HOUSE BILL NO. 1467

1 AN ACT TO AUTHORIZE CERTAIN CITIES TO LEVY A LOCAL INCOME
2 TAX; TO PROVIDE FOR ADMINISTRATION OF THE LOCAL INCOME TAX BY THE
3 STATE TAX COMMISSION; AND FOR RELATED PURPOSES.
4
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
6
7 SECTION 1. It is the purpose of this act to authorize
8 certain cities in the state to levy a local income tax under
9 specified conditions.
10
11 SECTION 2. As used in this act, the following terms shall
12 have the meanings ascribed in this section, unless the context
13 requires otherwise:
14
15 (a) "Business" means an enterprise, activity,
16 profession, or undertaking of a nature conducted for profit or
17 ordinarily conducted for profit, whether by an individual,
18 partnership, association, corporation or any other entity,
19 including but not limited to the renting or leasing of property,
20 real, personal or mixed.
21
22 (b) "Eligible city" means a city that has a population
23 of not less than twenty-five thousand (25,000), according to the
24 most recent federal decennial census, as of the effective date of
25 the tax.
26
27 (c) "Nonresident" means a person who is not a resident
28 of an eligible city.
29
30 (d) "Person" means any individual, partnership,
31 fiduciary, association, corporation, trust or estate subject to a
32 tax imposed under this act, or whose income is, in whole or in
33 part, subject to a tax imposed under this act.
34
(e) "Resident of an eligible city" means an individual who is domiciled in an eligible city unless he maintains no permanent place of abode in such city and does maintain a permanent place of abode elsewhere and spends in the aggregate not more than thirty (30) days of the taxable year in the eligible city; or who is not domiciled in an eligible city but maintains a permanent place of abode in such city and spends in the aggregate more than one hundred eighty-three (183) days of the taxable year in the eligible city.

(f) "Taxable year" means the calendar year, or fiscal year ending during such calendar year, upon the basis of which the net income is computed under this act, or under Chapter 7, Title 27, Mississippi Code of 1972. "Fiscal year" means an accounting period of twelve (12) months, ending on the last day of any month other than December.

SECTION 3. An eligible city may impose a local income tax, at a rate not less than one percent (1%) nor more than one and one-half percent (1-1/2%) of state taxable income, on all persons earning or receiving income from employment or business carried out in the eligible city. The tax shall be in addition to all other taxes now imposed.

SECTION 4. Before the tax authorized by this act may be imposed, the eligible city shall adopt an ordinance declaring its intention to levy the tax, setting forth the amount of the tax and establishing the date on which the tax initially will be levied and collected. This date shall be not earlier than the first day of the third month from the date of adoption of the ordinance.

The ordinance shall be published in a local newspaper at least twice before the date set for the levy of the tax, with the last publication being made no later than ten (10) days before such date.

SECTION 5. (1) An eligible city imposing an income tax under this act shall certify at least sixty (60) days in advance...
to the State Tax Commission the effective date of the ordinance
imposing an income tax, the rate of the tax for the entire taxable
year, and the date when the tax becomes effective.

(2) An eligible city imposing an income tax under this act
may repeal its income tax only after first giving at least one
hundred twenty (120) days' notice of the contemplated repeal of
its income tax to the State Tax Commission. The withdrawal shall
be effective from and after the first day of the next calendar
year.

SECTION 6. (1) The income tax authorized under this act in
an eligible city shall be administered by the State Tax
Commission.

(2) Revenues collected under local income taxes shall be
accounted for separately and shall be paid into a separate fund to
be distributed to eligible cities imposing such taxes after
deducting an amount to defray expenditures incurred by the State
Tax Commission in administering the local income taxes. The rules
and regulations promulgated in accordance with the state Income
Tax Law shall apply to the local income taxes except when, in the
judgment of the State Tax Commission, those rules or regulations
would be inconsistent or not feasible of proper administration.
The State Tax Commission may make any refunds to taxpayers
pursuant to this act.

(3) In the case of a nonresident, the local income tax shall
be limited solely to the place of employment or business of the
nonresident in the city that imposes the local income tax. Of the
tax imposed by the city in which the place of employment or
business is located, an amount equal to one-half (1/2) of the tax
a nonresident would owe if the person worked in his city of
residence in this state shall be credited by the State Tax
Commission to the nonresident's city of residence in this state if
that city also imposes the local income tax. If the nonresident
lives in another eligible city in this state that does not impose
a local income tax, the State Tax Commission shall credit the
total net proceeds of the nonresident's tax liability exclusively
to the city in which the nonresident's place of employment or
business in this state is located.

SECTION 7. A resident individual shall be allowed a credit
against the tax otherwise due under this act for the amount of any
income tax required to be paid by him during the taxable year to a
political subdivision of another state of the United States on
income derived from sources in that political subdivision that is
also subject to tax under this act.

SECTION 8. All sums collected under this act shall be
credited to the "Local Income Tax Fund" which is established in
the State Treasury. After deducting the amount of refunds made, a
reserve for expected or anticipated refunds, and the costs of
administering the tax, the remaining sums shall be returned by the
State Treasurer to the eligible city of origin by the fifteenth
day of the month following the month in which the sums were
collected.

SECTION 9. The provisions of this act shall be additional
and supplemental to the powers conferred by any other laws of this
state, and shall not be construed as amending or repealing any
other provision of law.

SECTION 10. This act shall take effect and be in force from
and after its passage.