

By: Formby

To: Ways and Means

HOUSE BILL NO. 1686

1 AN ACT TO AMEND SECTION 27-7-18, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT CERTAIN SELF-EMPLOYMENT TAXES ASSESSED AGAINST
3 SELF-EMPLOYED INDIVIDUALS SHALL BE ALLOWED AS AN ADJUSTMENT TO
4 GROSS INCOME UNDER THE STATE INCOME TAX LAW; AND FOR RELATED
5 PURPOSES.

6
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 SECTION 1. Section 27-7-18, Mississippi Code of 1972, is
9 amended as follows:[HS1]

10 27-7-18. (1) Alimony payments. In the case of a person
11 described in Section 27-7-15(2)(e), there shall be allowed as a
12 deduction from gross income amounts paid as periodic payments to
13 the extent of such amounts as are includible in the gross income
14 of the spouse as provided in Section 27-7-15(2)(e), payment of
15 which is made within the person's taxable year.

16 (2) Unreimbursed moving expenses incurred after December 31,
17 1994, are deductible as an adjustment to gross income in
18 accordance with provisions of the United States Internal Revenue
19 Code, and rules, regulations and revenue procedures thereunder
20 relating to moving expenses, not in direct conflict with the
21 provisions of the Mississippi Income Tax Law.

22 (3) Amounts paid after December 31, 1998, by a self-employed
23 individual for insurance which constitute medical care for the
24 taxpayer, his spouse and dependents, are deductible as an
25 adjustment to gross income in accordance with provisions of the
26 United States Internal Revenue Code, and rules, regulations and
27 revenue procedures thereunder relating to such payments, not in
28 direct conflict with the provisions of the Mississippi Income Tax

29 Law.

30 (4) Self-employment taxes. In the case of a self-employed
31 individual, there shall be allowed as a deduction from gross
32 income an amount equal to one-half (1/2) of the self-employment
33 taxes imposed on such individual for the taxable year. However,
34 for the 2000 calendar year, the deduction authorized by this
35 subsection (4) shall not exceed one-third (1/3) of the one-half
36 (1/2) of such self-employment taxes; for the 2001 calendar year,
37 the deduction authorized by this subsection (4) shall not exceed
38 two-thirds (2/3) of the one-half (1/2) of such self-employment
39 taxes; and for the 2002 calendar year, and each calendar year
40 thereafter, the deduction authorized by this subsection (4) shall
41 be an amount equal to one-half (1/2) of such self-employment
42 taxes.

43 SECTION 2. Nothing in this act shall affect or defeat any
44 claim, assessment, appeal, suit, right or cause of action for
45 taxes due or accrued under the income tax laws before the date on
46 which this act becomes effective, whether such claims,
47 assessments, appeals, suits or actions have been begun before the
48 date on which this act becomes effective or are begun thereafter;
49 and the provisions of the income tax laws are expressly continued
50 in full force, effect and operation for the purpose of the
51 assessment, collection and enrollment of liens for any taxes due
52 or accrued and the execution of any warrant under such laws before
53 the date on which this act becomes effective, and for the
54 imposition of any penalties, forfeitures or claims for failure to
55 comply with such laws.

56 SECTION 3. This act shall take effect and be in force from
57 and after January 1, 2000.