

By: Senator(s) Cuevas

To: Finance

SENATE BILL NO. 2321

1 AN ACT TO EXEMPT FROM AD VALOREM TAXATION ALL COMMODITIES,
2 GOODS, WARES AND MERCHANDISE HELD FOR RESALE BY ANY MANUFACTURER,
3 DISTRIBUTOR OR WHOLESALE OR RETAIL MERCHANT; TO AMEND SECTION
4 27-7-22.5, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
5 FOR RELATED PURPOSES.

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

7 **SECTION 1.** From and after January 1, 2005, all commodities,
8 goods, wares and merchandise held for resale by any manufacturer,
9 distributor or wholesale or retail merchant shall be exempt from
10 ad valorem taxation.

11 **SECTION 2.** Section 27-7-22.5, Mississippi Code of 1972, is
12 amended as follows:

13 27-7-22.5. (1) For any manufacturer, distributor, wholesale
14 or retail merchant who pays to a county, municipality, school
15 district, levee district or any other taxing authority of the
16 state or a political subdivision thereof, ad valorem taxes imposed
17 on commodities, products, goods, wares and merchandise held for
18 resale, a credit against the income taxes imposed under this
19 chapter shall be allowed for the portion of the ad valorem taxes
20 so paid in the amounts prescribed in subsection (2).

21 (2) The tax credit allowed by this section shall not exceed
22 the amounts set forth in paragraphs (a) through (d) of this
23 subsection; may be claimed only in the year in which the ad
24 valorem taxes are paid; and may be claimed for each location where
25 such commodities, products, goods, wares and merchandise are found
26 and upon which the ad valorem taxes have been paid.

27 (a) For the 1994 taxable year, the tax credit for each
28 location of the taxpayer shall not exceed the lesser of Two

29 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
30 State of Mississippi that are attributable to such location.

31 (b) For the 1995 taxable year, the tax credit for each
32 location of the taxpayer shall not exceed the lesser of Three
33 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
34 State of Mississippi that are attributable to such location.

35 (c) For the 1996 taxable year, the tax credit for each
36 location of the taxpayer shall not exceed the lesser of Four
37 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
38 State of Mississippi that are attributable to such location.

39 (d) For the 1997 taxable year and each taxable year
40 thereafter through the 2004 taxable year, the tax credit for each
41 location of the taxpayer shall not exceed the lesser of Five
42 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
43 State of Mississippi that are attributable to such location.

44 (3) Any amount of ad valorem taxes paid by a taxpayer that
45 is applied toward the tax credit allowed in this section may not
46 be used as a deduction by the taxpayer for state income tax
47 purposes. In the case of a taxpayer that is a partnership or S
48 corporation, the credit may be applied only to the tax
49 attributable to partnership or S corporation income derived from
50 the taxpayer.

51 **SECTION 3.** This act shall take effect and be in force from
52 and after January 1, 2005.