HOUSE BILL NO. 417

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
2 PHASE OUT THE STATE INCOME TAX ON CORPORATIONS; AND FOR RELATED
3 PURPOSES.
4
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
5 SECTION 1. Section 27-7-5, Mississippi Code of 1972, is
6 amended as follows:
7 27-7-5. (1) Except as otherwise provided in this section,
8 there is hereby assessed and levied, to be collected and paid as
9 hereinafter provided, for the calendar year 1983 and fiscal years
10 thereafter, upon the entire net income of every resident
11 individual, corporation, association, trust or estate, in excess
12 of the credits provided, a tax at the following rates:
13 (a) On the first Five Thousand Dollars ($5,000.00) of
14 taxable income, or any part thereof, at the rate of three percent
15 (3%);
16 On the next Five Thousand Dollars ($5,000.00) of taxable
17 income, or any part thereof, at the rate of four percent (4%); and
18 On all taxable income in excess of Ten Thousand Dollars
19 ($10,000.00), at the rate of five percent (5%).
20 (b) For calendar year 2003, such tax shall be at the
21 following rates for resident corporations:
22 On the first Five Thousand Dollars ($5,000.00) of taxable
23 income, or any part thereof, at the rate of two and four-tenths
24 percent (2.4%).
On the next Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of three and two-tenths percent (3.2%); and

On all taxable income in excess of Ten Thousand Dollars ($10,000.00), at the rate of four percent (4%).

(c) For calendar year 2004, such tax shall be at the following rates for resident corporations:

On the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of one and eight-tenths percent (1.8%);

On the next Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of two and four-tenths percent (2.4%); and

On all taxable income in excess of Ten Thousand Dollars ($10,000.00), at the rate of three percent (3%).

(d) For calendar year 2005, such tax shall be at the following rates for resident corporations:

On the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of one and two-tenths percent (1.2%);

On the next Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of one and six-tenths percent (1.6%); and

On all taxable income in excess of Ten Thousand Dollars ($10,000.00), at the rate of two percent (2%).

(e) For calendar year 2006, such tax shall be at the following rates for resident corporations:

On the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of six-tenths of one percent (0.6%);

On the next Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, at the rate of eight-tenths of one percent (0.8%); and
On all taxable income in excess of Ten Thousand Dollars ($10,000.00), at the rate of one percent (1%).

(f) For calendar year 2007, and each calendar year thereafter, there shall be no such tax imposed upon the income of any resident corporation.

(2) An S corporation, as defined in Section 27-8-3(1)(g), shall not be subject to the income tax imposed under this section.

(3) A like tax is hereby imposed to be assessed, collected and paid annually, except as hereinafter provided, at the rate specified in this section and as hereinafter provided, upon and with respect to the entire net income, from all property owned or sold, and from every business, trade or occupation carried on in this state by individuals, corporations, partnerships, trusts or estates, not residents of the State of Mississippi.

(4) In the case of taxpayers having a fiscal year beginning in the calendar year 1982 and ending after the first day of January 1983, the tax due for that taxable year shall be determined by:

(a) Computing for the full fiscal year the amount of tax that would be due under the rates in effect for the calendar year 1982; and

(b) Computing for the full fiscal year the amount of tax that would be due under the rates in effect for the calendar year 1983; and

(c) Applying to the tax computed under paragraph (a) the ratio which the number of months falling within the earlier calendar year bears to the total number of months in the fiscal year; and

(d) Applying to the tax computed under paragraph (b) the ratio which the number of months falling within the later calendar year bears to the total number of months within the fiscal year; and
(e) Adding to the tax determined under paragraph (c) the tax determined under paragraph (d) the sum of which shall be the amount of tax due for the fiscal year.

(5) In the case of a taxpayer having a fiscal year beginning in one calendar year and ending after the first day of the next calendar year, the tax due for that taxable year shall be determined by:

(a) Computing for the full fiscal year the amount of tax that would be due under the rates in effect for the calendar year in which the fiscal year began; and

(b) Computing for the full fiscal year the amount of tax that would be due under the rates in effect for the next calendar year; and

(c) Applying to the tax computed under paragraph (a) the ratio which the number of months falling within the earlier calendar year bears to the total number of months in the fiscal year; and

(d) Applying to the tax computed under paragraph (b) the ratio which the number of months falling within the later calendar year bears to the total number of months within the fiscal year; and

(e) Adding to the tax determined under paragraph (c) the tax determined under paragraph (d) the sum of which shall be the amount of tax due for the fiscal year.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due.
or accrued and the execution of any warrant under such laws before
the date on which this act becomes effective, and for the
imposition of any penalties, forfeitures or claims for failure to
comply with such laws.

SECTION 3. This act shall take effect and be in force from