has complied with all program requirements for four quarters.

After the company has remained in compliance for four consecutive quarters, rebate payments will begin. The amount of rebate paid is calculated by multiplying the amount placed in the fund by:

- 90% if the annual average wage is at least 175% of the county or state wage, whichever is less;
- 80% if the annual average wage is at least 125% and less than 175% of the county or state wage, whichever is less; or
- 70% if the annual average wage is less than 125% of the county or state wage, whichever is less.

If the business or industry does not maintain jobs and salary requirements at any point after the date the first rebate payment is made, incentive payments will stop and will not resume until all requirements are again met or exceeded for one calendar quarter, to the satisfaction of the Mississippi State Tax Commission.

ACQUISITION OF EXISTING FACILITIES

In connection with the acquisition of assets or facilities existing within the State at or prior to the acquisition date, no benefit under the Advantage Jobs Program will be available, except under the following circumstances:

1. A formal decision to close the existing facility by the seller must have been announced by means of a notice ("WARN Notice") delivered in the manner prescribed in the Workers Adjustment and Relocation Act, 29 U.S.C. Section 2101 and following. Other substantially similar formal, verifiable evidence that confirms a decision to close the existing facility may also be considered; and
2. The purchaser must provide a letter to the MDA stating that without the benefits available under and pursuant to the Advantage Jobs program, the purchaser would be unwilling to purchase the facility or assets; and
3. The equity owners of the seller may not have effective voting control, directly or indirectly, of the purchaser for a period of not less than ten (10) years, and under no circumstances may the equity owners of the seller during such period own more than twenty-five percent (25%) of the equity interest of the

purchaser.

The Advantage Jobs benefits offered, if any: (a) shall be based on the facts and circumstance of each case, (b) shall be subject to review and approval by the Executive Director of MDA and (c) shall be subject to any conditions imposed by the Executive Director in addition to or in lieu of the conditions stated above.

ADVANTAGE JOBS APPLICATION PROCESS

All Advantage Jobs program documents may be obtained from MDA. To apply, three (3) copies of a completed Advantage Jobs Application (“Application”) must be submitted to MDA. MDA shall conduct a cost benefit analysis as prescribed by the Act. MDA has the sole discretion to qualify a company for benefits under the Advantage Jobs Program.

Upon approval of an Application, MDA will issue an Advantage Jobs Incentive Certificate (“Certificate”). Such Certificate will establish the minimum average salary (“Salary Base”), number of jobs (“Job Base”), and the estimated net direct state benefit allowed.

Once the approved company has met all requirements including jobs and salaries, qualified companies must file a claim with the Mississippi State Tax Commission. The company must specify the actual number of full-time jobs created and maintained by the company and provide the gross payroll in order to receive payment.

The company must provide all information necessary to substantiate that requirements are being met to the satisfaction of the State Tax Commission. The company will be required to provide periodic reports to show continued eligibility and may be subject to audit.

After four consecutive quarters of program compliance, rebates will begin to be paid by the Mississippi State Tax Commission. A qualified company may receive quarterly incentive payments for up to 10 years from the Tax Commission.

The company will have 24 months from the date of the Certificate to meet the terms established under such Certificate.

PROGRAM GUIDELINES, AMENDMENTS, AND WAIVERS

Advantage Jobs is administered by the Mississippi Development Authority (“MDA”) and the Mississippi State Tax Commission (“Tax Commission”) pursuant to Section 57-62-1 et seq., Mississippi Code of 1972, as amended.

These guidelines may be amended by MDA at anytime. MDA, in its discretion, may temporarily waive any requirement of these guidelines to the extent that the result of such waiver is to promote the public purpose of the Act and is not prohibited by State laws.

ADDITIONAL INFORMATION

Additional information with respect to the program and these program guidelines may be obtained by contacting:

Mississippi Development Authority
Advantage Jobs Incentive Program
Post Office Box 849
Jackson, Mississippi 39205
(601) 359-3449

EXHIBIT A

**Mississippi State Tax Commission
County Designation for 2005**

Tier 3 Less Developed	Tier 2 Moderately Developed	Tier 1 Developed
Jefferson	Yazoo	Grenada
Holmes	Tishomingo	Alcorn
Claiborne	Tunica	Leake
Quitman	Humphreys	Newton
Issaquena	Bolivar	Union
Benton	Washington	Simpson
Wilkinson	Copiah	Tate
Panola	Jasper	Lauderdale
Noxubee	Prentiss	Lincoln
Tallahatchie	Leflore	Pontotoc
Sharkey	Montgomery	Itawamba
Choctaw	George	Lee
Sunflower	Amite	Smith
Jefferson Davis	Attala	Oktibbeha
Franklin	Coahoma	Jackson
Webster	Stone	Warren
Perry	Carroll	Neshoba
Kemper	Tippah	Hancock
Greene	Lowndes	Harrison
Chickasaw	Calhoun	Forrest
Marshall	Pike	Lafayette
Walthall	Adams	Hinds
Clarke	Lawrence	Lamar
Wayne	Covington	Jones
Monroe	Marion	Desoto
Clay	Scott	Madison
Yalobusha	Pearl River	Rankin
Winston		