

By: Representatives Mayo, Espy

To: Ways and Means

HOUSE BILL NO. 1549

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN ELECTRIC
2 UTILITIES, ELECTRIC POWER MARKETERS, GENERATORS OF ELECTRIC ENERGY
3 OR ELECTRICITY CONSUMERS FOR CONTRIBUTIONS MADE TO CERTAIN PUBLIC
4 UTILITIES FOR THE PURPOSE OF MAKING CERTAIN TRANSMISSION SYSTEM
5 UPGRADES; TO LIMIT THE AMOUNT OF THE INCOME TAX CREDIT AUTHORIZED
6 IN THIS ACT; AND FOR RELATED PURPOSES.

7 WHEREAS, pursuant to United States Federal Energy Regulatory
8 Commission rules requiring all public utilities owning,
9 controlling and operating facilities used for transmitting
10 electric energy in interstate commerce to file open access
11 nondiscriminatory transmission tariffs which permit transmission
12 customers to engage in the interstate commerce sale of electric
13 power and energy, transmission customers may be required to pay to
14 transmission providers the cost of upgrades in transmission
15 facilities necessary to accommodate the transmission of electric
16 power and energy sought by the transmission customer; and, an
17 adequate energy infrastructure being essential to the economic
18 development of this state, it is the policy of the State of
19 Mississippi to encourage investment in the development and
20 improvement of systems for the transportation and transmission of
21 electric power and energy within the state; NOW, THEREFORE,

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

23 SECTION 1. (1) For purposes of this section, the following
24 terms shall have the meanings ascribed to them:

25 (a) "Transmission customer" means any taxpayer who (i)
26 is an electric utility, an electric power marketer, a generator of
27 electric energy for sale, resale, or an electricity consumer who
28 takes unbundled transmission service pursuant to any retail

29 electricity access program pursuant to the laws of this state
30 adopted or enacted subsequent to the effective date of this act
31 and (ii) receives or proposes to receive transmission service from
32 a transmission provider. "Transmission customer" shall not mean
33 an affiliate of a transmission provider.

34 (b) "Transmission provider" means a public utility that
35 owns, controls, or operates facilities within the State of
36 Mississippi used for transmission of electric energy under an open
37 access transmission tariff properly filed and approved by the
38 United States Federal Energy Regulatory Commission, or its
39 successor agency, or under the transmission open access
40 reciprocity provisions of the orders and/or regulations of the
41 United States Federal Energy Regulatory Commission.

42 (c) "Network upgrades" means modifications or additions
43 to the transmission-related facilities within the State of
44 Mississippi that are integrated with and support the transmission
45 providers' overall transmission system for the general benefit of
46 all users of such transmission system, including the transmission
47 provider.

48 (2) (a) For a transmission customer making contributions to
49 a transmission provider for the costs of network upgrades, a
50 credit against the taxes imposed by this chapter shall be allowed
51 in the amount provided in this section. The credit may be claimed
52 for contributions made on or after January 1, 2001.

53 (b) A transmission customer may claim the income tax
54 credit provided in this section for a period of ten (10) years
55 commencing with the first full taxable year beginning after the
56 date the transmission customer makes its final contribution to the
57 transmission provider. The amount of the credit for a taxable
58 year shall be equal to twelve percent (12%) of the difference
59 between the aggregate amount of contributions made by the
60 transmission customer to the transmission provider and the
61 aggregate amount of all credits received by the transmission

62 customer prior to such taxable year against the cost of
63 transmission service rendered by the transmission provider
64 pursuant to the terms, provisions and rates of the open access
65 transmission tariff filed by the transmission provider with the
66 United States Federal Energy Regulatory Commission. The income
67 tax credit provided in this section may not exceed the income tax
68 liability of the transmission customer calculated under this
69 chapter for the taxable year in which the credit is claimed.

70 (c) Any amount of contributions by a transmission
71 customer which is used as an income tax credit under this section
72 may not be used by the transmission customer as a deduction for
73 state income tax purposes.

74 (d) The maximum cumulative income tax credit that may
75 be claimed by a transmission customer under this section may not
76 exceed twenty-five percent (25%) of the aggregate amount of
77 contributions made by the transmission customer to the
78 transmission provider.

79 (3) The State Tax Commission shall have all powers necessary
80 to implement and administer this section, and the commission shall
81 promulgate rules and regulations necessary for the implementation
82 of this section.

83 SECTION 2. Section 1 of this act shall be codified as a
84 separate code section in Chapter 7, Title 27, Mississippi Code of
85 1972.

86 SECTION 3. Nothing in this act shall affect or defeat any
87 claim, assessment, appeal, suit, right or cause of action for
88 taxes due or accrued under the income tax laws before the date on
89 which this act becomes effective, whether such claims,
90 assessments, appeals, suits or actions have been begun before the
91 date on which this act becomes effective or are begun thereafter;
92 and the provisions of the income tax laws are expressly continued
93 in full force, effect and operation for the purpose of the
94 assessment, collection and enrollment of liens for any taxes due

95 or accrued and the execution of any warrant under such laws before
96 the date on which this act becomes effective, and for the
97 imposition of any penalties, forfeitures or claims for failure to
98 comply with such laws.

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