

By: Representatives Eaton, Stringer, Holland, Reynolds, Bourdeaux, Bowles, Chaney, Coleman (29th), Comans, Cummings, Davis, Dedeaux, Ellzey, Ford, Formby, Franks, Frierson, Gadd, Gibbs, Green (34th), Grist, Hamilton, Horne, Howell, Hudson, Janus, Ketchings, King, Livingston, Malone, Manning, Maples, Markham, Martinson, McBride, McCoy, McElwain, Middleton, Miles, Moore, Moss, Nettles, Robinson (84th), Rogers, Rotenberry, Saucier, Scott (17th), Shows, Simmons, Smith (35th), Smith (27th), Taylor, Vince, Warren, Weathersby, Williams, Roberson, Guice

To: Ways and Means

## HOUSE BILL NO. 832

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS  
 2 WHO INCUR COSTS FOR CERTAIN APPROVED REFORESTATION PRACTICES; TO  
 3 LIMIT THE AMOUNT OF SUCH INCOME TAX CREDIT; AND FOR RELATED  
 4 PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. (1) As used in this section, the following words  
 7 and phrases shall have the meanings ascribed to herein unless the  
 8 context clearly indicates otherwise:

9 (a) "Approved reforestation practices" means the  
 10 following practices for establishing a crop of trees suitable for  
 11 manufacturing into forest products:

12 (i) "Pine and hardwood tree planting practices"  
 13 including the cost of seedlings, planting by hand or machine, and  
 14 site preparation.

15 (ii) "Mixed-stand regeneration practices" to  
 16 establish a mixed-crop of pine and hardwood trees by planting or  
 17 direct seeding, or both, including the cost of seedlings,  
 18 seed/acorns, planting, seeding and site preparation.

19 (iii) "Direct seeding practices" to establish a  
 20 crop of pine or oak trees by directly applying seed/acorns to the  
 21 site including the cost of seed/acorns, seeding and site  
 22 preparation.

23 (iv) "Post-planting site preparation practices" to  
 24 reduce or control undesirable competition within the first growing  
 25 season of an established crop of trees.

26 Approved reforestation practices shall not include the  
 27 establishment of orchards, Christmas trees or ornamental trees.

28           (b) "Eligible tree species" means pine and hardwood  
29 commercial tree species suitable for manufacturing into forest  
30 products.

31           (c) "Cost-share assistance" means partial financial  
32 payment for approved reforestation practices from the state  
33 government as authorized under Sections 49-19-201 through  
34 49-19-227, or the federal government.

35           (d) "Eligible owner" means a private individual, group  
36 or association, but the term shall not mean private corporations  
37 which manufacture products or provide public utility services of  
38 any type or any subsidiary of such corporations.

39           (e) "Eligible lands" means nonindustrial private lands  
40 owned by a private individual, group or association, but shall not  
41 mean lands owned by private corporations which manufacture  
42 products or provide public utility services of any type or any  
43 subsidiary of such corporations.

44           (2) Subject to the limitations provided in subsection (3) of  
45 this section, any eligible owner who incurs costs for approved  
46 reforestation practices for eligible tree species on eligible  
47 lands shall be allowed a credit, in an amount equal to the lesser  
48 of fifty percent (50%) of the actual costs of the approved  
49 reforestation practices or fifty percent (50%) of the average cost  
50 of approved practices as established by the Mississippi Forestry  
51 Commission under Section 49-19-219, against the taxes imposed  
52 pursuant to this chapter for the tax year in which the costs are  
53 incurred.

54           (3) The credit provided for in this section shall not exceed  
55 the lesser of Ten Thousand Dollars (\$10,000.00) or the amount of  
56 income tax imposed upon the eligible owner for the taxable year  
57 reduced by the sum of all other credits allowable to the eligible  
58 owner under this chapter, except credit for tax payments made by  
59 or on behalf of the eligible owner. Any unused portion of the  
60 credit may be carried forward for succeeding tax years.

61           (4) If an eligible owner receives any state or federal cost  
62 share assistance funds to defray the cost of an approved  
63 reforestation practice, the cost of that practice on the same acre  
64 or acres within the same tax year is not eligible for the credit  
65 provided in this section unless the eligible owner's adjusted  
66 gross income is less than the federal earned income credit level.

67           SECTION 2. Section 1 of this act shall be codified as a  
68 separate code section in Article 1, Chapter 7, Title 27,  
69 Mississippi Code of 1972.

70           SECTION 3. Nothing in this act shall affect or defeat any  
71 claim, assessment, appeal, suit, right or cause of action for  
72 taxes due or accrued under the income tax laws before the date on  
73 which this act becomes effective, whether such claims,  
74 assessments, appeals, suits or actions have been begun before the  
75 date on which this act becomes effective or are begun thereafter;  
76 and the provisions of the income tax laws are expressly continued  
77 in full force, effect and operation for the purpose of the  
78 assessment, collection and enrollment of liens for any taxes due  
79 or accrued and the execution of any warrant under such laws before  
80 the date on which this act becomes effective, and for the  
81 imposition of any penalties, forfeitures or claims for failure to  
82 comply with such laws.

83           SECTION 4. This act shall take effect and be in force from  
84 and after January 1, 1999.