

By: Representative Warren

To: Ways and Means

HOUSE BILL NO. 193
(As Sent to Governor)

1 AN ACT TO REENACT SECTIONS 27-7-22.7 AND 27-7-22.9,
2 MISSISSIPPI CODE OF 1972, WHICH PROVIDES AN INCOME TAX CREDIT FOR
3 INCOME TAXPAYERS THAT USE PORT FACILITIES AS STATE, COUNTY AND
4 MUNICIPAL PORTS FOR THE EXPORT OF CARGO AND REQUIRE THE
5 MISSISSIPPI DEVELOPMENT AUTHORITY TO REPORT ANNUALLY TO THE
6 LEGISLATURE REGARDING THE IMPACT OF SUCH TAX CREDIT; TO AMEND
7 SECTION 4, CHAPTER 492, LAWS OF 1994, AS AMENDED BY SECTION 3,
8 CHAPTER 548, LAWS OF 1998, AS AMENDED BY SECTION 3, CHAPTER 537,
9 LAWS OF 2002, TO EXTEND THE REPEALER ON SECTIONS 27-7-22.7 AND
10 27-7-22.9, MISSISSIPPI CODE OF 1972; AND FOR RELATED PURPOSES.

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

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

14 27-7-22.7. (1) As used in this section, the term "port"
15 means a state, county or municipal port or harbor established
16 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
17 through 59-7-519, 59-9-1 through 59-9-85 or Sections 59-11-1
18 through 59-11-11.

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

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

- 28 (a) Receiving into the port;
- 29 (b) Handling to a vessel; and
- 30 (c) Wharfage.

31 (4) The credit provided for in this section shall not exceed
32 fifty percent (50%) of the amount of tax imposed upon the taxpayer
33 for the taxable year reduced by the sum of all other credits
34 allowable to such taxpayer under this chapter, except credit for
35 tax payments made by or on behalf of the taxpayer. Any unused
36 portion of the credit may be carried forward for the succeeding
37 five (5) years. The maximum cumulative credit that may be claimed
38 by a taxpayer pursuant to this section and for the period of time
39 beginning on January 1, 1994, and ending on December 31, 2005, is
40 limited to One Million Two Hundred Thousand Dollars
41 (\$1,200,000.00).

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

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

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

61 27-7-22.9. The Mississippi Development Authority shall
62 report annually to the Legislature regarding the impact of the
63 credit granted in Section 27-7-22.7 on shipping and economic

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

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

84 Section 4. This act shall take effect and be in force from
85 and after January 1, 1994, and shall stand repealed from and after
86 December 31, 2009.

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