SENATE BILL NO. 2369

AN ACT TO PROVIDE AN INCOME TAX CREDIT IN AN AMOUNT EQUAL TO 25% OF EXPENDITURES MADE IN A TAX YEAR FOR CERTAIN SOIL AND WATER CONSERVATION PRACTICES UP TO A MAXIMUM OF $2,500.00; AND FOR RELATED PURPOSES.

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

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

(a) Conservation tillage equipment; or

(b) Livestock-waste and poultry-waste management, including, but not limited to, dams, pipes, pumps, agitators, sprayers, spreaders, installation charges and other related expenses.

(2) The tax credit shall not exceed Two Thousand Five Hundred Dollars ($2,500.00) or the total amount of the tax imposed by this chapter, whichever is less, in the year the practice was completed or conservation tillage equipment purchased as certified by the Mississippi Soil and Water Conservation Commission or its agent, the local Soil and Water Conservation District. If the amount of the credit exceeds the taxpayer's liability for such taxable year, the excess may not be carried over. If a taxpayer has received federal, state or local cost-share or grant assistance, only the percent of the total cost of the project that
was contributed by the taxpayer shall be used to determine the tax credit. For purposes of this section, the amount of any tax credit attributable to either of the agricultural best management practices provided in subsection (1) of this section by a partnership shall be allotted to the individual partners in proportion to their ownership or interest in the partnership.

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

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

SECTION 2. The provisions of Section 1 of this act shall be codified in Chapter 7 of Title 27, Mississippi Code of 1972.

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