

By: Representative Ketchings

To: Ways and Means

HOUSE BILL NO. 610

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

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

6 **SECTION 1.** (1) After calculating the income tax liability
7 due under this chapter, a taxpayer filing an individual return may
8 reduce the amount of such tax liability as provided in this
9 section, subject to the provisions of subsection (2) of this
10 section. For the 2004 calendar year and the 2005 calendar year,
11 the amount of the reduction authorized in this section shall be
12 five percent (5%) of the amount of such taxpayer's income tax
13 liability calculated under this chapter. For the 2006 calendar
14 year and the 2007 calendar year, the amount of the reduction
15 authorized in this section shall be seven and one-half percent
16 (7-1/2%) of the amount of such taxpayer's income tax liability
17 calculated under this chapter. For the 2008 calendar year and
18 each calendar year thereafter, the amount of the reduction
19 authorized in this section shall be ten percent (10%) of the
20 amount of such taxpayer's income tax liability calculated under
21 this chapter.

22 (2) If the growth rate of the state individual income tax
23 revenue for the previous state fiscal year falls below five
24 percent (5%), as determined by the Chairman of the State Tax
25 Commission on or before August 1 of each year, then the reduction
26 authorized in this section shall remain at the percentage in
27 effect at the time of such determination. If the growth rate of
28 the state individual income tax revenue reaches five percent (5%)



29 or more, as determined by the Chairman of the State Tax
30 Commission, for the state fiscal year following a fiscal year or
31 years in which the growth rate of such revenue fell below five
32 percent (5%), then the reduction authorized in this section will
33 increase to the next scheduled increment provided in subsection
34 (1) of this section without regard to the calendar year. This
35 subsection (2) shall not apply when the reduction authorized in
36 this section reaches ten percent (10%) of the taxpayer's income
37 tax liability calculated under this chapter.

38 **SECTION 2.** Section 1 of this act shall be codified as a
39 separate code section in Chapter 7, Title 27, Mississippi Code of
40 1972.

41 **SECTION 3.** This act shall take effect and be in force from
42 and after July 1, 2002.

