

Title 8: Education - Institutions of Higher Learning

Part 13: Strengthening Mississippi Academic Research Through Business Act (Smart Business Act) Rebate Application Guidelines

Chapter 1

1301 Funding Opportunity Title

Strengthening Mississippi Academic Research Through Business Act (SMART Business Act) Rebate Applications.

1302 Funding Opportunity Purpose/Description

The Strengthening Mississippi Academic Research Through Business Act (SMART Business Act), as established by Mississippi law, is intended to meet the following goals: stimulate private investment in research and development through partnerships with Mississippi public colleges; increase the competitiveness of Mississippi companies; and improve the economy of the State of Mississippi.

1303 Eligibility Requirements

Any natural person, partnership, limited liability company, association, corporation, business trust or other business entity not formed for the specific purpose of acquiring the rebate offered, and which is subject to Mississippi income or franchise tax is eligible to apply (the “Applicant”).

1304 Application and Submission Information

1. Requesting an Application Package

Application information is available online at the Mississippi Institutions of Higher Learning’s (IHL) website (www.ihl.state.ms.us).

2. Content and Form of Application Submission

Application packages will be accepted online at www.ihl.state.ms.us and will at a minimum include the items listed below.

- a. Name, address and tax ID number for the Applicant (to document eligibility of the Applicant/Investor).
- b. A copy of a Research Agreement between the Applicant and a College or Research Corporation stating their intent to enter into a Research Agreement for Qualified Research with an attached research plan and budget approved by the College or Research corporation. The research agreement must also include an estimated date of completion.
- c. A statement/assurance that funds from the Applicant/Investor do not originate from any grant, contract or otherwise by another person or governmental entity.
- d. A letter from the Mississippi Department of Revenue stating that the applicant is subject to Mississippi income tax or franchise tax.

3. Submission Dates and Times

Applications may be submitted during one of two 60-day open enrollment periods that will be publicly announced on an annual basis. Additional open enrollment periods may be announced based on availability of funding.

1305 Application Review Information

Applications will be reviewed for compliance with the legislation by the Office of the Commissioner of Higher Education or his designee.

1306 Award Information

1. Funding Instrument

Rebate: An Investor (Applicant) incurring qualified research costs subject to a research agreement approved under this act is eligible for a rebate equal to twenty-five percent (25%) of the investor's qualified research costs.

2. Funds Available and Anticipated Number of Awards

The total funding support from the State of Mississippi is \$5,000,000 per fiscal year. Each investor incurring research costs approved under this act is limited to a rebate of twenty-five percent (25%) of the investor's qualified research costs not to exceed \$1,000,000 during any fiscal year.

1307 Award Administration Information

A formal notification in the form of a SMART Business Certificate (SBC) will be issued by the IHL to awarded investors within 60 days of the expiration of an open enrollment period.

1308 Rebate Redemption

To claim a rebate, the investor must submit a rebate allocation claim to the Mississippi Department of Revenue. The rebate allocation claim must include, at a minimum, the SMART Business certificate issued by the Mississippi Institutions of Higher Learning and proof of payment to the college or research corporation for qualified research conducted according to the research agreement. The IHL may set an expiration date for redemption of rebates with the Mississippi Department of Revenue.

1309 Definitions

"College" means the state institutions of higher learning in Mississippi which are accredited by the Southern Association of Colleges and Schools.

"Investor" means a natural person, partnership, limited liability company, association, corporation, business trust or other business entity, not formed for the specific purpose of acquiring the rebate offered, which is subject to Mississippi income tax or franchise tax.

"Qualified research" means the systematic investigative process that is undertaken for the purpose of discovering information. The term "qualified research" does not include research conducted outside the State of Mississippi or research to the extent funded by any grant, contract or otherwise by another person or governmental entity.

"Research agreement" means a new written contract, grant or cooperative agreement entered into between a person and a college or research corporation for the performance of qualified research; however, all qualified research costs generating a rebate must be spent by the college or research corporation on qualified research undertaken according to a research agreement.

"Research corporation" means any research corporation formed under Section 37-147-15 if the corporation is wholly owned by a college and all income and profits of the corporation inure to the benefit of the college.

"Qualified research costs" means costs paid or incurred by an investor to a college or research corporation for qualified research undertaken according to a research agreement.

"State" means the State of Mississippi or a governmental entity of the State of Mississippi.

"IHL" means the Board of Trustees of State Institutions of Higher Learning in Mississippi.

"SMART Business Act" means Strengthening Mississippi Academic Research Through Business Act.

(Mississippi House Bill 826, which was passed during the 2013 legislative session)