

By: Representative Holland

To: Ways and Means

HOUSE BILL NO. 865

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT IN AN AMOUNT EQUAL TO  
2 TWENTY-FIVE PERCENT OF EXPENDITURES MADE IN A TAX YEAR FOR CERTAIN  
3 SOIL AND WATER CONSERVATION PRACTICES UP TO A MAXIMUM OF  
4 \$2,500.00; AND FOR RELATED PURPOSES.

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

6 SECTION 1. (1) For any taxpayer who is engaged in  
7 agricultural production for market and who has in place a soil  
8 conservation plan approved by the local Soil and Water  
9 Conservation District, a credit against the taxes imposed under  
10 this chapter shall be allowed in the amount of twenty-five percent  
11 (25%) of the first Ten Thousand Dollars (\$10,000.00) expended for  
12 the purchase or installation, or both, of the following  
13 agricultural best management practices:

- 14 (a) Conservation tillage equipment; or
- 15 (b) Livestock-waste and poultry-waste management,
- 16 including, but not limited to, dams, pipes, pumps, agitators,
- 17 sprayers, spreaders, installation charges and other related
- 18 expenses.

19 (2) The tax credit shall not exceed Two Thousand Five  
20 Hundred Dollars (\$2,500.00) or the taxpayer's income tax liability  
21 due under this chapter, whichever is less, in the year the  
22 practice was completed or conservation tillage equipment purchased  
23 as certified by the Mississippi Soil and Water Conservation  
24 Commission or its agent, the local Soil and Water Conservation  
25 District. If the amount of the credit exceeds the taxpayer's  
26 income tax liability for such taxable year, the excess may not be  
27 carried forward. If a taxpayer has received federal, state or  
28 local cost-share or grant assistance, only the portion of the



29 total cost of the project that was contributed by the taxpayer  
30 shall be used to determine the tax credit. For purposes of this  
31 section, the amount of any tax credit attributable to either of  
32 the agricultural best management practices provided in subsection  
33 (1) of this section by a partnership shall be allotted to the  
34 individual partners in proportion to their ownership or interest  
35 in the partnership.

36 (3) In order for expenditures made for the type of equipment  
37 described in subsection (1)(a) of this section to qualify for the  
38 credit provided for in this section, the type of equipment must be  
39 on a list of all equipment that qualifies as conservation tillage  
40 equipment provided to the State Tax Commission by the Mississippi  
41 Soil and Water Conservation Commission.

42 (4) In order for expenditures for the types of activities  
43 provided for in subsection (1)(b) of this section to qualify for  
44 the credit provided for in this section, the taxpayer must obtain  
45 a certificate of qualification from the Mississippi Soil and Water  
46 Conservation Commission, or its agent in the local Soil and Water  
47 Conservation District, certifying that the construction,  
48 renovation or practice offers a water quality benefit through  
49 livestock-waste or poultry-waste management.

50 SECTION 2. Section 1 of this act shall be codified as a  
51 separate Code section in Chapter 7, Title 27, Mississippi Code of  
52 1972.

53 SECTION 3. This act shall take effect and be in force from  
54 and after January 1, 2001.

