

By: Representative West

To: Ways and Means

HOUSE BILL NO. 1523

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

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

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

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

20 27-7-29. The following organizations shall be exempt from
21 taxation under this article:

- 22 (1) Fraternal beneficiary societies, orders or associations.
- 23 (2) Mutual savings banks, domestic or foreign when organized
24 and operated on a nonprofit basis and for public purposes; and
25 farm loan associations when organized and operated on a nonprofit
26 basis and for public purposes.

27 (3) Cemetery corporations; religious, charitable,
28 educational or scientific associations or institutions, including
29 any community chest, funds or foundations, organized and operated
30 exclusively for religious, charitable, scientific or educational
31 purposes, or for the prevention of cruelty to children or animals,
32 no part of the net earnings of which inures to the benefit of any
33 private stockholder or individual.

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

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

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

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

57 (8) Nonprofit cooperative electric power associations or
58 corporations, or like associations, when organized and operated

59 for public purposes and when no part of the income inures to the
60 benefit of any private stockholder or individual.

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

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

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

86 SECTION 4. This act shall take effect and be in force from
87 and after January 1, 2001.