

By: Representative Simpson

To: Ways and Means

HOUSE BILL NO. 343

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR INDIVIDUAL
2 TAXPAYERS WHO PAY SALES TAX ON RETAIL SALES OF FOOD FOR HUMAN
3 CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE
4 EXEMPT FROM SALES TAX IF SUCH FOOD WERE PURCHASED WITH FOOD
5 STAMPS; TO LIMIT THE AMOUNT OF THE INCOME TAX CREDIT; AND FOR
6 RELATED PURPOSES.

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

8 **SECTION 1.** (1) Subject to the provisions of this section,
9 for any individual taxpayer who pays sales tax on retail sales of
10 food for human consumption, a credit against the taxes imposed
11 under this chapter shall be allowed in the amount provided in
12 subsection (2) of this section. For the purposes of this section,
13 "retail sales of food for human consumption" means retail sales of
14 food for human consumption not purchased with food stamps issued
15 by the United States Department of Agriculture, or other federal
16 agency, but which would be exempt from sales taxation under
17 Section 27-65-111(o) if the food items were purchased with food
18 stamps.

19 (2) The income tax credit provided in this section shall not
20 exceed the lesser of Seven Hundred Dollars (\$700.00) or the amount
21 of income tax imposed upon the taxpayer for the taxable year
22 reduced by the sum of all other credits allowable to such taxpayer
23 under the state income tax laws, except credit for tax payments
24 made by or on behalf of the taxpayer. In the case of married
25 individuals filing separate returns, each person may claim an
26 amount not to exceed one-half (1/2) of the tax credit that would
27 have been allowed for a joint return.

28 **SECTION 2.** Section 1 of this act shall be codified as a
29 separate code section in Chapter 7, Title 27, Mississippi Code of
30 1972.

31 **SECTION 3.** Nothing in this act shall affect or defeat any
32 claim, assessment, appeal, suit, right or cause of action for
33 taxes due or accrued under the income tax laws before the date on
34 which this act becomes effective, whether such claims,
35 assessments, appeals, suits or actions have been begun before the
36 date on which this act becomes effective or are begun thereafter;
37 and the provisions of the income tax laws are expressly continued
38 in full force, effect and operation for the purpose of the
39 assessment, collection and enrollment of liens for any taxes due
40 or accrued and the execution of any warrant under such laws before
41 the date on which this act becomes effective, and for the
42 imposition of any penalties, forfeitures or claims for failure to
43 comply with such laws.

44 **SECTION 4.** This act shall take effect and be in force from
45 and after January 1, 2007.