

By: Senator(s) Williamson

To: Finance

SENATE BILL NO. 2364

1 AN ACT TO AMEND SECTIONS 27-13-5 AND 27-13-7, MISSISSIPPI
2 CODE OF 1972, TO INCREASE THE FRANCHISE TAX OR EXCISE TAX UPON
3 FOREIGN AND DOMESTIC CORPORATIONS; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 27-13-5, Mississippi Code of 1972, is
6 amended as follows:

7 27-13-5. (1) **Franchise tax levy.** Except as otherwise
8 provided in subsections (2), (3) and (4) of this section, there is
9 hereby imposed, to be paid and collected as hereinafter provided,
10 a franchise or excise tax upon every corporation, association or
11 joint-stock company or partnership treated as a corporation under
12 the income tax laws or regulations, organized or created for
13 pecuniary gain, having privileges not possessed by individuals,
14 and having authorized capital stock now existing in this state, or
15 hereafter organized, created or established, under and by virtue
16 of the laws of the State of Mississippi, equal to Seven Dollars
17 and Fifty Cents (\$7.50) for each One Thousand Dollars (\$1,000.00),
18 or fraction thereof, of the value of the capital used, invested or
19 employed in the exercise of any power, privilege or right enjoyed
20 by such organization within this state, except as hereinafter
21 provided. In no case shall the franchise tax due for the
22 accounting period be less than Twenty-five Dollars (\$25.00). It
23 is the purpose of this section to require the payment to the State
24 of Mississippi of this tax for the right granted by the laws of
25 this state to exist as such organization, and to enjoy, under the
26 protection of the laws of this state, the powers, rights,

27 privileges and immunities derived from the state by the form of
28 such existence.

29 * * *

30 (2) A corporation that has negotiated a fee-in-lieu as
31 defined in Section 57-75-5 shall not be subject to the tax levied
32 by this section on such project; * * * however, * * * the
33 fee-in-lieu payment shall be otherwise treated in the same manner
34 as the payment of franchise taxes.

35 (3) An approved business enterprise as defined in the Growth
36 and Prosperity Act shall not be subject to the tax levied by this
37 section on the value of capital used, invested or employed by the
38 approved business enterprise in a growth and prosperity county or
39 supervisors district as provided in the Growth and Prosperity Act.

40 (4) A business enterprise operating a project as defined in
41 Section 57-64-33, in a county that is a member of a regional
42 economic development alliance created under the Regional Economic
43 Development Act shall not be subject to the tax levied by this
44 section on the value of capital used, invested or employed by the
45 business enterprise in such a county as provided in Section
46 57-64-33.

47 (5) The tax levied by this chapter and paid by a business
48 enterprise located in a redevelopment project area under Sections
49 57-91-1 through 57-91-11 shall be deposited into the Redevelopment
50 Project Incentive Fund created in Section 57-91-9.

51 **SECTION 2.** Section 27-13-7, Mississippi Code of 1972, is
52 amended as follows:

53 27-13-7. (1) **Franchise tax levy.** Except as otherwise
54 provided in subsections (2), (3) and (4) of this section, there is
55 hereby imposed, levied and assessed upon every corporation,
56 association or joint-stock company, or partnership treated as a
57 corporation under the Income Tax Laws or regulations as
58 hereinbefore defined, organized and existing under and by virtue
59 of the laws of some other state, territory or country, or

60 organized and existing without any specific statutory authority,
61 now or hereafter doing business or exercising any power, privilege
62 or right within this state, as hereinbefore defined, a franchise
63 or excise tax equal to Seven Dollars and Fifty Cents (\$7.50) of
64 each One Thousand Dollars (\$1,000.00), or fraction thereof, of the
65 value of capital used, invested or employed within this state,
66 except as hereinafter provided. In no case shall the franchise
67 tax due for the accounting period be less than Twenty-five Dollars
68 (\$25.00). It is the purpose of this section to require the
69 payment of a tax by all organizations not organized under the laws
70 of this state, measured by the amount of capital or its
71 equivalent, for which such organization receives the benefit and
72 protection of the government and laws of the state.

73 * * *

74 (2) A corporation that has negotiated a fee-in-lieu as
75 defined in Section 57-75-5 shall not be subject to the tax levied
76 by this section on such project; * * * however, * * * the
77 fee-in-lieu payment shall be otherwise treated in the same manner
78 as the payment of franchise taxes.

79 (3) An approved business enterprise as defined in the Growth
80 and Prosperity Act shall not be subject to the tax levied by this
81 section on the value of capital used, invested or employed by the
82 approved business enterprise in a growth and prosperity county or
83 supervisors district as provided in the Growth and Prosperity Act.

84 (4) A business enterprise operating a project as defined in
85 Section 57-64-33, in a county that is a member of a regional
86 economic development alliance created under the Regional Economic
87 Development Act shall not be subject to the tax levied by this
88 section on the value of capital used, invested or employed by the
89 business enterprise in such a county as provided in Section
90 57-64-33.

91 (5) The tax levied by this chapter and paid by a business
92 enterprise located in a redevelopment project area under Sections

93 57-91-1 through 57-91-11 shall be deposited into the Redevelopment
94 Project Incentive Fund created in Section 57-91-9.

95 **SECTION 3.** This act shall take effect and be in force from
96 and after July 1, 2006.