

By: Representative Broomfield

To: Ports, Harbors and
Airports; Ways and Means

HOUSE BILL NO. 829
(As Sent to Governor)

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; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** (1) As used in this section, the term "port"
12 means a state, county or municipal port or harbor established
13 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
14 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
15 59-11-1 through 59-11-7.

16 (2) Subject to the provisions of this section, for any
17 income taxpayer utilizing the port facilities at any port for the
18 import of cargo that is unloaded from a carrier calling at any
19 such port, a credit against the taxes imposed pursuant to this
20 chapter shall be allowed in the amounts provided in this section.
21 In order to be eligible for the credit authorized under this
22 section, a taxpayer must locate its United States headquarters in
23 Mississippi on or after July 1, 2004, employ at least five (5)
24 permanent full-time employees who actually work at such
25 headquarters and have a minimum capital investment of Five Million
26 Dollars (\$5,000,000.00) in Mississippi. For the purposes of this
27 section, "full-time employee" shall mean an employee who works at
28 least thirty-five (35) hours per week.

29 (3) (a) Except as otherwise provided by subsection (4) of
30 this section, the amount of the credit allowed pursuant to this

31 section shall be the total of the following charges on import of
32 cargo paid by the corporation:

- 33 (i) Receiving into the port;
- 34 (ii) Handling from a vessel; and
- 35 (iii) Wharfage.

36 (b) The credit allowed pursuant to this section shall
37 not include charges paid by a corporation on the import of forest
38 products.

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

59 (5) To obtain the credit provided for in this section, a
60 taxpayer must provide to the State Tax Commission a statement from
61 the governing authority of the port certifying the amount of
62 charges paid by the taxpayer for which a credit is claimed and any
63 other information required by the State Tax Commission.

64 (6) Any taxpayer who is eligible, before July 1, 2006, for
65 the credit provided for in this section, shall remain eligible for
66 such credit after July 1, 2006, notwithstanding the repeal of this
67 section.

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

88 **SECTION 3.** This act shall stand repealed from and after July
89 1, 2006.

90 **SECTION 4.** The provisions of this act shall be codified in
91 Chapter 7, Title 27, Mississippi Code of 1972.

92 **SECTION 5.** Nothing in this act shall affect or defeat any
93 claim, assessment, appeal, suit, right or cause of action for
94 taxes due or accrued under the income tax laws before the date on
95 which this act becomes effective, whether such claims,
96 assessments, appeals, suits or actions have been begun before the

97 date on which this act becomes effective or are begun thereafter;
98 and the provisions of the income tax laws are expressly continued
99 in full force, effect and operation for the purpose of the
100 assessment, collection and enrollment of liens for any taxes due
101 or accrued and the execution of any warrant under such laws before
102 the date on which this act becomes effective, and for the
103 imposition of any penalties, forfeitures or claims for failure to
104 comply with such laws.

105 **SECTION 6.** This act shall take effect and be in force from
106 and after January 1, 2004.