HOUSE BILL NO. 1529

AN ACT TO PROVIDE AN INCOME TAX REDUCTION FOR TAXPAYERS FILING INDIVIDUAL TAX RETURNS; TO PROVIDE THE AMOUNT OF SUCH REDUCTION; TO PROVIDE FOR THE PHASING IN OF THE INCOME TAX REDUCTION AUTHORIZED BY THIS ACT; AND FOR RELATED PURPOSES.

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

SECTION 1. (1) After calculating the income tax liability due under this chapter, a taxpayer filing an individual return may reduce the amount of such tax liability as provided in this section, subject to the provisions of subsection (2) of this section. For the 2003 calendar year and the 2004 calendar year, the amount of the reduction authorized in this section shall be five percent (5%) of the amount of such taxpayer's income tax liability calculated under this chapter. For the 2005 calendar year and the 2006 calendar year, the amount of the reduction authorized in this section shall be seven and one-half percent (7-1/2%) of the amount of such taxpayer's income tax liability calculated under this chapter. For the 2007 calendar year and each calendar year thereafter, the amount of the reduction authorized in this section shall be ten percent (10%) of the amount of such taxpayer's income tax liability calculated under this chapter.

(2) If the growth rate of the state individual income tax revenue for the previous state fiscal year falls below five percent (5%), as determined by the Chairman of the State Tax Commission on or before August 1 of each year, then the reduction authorized in this section shall remain at the percentage in effect at the time of such determination. If the growth rate of
the state individual income tax revenue reaches five percent (5%),
as determined by the Chairman of the State Tax Commission, for the
state fiscal year following a fiscal year or years in which the
growth rate of such revenue fell below five percent (5%), then the
reduction authorized in this section will increase to the next
scheduled increment provided in subsection (1) of this section
without regard to the calendar year. This subsection (2) shall
not apply when the reduction authorized in this section reaches
ten percent (10%) of the taxpayer's income tax liability
calculated under this chapter.

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

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