

By: Representative Warren

To: Ways and Means

HOUSE BILL NO. 744
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-22.23, MISSISSIPPI CODE OF 1972,
2 WHICH PROVIDES FOR AN INCOME TAX CREDIT FOR PORT FACILITIES AT
3 STATE, COUNTY AND MUNICIPAL PORTS FOR IMPORT OF CARGO, TO ADD A
4 DATE OF REPEAL ON THAT SECTION; TO AMEND SECTION 27-7-22.24,
5 MISSISSIPPI CODE OF 1972, WHICH REQUIRES THE MISSISSIPPI
6 DEVELOPMENT AUTHORITY TO MAKE ANNUAL INCOME TAX CREDIT IMPACT
7 REPORTS, TO ADD A DATE OF REPEAL ON THAT SECTION; TO REPEAL
8 SECTION 3, CHAPTER 530, LAWS OF 2004, WHICH PROVIDES FOR THE
9 REPEAL OF THOSE SECTIONS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 27-7-22.23, Mississippi Code of 1972, is
12 amended as follows:

13 27-7-22.23. (1) As used in this section, the term "port"
14 means a state, county or municipal port or harbor established
15 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1
16 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections
17 59-11-1 through 59-11-7.

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

31 (3) (a) Except as otherwise provided by subsection (4) of
32 this section, the amount of the credit allowed pursuant to this
33 section shall be the total of the following charges on import of
34 cargo paid by the corporation:

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

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

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

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

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

66 (6) Any taxpayer who is eligible, before July 1, 2010, for
67 the credit provided for in this section, shall remain eligible for
68 such credit after July 1, 2010, notwithstanding the repeal of this
69 section.

70 (7) This section shall stand repealed on July 1, 2010.

71 **SECTION 2.** Section 27-7-22.24, Mississippi Code of 1972, is
72 amended as follows:

73 27-7-22.24. (1) The Mississippi Development Authority shall
74 report annually to the Legislature regarding the impact of the
75 credit granted in Section 27-7-22.23 on shipping and economic
76 growth. Each report shall show the overall annual increase in
77 shipping at each port for the most recent year for which data is
78 available and for each of the previous five (5) years. Each
79 report shall estimate the number of jobs created or retained at
80 each port and in businesses related to port activity at each port
81 since January 1, 2005, as compared to the number of similar jobs
82 created during the ten (10) years preceding January 1, 2005. Each
83 report shall state the net economic impact on the state as a
84 result of the tax credit provided for in Section 27-7-22.23. The
85 Mississippi Development Authority shall file a copy of the report
86 with the Governor, the Secretary of the Senate, the Clerk of the
87 House of Representatives and the Chairmen of the House Ways and
88 Means Committee and the Senate Finance Committee of the
89 Legislature on May 1 of each year. The State Tax Commission and
90 all state, county and municipal ports shall cooperate with the
91 Mississippi Development Authority in providing the information
92 required in the annual reports.

93 (2) This section shall stand repealed on July 1, 2010.

94 **SECTION 3.** Section 3, Chapter 530, Laws of 2004, which
95 provides for the repeal of Sections 27-7-22.23 and 27-7-22.24,
96 Mississippi Code of 1972, is repealed.

97 **SECTION 4.** This act shall take effect and be in force from
98 and after July 1, 2006.