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.

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 2004 calendar year and the 2005 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 2006 calendar
year and the 2007 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 2008 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%)
or more, 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, 2002.