

## Skills Training Income Tax Credit

The Skills Training Income Tax Credit is an incentive available to certain businesses offering training to their Mississippi employees. Eligible businesses include:

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

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

The Skills Training Credit can be applied to state income tax to reduce the eligible employer's income tax liability. For expenses to qualify for the Skills Training Credit, the training program must be offered by or be approved by the community or junior college in the district where the business is located, as well as by the Mississippi Department of Revenue. The training does not have to be held on the community or junior college campus to qualify for the credit but must enhance skills related to the job that the employee is performing, improve job performance or relate to a career path that is anticipated for the employee.

The expenses that qualify for this credit include expenses relating to instructors, instructional materials and equipment and the construction and maintenance of facilities by an employer designated for training purposes. Eligible amounts are those that are deductible in the employer's Mississippi income tax return, including travel, accommodations, the cost of copies, etc.

The Skills Training Income Tax Credit equals 50 percent of the expenses the business incurs in that training. The credit is allowed up to 50 percent of the business's state income tax liability for that year, and unused Skills Training Tax Credits can be carried forward up to five years. The amount of training credit cannot exceed \$2,500 per Mississippi employee per year. The credit is not refundable and cannot be used both as a credit and a deduction.

The Skills Training Income Tax Credit is administered by the Mississippi Department of Revenue. 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.

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