

By: Representative Shows

To: Forestry; Ways and Means

HOUSE BILL NO. 1628

1 AN ACT TO AMEND SECTION 27-7-22.15, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE MAXIMUM AMOUNT OF THE INCOME TAX CREDIT FOR
3 APPROVED REFORESTATION PRACTICES FOR ELIGIBLE TREE SPECIES ON
4 ELIGIBLE LANDS; AND FOR RELATED PURPOSES.

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

6 SECTION 1. Section 27-7-22.15, Mississippi Code of 1972, is
7 amended as follows:

8 27-7-22.15. (1) As used in this section, the following
9 words and phrases shall have the meanings ascribed to herein
10 unless the context clearly indicates otherwise:

11 (a) "Approved reforestation practices" means the
12 following practices for establishing a crop of trees suitable for
13 manufacturing into forest products:

14 (i) "Pine and hardwood tree planting practices"
15 including the cost of seedlings, planting by hand or machine, and
16 site preparation.

17 (ii) "Mixed-stand regeneration practices" to
18 establish a mixed-crop of pine and hardwood trees by planting or
19 direct seeding, or both, including the cost of seedlings,
20 seed/acorns, planting, seeding and site preparation.

21 (iii) "Direct seeding practices" to establish a
22 crop of pine or oak trees by directly applying seed/acorns to the
23 site including the cost of seed/acorns, seeding and site
24 preparation.

25 (iv) "Post-planting site preparation practices" to
26 reduce or control undesirable competition within the first growing
27 season of an established crop of trees.

28 Approved reforestation practices shall not include the
29 establishment of orchards, Christmas trees or ornamental trees.

30 (b) "Eligible tree species" means pine and hardwood
31 commercial tree species suitable for manufacturing into forest
32 products.

33 (c) "Cost-share assistance" means partial financial
34 payment for approved reforestation practices from the state
35 government as authorized under Sections 49-19-201 through
36 49-19-227, or the federal government.

37 (d) "Eligible owner" means a private individual, group
38 or association, but the term shall not mean private corporations
39 which manufacture products or provide public utility services of
40 any type or any subsidiary of such corporations.

41 (e) "Eligible lands" means nonindustrial private lands
42 owned by a private individual, group or association, but shall not
43 mean lands owned by private corporations which manufacture
44 products or provide public utility services of any type or any
45 subsidiary of such corporations.

46 (f) "Reforestation prescription or plan" means a
47 written description of the approved reforestation practices that
48 the eligible owner plans to use and includes a legal description
49 and map of the area to be reforested, a list of the tree seedling
50 or seed species to be used in the reforestation and the site
51 preparation practices that will be utilized.

52 (2) Subject to the limitations provided in subsection (3) of
53 this section, upon submission to the State Tax Commission of the
54 written verification provided for in subsection (5) of this
55 section and such other documentation as the State Tax Commission
56 may require, any eligible owner who incurs costs for approved
57 reforestation practices for eligible tree species on eligible
58 lands shall be allowed a credit, in an amount equal to the lesser
59 of fifty percent (50%) of the actual costs of the approved
60 reforestation practices or fifty percent (50%) of the average cost

61 of approved practices as established by the Mississippi Forestry
62 Commission under Section 49-19-219, against the taxes imposed
63 pursuant to this chapter for the tax year in which the costs are
64 incurred.

65 (3) The credit provided for in this section shall not exceed
66 the lesser of Fifty Thousand Dollars (\$50,000.00) or the amount of
67 income tax imposed upon the eligible owner for the taxable year
68 reduced by the sum of all other credits allowable to the eligible
69 owner under this chapter, except credit for tax payments made by
70 or on behalf of the eligible owner. Any unused portion of the
71 credit may be carried forward for succeeding tax years. The
72 maximum dollar amount of the credit provided for in this section
73 that an eligible owner may utilize during his lifetime shall be
74 Fifty Thousand Dollars (\$50,000.00) in the aggregate.

75 (4) If an eligible owner receives any state or federal cost
76 share assistance funds to defray the cost of an approved
77 reforestation practice, the cost of that practice on the same acre
78 or acres within the same tax year is not eligible for the credit
79 provided in this section unless the eligible owner's adjusted
80 gross income is less than the federal earned income credit level.

81 (5) To be eligible for the tax credit, an eligible owner
82 must have a reforestation prescription or plan prepared for the
83 eligible lands by a graduate forester of a college, school or
84 university accredited by the Society of American Foresters or by a
85 registered forester under the Foresters Registration Law of 1977.
86 The forester must verify in writing that the reforestation
87 practices were completed and that the reforestation prescription
88 or plan was followed.

89 **SECTION 2.** This act shall take effect and be in force from
90 and after January 1, 2007.