

By: Representative Evans (91st)

To: Ways and Means

HOUSE BILL NO. 175

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE RATE OF THE STATE INCOME TAX BY PROVIDING THAT ALL
3 TAXABLE INCOME IN EXCESS OF \$15,000.00 SHALL BE TAXED AT THE RATE
4 OF SIX PERCENT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
7 amended as follows:

8 27-7-5. (1) (a) There is hereby assessed and levied, to be
9 collected and paid as hereinafter provided, for the calendar year
10 1983 and fiscal years ending during the calendar year 1983 and all
11 taxable years thereafter through the 2010 calendar year, upon the
12 entire net income of every resident individual, corporation,
13 association, trust or estate, in excess of the credits provided, a
14 tax at the following rates:

15 On the first Five Thousand Dollars (\$5,000.00) of taxable
16 income, or any part thereof, at the rate of three percent (3%);

17 On the next Five Thousand Dollars (\$5,000.00) of taxable
18 income, or any part thereof, at the rate of four percent (4%); and

19 On all taxable income in excess of Ten Thousand Dollars
20 (\$10,000.00), at the rate of five percent (5%).

21 (b) There is hereby assessed and levied, to be
22 collected and paid as hereinafter provided, for the calendar year
23 2011 and fiscal years ending during the calendar year 2011 and all
24 taxable years thereafter, upon the entire net income of every
25 resident individual, corporation, association, trust or estate, in
26 excess of the credits provided, a tax at the following rates:

27 On the first Five Thousand Dollars (\$5,000.00) of taxable
28 income, or any part thereof, at the rate of three percent (3%);



29 On the next Five Thousand Dollars (\$5,000.00) of taxable
30 income, or any part thereof, at the rate of four percent (4%);

31 On the next Five Thousand Dollars (\$5,000.00) of taxable
32 income, or any part thereof, at the rate of five percent (5%); and

33 On all taxable income in excess of Fifteen Thousand Dollars
34 (\$15,000.00), at the rate of six percent (6%).

35 (2) An S corporation, as defined in Section 27-8-3(1)(g),
36 shall not be subject to the income tax imposed under this section.

37 (3) A like tax is hereby imposed to be assessed, collected
38 and paid annually, except as hereinafter provided, at the rate
39 specified in this section and as hereinafter provided, upon and
40 with respect to the entire net income, from all property owned or
41 sold, and from every business, trade or occupation carried on in
42 this state by individuals, corporations, partnerships, trusts or
43 estates, not residents of the State of Mississippi.

44 (4) In the case of taxpayers having a fiscal year beginning
45 in the calendar year 1982 and ending after the first day of
46 January 1983, the tax due for that taxable year shall be
47 determined by:

48 (a) Computing for the full fiscal year the amount of
49 tax that would be due under the rates in effect for the calendar
50 year 1982; and

51 (b) Computing for the full fiscal year the amount of
52 tax that would be due under the rates in effect for the calendar
53 year 1983; and

54 (c) Applying to the tax computed under paragraph (a)
55 the ratio which the number of months falling within the earlier
56 calendar year bears to the total number of months in the fiscal
57 year; and

58 (d) Applying to the tax computed under paragraph (b)
59 the ratio which the number of months falling within the later
60 calendar year bears to the total number of months within the
61 fiscal year; and



62 (e) Adding to the tax determined under paragraph (c)
63 the tax determined under paragraph (d) the sum of which shall be
64 the amount of tax due for the fiscal year.

65 (5) In the case of taxpayers having a fiscal year beginning
66 in the calendar year 2010 and ending after the first day of
67 January 2011, the tax due for that taxable year shall be
68 determined by:

69 (a) Computing for the full fiscal year the amount of
70 tax that would be due under the rates in effect for the calendar
71 year 2010; and

72 (b) Computing for the full fiscal year the amount of
73 tax that would be due under the rates in effect for the calendar
74 year 2011; and

75 (c) Applying to the tax computed under paragraph (a)
76 the ratio which the number of months falling within the earlier
77 calendar year bears to the total number of months within the
78 fiscal year; and

79 (d) Applying to the tax computed under paragraph (b)
80 the ratio which the number of months falling within the later
81 calendar year bears to the total number of months within the
82 fiscal year; and

83 (e) Adding to the tax determined under paragraph (c)
84 the tax determined under paragraph (d) the sum of which shall be
85 the amount of tax due for the fiscal year.

86 **SECTION 2.** This act shall take effect and be in force from
87 and after January 1, 2011.

