MISSISSIPPI LEGISLATURE REGULAR SESSION 2005

By: Representative Warren

To: Ways and Means

HOUSE BILL NO. 193

AN ACT TO REENACT SECTIONS 27-7-22.7 AND 27-7-22.9, MISSISSIPPI CODE OF 1972, WHICH PROVIDES AN INCOME TAX CREDIT FOR INCOME TAXPAYERS THAT USE PORT FACILITIES AS STATE, COUNTY AND MUNICIPAL PORTS FOR THE EXPORT OF CARGO AND REQUIRE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO REPORT ANNUALLY TO THE LEGISLATURE REGARDING THE IMPACT OF SUCH TAX CREDIT; TO AMEND SECTION 4, CHAPTER 492, LAWS OF 1994, AS AMENDED BY SECTION 3, CHAPTER 548, LAWS OF 1998, AS AMENDED BY SECTION 3, CHAPTER 537, LAWS OF 2002, TO EXTEND THE REPEALER ON SECTIONS 27-7-22.7 AND 27-7-22.9, MISSISSIPPI CODE OF 1972; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-7-22.7, Mississippi Code of 1972, is reenacted as follows:

27-7-22.7. (1) As used in this section, the term "port" means a state, county or municipal port or harbor established pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1 through 59-7-519, 59-9-1 through 59-9-85 or Sections 59-11-1 through 59-11-11.

(2) For any income taxpayer utilizing the port facilities at any port for the export of cargo that is loaded on a carrier calling at any such port, a credit against the taxes imposed pursuant to this chapter shall be allowed in the amounts provided in this section.

(3) Except as otherwise provided by subsection (5) of this section, the amount of the credit allowed pursuant to this section shall be the total of the following charges on export cargo paid by the corporation:

(a) Receiving into the port;

(b) Handling to a vessel; and

(c) Wharfage.

(4) The credit provided for in this section shall not exceed fifty percent (50%) of the amount of tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to such taxpayer under this chapter, except credit for tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five (5) years. The maximum cumulative credit that may be claimed by a taxpayer pursuant to this section and for the period of time beginning on January 1, 1994, and ending on December 31, 2005, is limited to One Million Two Hundred Thousand Dollars ($1,200,000.00).

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

(6) The purpose of the tax credit provided for in this section is to promote the increased use of ports and related facilities in this state, particularly by those taxpayers which would not otherwise use such ports and related facilities without the benefit of such tax credit, and increase the number of port related jobs and other economic development benefits associated with the increased use of such ports and related facilities. It is the intent of the Legislature that in determining whether or not such tax credit will be continued in future years, the attainment of the purposes set forth in this subsection must be demonstrated by the material contained in the reports prepared by the Mississippi Development Authority under Section 27-7-22.9.

SECTION 2. Section 27-7-22.9, Mississippi Code of 1972, is reenacted as follows:

27-7-22.9. The Mississippi Development Authority shall report annually to the Legislature regarding the impact of the credit granted in Section 27-7-22.7 on shipping and economic

growth. Each report shall show the overall annual increase on shipping at each port for the most recent year for which data is available and for each of the previous five (5) years. Each report shall estimate the number of jobs created or retained at each port and in businesses related to port activity at each port since January 1, 1994, as compared to the number of similar jobs created during the ten (10) years preceding January 1, 1994. Each report shall state the net economic impact on the state as a result of the tax credit provided for in Section 27-7-22.7. The Mississippi Development Authority shall file a copy of the report with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee of the Legislature on May 1, of each year. The State Tax Commission and all state, county and municipal ports shall cooperate with the Mississippi Development Authority in providing the information required in the annual reports.

SECTION 3. Section 4, Chapter 492, Laws of 1994, as amended by Section 3, Chapter 548, Laws of 1998, as amended by Section 3, Chapter 537, Laws of 2002, is amended as follows:

Section 4. This act shall take effect and be in force from and after January 1, 1994, and shall stand repealed from and after December 31, 2007.

SECTION 4. This act shall take effect and be in force from and after July 1, 2005.