HOUSE BILL NO. 1523

AN ACT TO EXEMPT BUSINESS PROPERTY OF CERTAIN SMALL BUSINESSES FROM AD VALOREM TAXATION; TO AMEND SECTION 27-7-29, MISSISSIPPI CODE OF 1972, TO EXEMPT CERTAIN SMALL BUSINESSES FROM STATE INCOME TAX; AND FOR RELATED PURPOSES.

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

SECTION 1. All business property of a small business with annual gross income or gross proceeds of sales of One Hundred Thousand Dollars ($100,000.00) or less, which is owned by a person who is sixty-five (65) years of age or older and who has owned and operated the small business for at least twenty-five (25) years shall be exempt from ad valorem taxation. The exemption granted in this section shall be for a period of ten (10) years, and the exemption shall be in addition to any other exemption granted by law. For purposes of this section, "small business" means any commercial enterprise with less than one hundred (100) full-time employees or less than Two Million Dollars ($2,000,000.00) in net worth.

SECTION 2. Section 27-7-29, Mississippi Code of 1972, is amended as follows:

27-7-29. The following organizations shall be exempt from taxation under this article:

(1) Fraternal beneficiary societies, orders or associations.

(2) Mutual savings banks, domestic or foreign when organized and operated on a nonprofit basis and for public purposes; and farm loan associations when organized and operated on a nonprofit basis and for public purposes.
(3) Cemetery corporations; religious, charitable, educational or scientific associations or institutions, including any community chest, funds or foundations, organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual.

(4) Business leagues, labor organizations, agricultural or horticultural associations, chambers of commerce, or boards of trade not organized for profit, and no part of the net earnings of which inures to the benefit of any private stockholder or individual.

(5) Civic leagues and social clubs or organizations not organized for profit, but operated exclusively for the promotion of social welfare.

(6) Clubs organized and operated exclusively for pleasure, recreation and other nonprofitable purposes, no part of the net earnings of which inures to the benefit of any private stockholder or member.

(7) Farmers and fruit growers cooperatives or other like organizations organized and operated as sales agents for the purpose of marketing the products of members and turning back to them the proceeds of sales, less the necessary selling expenses and on the basis of the quantity of produce furnished by them, and other nonprofit agricultural associations organized and operated under the provisions of the cooperative marketing laws of this state. Corporations that are treated as cooperatives for federal income tax purposes will be exempt from income taxation under this chapter to the same extent as provided for federal income tax purposes.

(8) Nonprofit cooperative electric power associations or corporations, or like associations, when organized and operated
for public purposes and when no part of the income inures to the
benefit of any private stockholder or individual.

(9) Any nonprofit corporation that is required to be
organized and formed for the purpose of operating and managing the
state's prison industries.

(10) Any small business with annual gross income or gross
proceeds of sales of One Hundred Thousand Dollars ($100,000.00) or
less, which is owned by a person who is sixty-five (65) years of
age or older and who has owned and operated the small business for
at least twenty-five (25) years. For purposes of this exemption,
"small business" means any commercial enterprise with less than
one hundred (100) full-time employees or less than Two Million
Dollars ($2,000,000.00) in net worth.

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

SECTION 4. This act shall take effect and be in force from