

By: Representative Broomfield

To: Ports, Harbors and  
Airports; Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 829

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS  
2 THAT UTILIZE THE PORT FACILITIES AT STATE, COUNTY AND MUNICIPAL  
3 PORTS EQUAL TO CERTAIN CHARGES PAID BY THE TAXPAYER ON THE IMPORT  
4 OF CARGO; TO LIMIT THE CHARGES THAT MAY BE USED FOR THE CREDIT; TO  
5 LIMIT THE MAXIMUM AMOUNT OF SUCH CREDIT; TO PROVIDE THAT A  
6 TAXPAYER MUST PROVIDE CERTAIN INFORMATION TO THE STATE TAX  
7 COMMISSION TO RECEIVE SUCH CREDIT; TO REQUIRE THE MISSISSIPPI  
8 DEVELOPMENT AUTHORITY TO REPORT ANNUALLY REGARDING THE IMPACT OF  
9 THIS ACT; TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS  
10 THAT UTILIZE THE AIRPORT FACILITIES AT PUBLIC AIRPORTS EQUAL TO  
11 CERTAIN CHARGES PAID BY THE TAXPAYER ON THE EXPORT OR IMPORT OF  
12 CARGO; TO LIMIT THE CHARGES THAT MAY BE USED FOR THE CREDIT; TO  
13 LIMIT THE MAXIMUM AMOUNT OF SUCH CREDIT; TO PROVIDE THAT A  
14 TAXPAYER MUST PROVIDE CERTAIN INFORMATION TO THE STATE TAX  
15 COMMISSION TO RECEIVE SUCH CREDIT; TO REQUIRE THE MISSISSIPPI  
16 DEVELOPMENT AUTHORITY TO REPORT ANNUALLY REGARDING THE IMPACT OF  
17 SUCH CREDIT; TO PROVIDE FOR THE JULY 1, 2007, REPEAL OF THIS ACT;  
18 AND FOR RELATED PURPOSES.

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

20 **SECTION 1.** (1) As used in this section, the term "port"  
21 means a state, county or municipal port or harbor established  
22 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1  
23 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections  
24 59-11-1 through 59-11-7.

25 (2) Subject to the provisions of this section, for any  
26 income taxpayer utilizing the port facilities at any port for the  
27 import of cargo that is unloaded from a carrier calling at any  
28 such port, a credit against the taxes imposed pursuant to this  
29 chapter shall be allowed in the amounts provided in this section.  
30 In order to be eligible for the credit authorized under this  
31 section, a taxpayer must locate its United States headquarters in  
32 Mississippi on or after July 1, 2004, employ at least five (5)  
33 permanent full-time employees who actually work at such  
34 headquarters and have a minimum capital investment of Five Million  
35 Dollars (\$5,000,000.00) in Mississippi. For the purposes of this

36 section, "full-time employee" shall mean an employee who works at  
37 least thirty-five (35) hours per week.

38 (3) Except as otherwise provided by subsection (4) of this  
39 section, the amount of the credit allowed pursuant to this section  
40 shall be the total of the following charges on import of cargo  
41 paid by the corporation:

- 42 (a) Receiving into the port;
- 43 (b) Handling from a vessel; and
- 44 (c) Wharfage.

45 (4) The credit provided for in this section shall not exceed  
46 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
47 for the taxable year reduced by the sum of all other credits  
48 allowable to such taxpayer under this chapter, except credit for  
49 tax payments made by or on behalf of the taxpayer. Any unused  
50 portion of the credit may be carried forward for the succeeding  
51 five (5) years. The maximum cumulative credit that may be claimed  
52 by a taxpayer under this section is limited to One Million Dollars  
53 (\$1,000,000.00) if the taxpayer employs at least five (5), but not  
54 more than twenty-five (25) permanent full-time employees at its  
55 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)  
56 if the taxpayer employs more than twenty-five (25), but not more  
57 than one hundred (100) permanent full-time employees at its  
58 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)  
59 if the taxpayer employs more than one hundred (100), but not more  
60 than two hundred (200) permanent full-time employees at its  
61 headquarters in Mississippi; and Four Million Dollars  
62 (\$4,000,000.00) if the taxpayer employs more than two hundred  
63 (200) permanent full-time employees at its headquarters in  
64 Mississippi.

65 (5) To obtain the credit provided for in this section, a  
66 taxpayer must provide to the State Tax Commission a statement from  
67 the governing authority of the port certifying the amount of

68 charges paid by the taxpayer for which a credit is claimed and any  
69 other information required by the State Tax Commission.

70 (6) Any taxpayer who is eligible, before July 1, 2007, for  
71 the credit provided for in this section, shall remain eligible for  
72 such credit after July 1, 2007, notwithstanding the repeal of this  
73 section.

74 **SECTION 2.** The Mississippi Development Authority shall  
75 report annually to the Legislature regarding the impact of the  
76 credit granted in Section 1 of this act on shipping and economic  
77 growth. Each report shall show the overall annual increase in  
78 shipping at each port for the most recent year for which data is  
79 available and for each of the previous five (5) years. Each  
80 report shall estimate the number of jobs created or retained at  
81 each port and in businesses related to port activity at each port  
82 since January 1, 2005, as compared to the number of similar jobs  
83 created during the ten (10) years preceding January 1, 2005. Each  
84 report shall state the net economic impact on the state as a  
85 result of the tax credit provided for in Section 1 of this act.  
86 The Mississippi Development Authority shall file a copy of the  
87 report with the Governor, the Secretary of the Senate, the Clerk  
88 of the House of Representatives and the Chairmen of the House Ways  
89 and Means Committee and the Senate Finance Committee of the  
90 Legislature on May 1 of each year. The State Tax Commission and  
91 all state, county and municipal ports shall cooperate with the  
92 Mississippi Development Authority in providing the information  
93 required in the annual reports.

94 **SECTION 3.** (1) As used in this section, the term "airport"  
95 means an airport established pursuant to Chapters 3 and 5, Title  
96 61, Mississippi Code of 1972.

97 (2) Subject to the provisions of this section, for any  
98 income taxpayer utilizing the facilities at any airport for the  
99 export or import of cargo that is unloaded from a carrier at any  
100 such airport, a credit against the taxes imposed pursuant to this

101 chapter shall be allowed in the amounts provided in this section.  
102 In order to be eligible for the credit authorized under this  
103 section, a taxpayer must locate its United States headquarters in  
104 Mississippi on or after July 1, 2004, employ at least five (5)  
105 permanent full-time employees who actually work at such  
106 headquarters and have a minimum capital investment of Five Million  
107 Dollars (\$5,000,000.00) in Mississippi. For the purposes of this  
108 section, "full-time employee" shall mean an employee who works at  
109 least thirty-five (35) hours per week.

110 (3) Except as otherwise provided by subsection (4) of this  
111 section, the amount of the credit allowed pursuant to this section  
112 shall be the total of the following charges on import or export of  
113 cargo paid by the corporation:

- 114 (a) Receiving into the airport;
- 115 (b) Aircraft marshalling or handling fees; and
- 116 (c) Aircraft landing fees.

117 (4) The credit provided for in this section shall not exceed  
118 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
119 for the taxable year reduced by the sum of all other credits  
120 allowable to such taxpayer under this chapter, except credit for  
121 tax payments made by or on behalf of the taxpayer. Any unused  
122 portion of the credit may be carried forward for the succeeding  
123 five (5) years. The maximum cumulative credit that may be claimed  
124 by a taxpayer under this section is limited to One Million Dollars  
125 (\$1,000,000.00) if the taxpayer employs at least five (5), but not  
126 more than twenty-five (25) permanent full-time employees at its  
127 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)  
128 if the taxpayer employs more than twenty-five (25), but not more  
129 than one hundred (100) permanent full-time employees at its  
130 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)  
131 if the taxpayer employs more than one hundred (100), but not more  
132 than two hundred (200) permanent full-time employees at its  
133 headquarters in Mississippi; and Four Million Dollars

134 (\$4,000,000.00) if the taxpayer employs more than two hundred  
135 (200) permanent full-time employees at its headquarters in  
136 Mississippi.

137 (5) To obtain the credit provided for in this section, a  
138 taxpayer must provide to the State Tax Commission a statement from  
139 the governing authority of the airport certifying the amount of  
140 charges paid by the taxpayer for which a credit is claimed and any  
141 other information required by the State Tax Commission.

142 (6) Any taxpayer who is eligible, before July 1, 2007, for  
143 the credit provided for in this section, shall remain eligible for  
144 such credit after July 1, 2007, notwithstanding the repeal of this  
145 section.

146 **SECTION 4.** The Mississippi Development Authority shall  
147 report annually to the Legislature regarding the impact of the  
148 credit granted in Section 3 of this act on shipping and economic  
149 growth. Each report shall show the overall annual increase in  
150 shipping at each airport for the most recent year for which data  
151 is available and for each of the previous five (5) years. Each  
152 report shall estimate the number of jobs created or retained at  
153 each airport and in businesses related to airport activity at each  
154 airport since January 1, 2005, as compared to the number of  
155 similar jobs created during the ten (10) years preceding January  
156 1, 2005. Each report shall state the net economic impact on the  
157 state as a result of the tax credit provided for in Section 3 of  
158 this act. The Mississippi Development Authority shall file a copy  
159 of the report with the Governor, the Secretary of the Senate, the  
160 Clerk of the House of Representatives and the Chairmen of the  
161 House Ways and Means Committee and the Senate Finance Committee of  
162 the Legislature on May 1 of each year. The State Tax Commission  
163 and all state, regional, county and municipal airports shall  
164 cooperate with the Mississippi Development Authority in providing  
165 the information required in the annual reports.

166           **SECTION 5.** Sections 1 through 4 of this act shall be  
167 repealed from and after July 1, 2007.

168           **SECTION 6.** The provisions of this act shall be codified in  
169 Chapter 7, Title 27, Mississippi Code of 1972.

170           **SECTION 7.** Nothing in this act shall affect or defeat any  
171 claim, assessment, appeal, suit, right or cause of action for  
172 taxes due or accrued under the income tax laws before the date on  
173 which this act becomes effective, whether such claims,  
174 assessments, appeals, suits or actions have been begun before the  
175 date on which this act becomes effective or are begun thereafter;  
176 and the provisions of the income tax laws are expressly continued  
177 in full force, effect and operation for the purpose of the  
178 assessment, collection and enrollment of liens for any taxes due  
179 or accrued and the execution of any warrant under such laws before  
180 the date on which this act becomes effective, and for the  
181 imposition of any penalties, forfeitures or claims for failure to  
182 comply with such laws.

183           **SECTION 8.** This act shall take effect and be in force from  
184 and after January 1, 2004.