

National or Regional Headquarters Tax Credit

National or Regional Headquarters Tax Credits are credits equal to between \$500 and \$2,000 per position that can be applied to state income tax to reduce an eligible entity's corporate income tax liability. These credits are awarded to encourage companies to establish a headquarters in Mississippi and have their executive officers and other high-level employees based in the state. These credits are also awarded to companies that already have headquarters in Mississippi and create additional jobs at their headquarters operations in the state.

PROGRAM FACTS

In transferring or establishing a national or regional headquarters in Mississippi or in expanding existing headquarters operations in the state, a company must create a minimum of 20 qualified jobs within a one-year period to be eligible for the National or Regional Headquarters Tax Credit.

For the purposes of the National or Regional Headquarters Tax Credit, a national or regional headquarters is defined as an office or location of a multi-state business where managerial, professional, technical and administrative personnel are domiciled and employed. Centralized functions such as financial, legal, technical and personnel activities must be performed by the qualifying employees. The classification of personnel as headquarters employees is dependent upon their duties in direct relationship to the functions of the entity and not solely on their physical presence at the location.

The credit is awarded in the amount of \$500 per full-time employee per year for a five-year period. The annual credit amount is increased to \$1,000 for each position that pays 125 percent of the average annual state wage and to \$2,000 for each position that pays 200 percent of the average annual state wage. To receive the tax credits for the entire five-period, a minimum of 20 full-time jobs must be maintained.

A business can utilize these credits in addition to Jobs Tax Credits, and the combination of the two tax credits can be used to offset up to 50 percent of the entity's state income tax liability. Any unused credits can be carried forward up to five years.

National or Regional Headquarters Tax Credits are awarded and 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.

To learn more about tax incentives available to companies locating or expanding their national or regional headquarters in Mississippi, view the Headquarters Tax Incentives overview.

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Contact the Mississippi Development Authority's Financial Resources Division
at 601.359.3552 or financial@mississippi.org to learn more.