

By: Representative Mims

To: Ways and Means

## HOUSE BILL NO. 1527

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR AD VALOREM TAXES  
2 PAID ON CERTAIN PERSONAL PROPERTY THAT IS OWNED BY A BUSINESS  
3 ENTERPRISE AND USED BY THE BUSINESS ENTERPRISE SOLELY ON THE  
4 PREMISES OF THE BUSINESS ENTERPRISE IN THE OPERATION OF THE  
5 ENTERPRISE; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** (1) For any taxpayer who pays to a county,  
8 municipality, school district, levee district or any other taxing  
9 authority of the state or a political subdivision thereof, ad  
10 valorem taxes imposed on eligible personal property that is owned  
11 by a business enterprise and used by the business enterprise  
12 solely on the premises of the business enterprise in the operation  
13 of the enterprise, a credit against the income taxes imposed under  
14 this chapter shall be allowed for the portion of the ad valorem  
15 taxes so paid, subject to the limitations prescribed in subsection  
16 (2) of this section. For the purposes of this section, the term  
17 "eligible personal property" means furniture, fixtures and/or  
18 equipment that is classified as personal property for the purposes  
19 of ad valorem taxation. However, the term "eligible personal



property" does not include (a) motor vehicles, (b) personal property included in Class IV property as defined in Section 112, Mississippi Constitution of 1890, or (c) property on which the payment of ad valorem taxes may be claimed as an income tax credit under Section 27-7-22.5.

(2) The tax credit allowed by this section shall not exceed the amounts set forth in this subsection and may be claimed for each location where such eligible personal property is found and upon which the ad valorem taxes have been paid. Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credit was earned.

(a) For the 2019 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Ten Thousand Dollars (\$10,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(b) For the 2020 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Fifteen Thousand Dollars (\$15,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(c) For the 2021 taxable year and each taxable year thereafter, the tax credit of the taxpayer shall be the amount of the ad valorem taxes described in subsection (1) paid. However, the amount of the credit used in a taxable year cannot exceed the amount of income taxes due the State of Mississippi that are



45 attributable to such location. Any remaining credit may be  
46 carried forward as provided in subsection (2).

47 (3) Any amount of ad valorem taxes paid by a taxpayer that  
48 is applied toward the tax credit allowed in this section may not  
49 be used as a deduction by the taxpayer for state income tax  
50 purposes. In the case of a taxpayer that is a partnership,  
51 limited liability company or S corporation, the credit may be  
52 applied only to the tax attributable to partnership, limited  
53 liability company or S corporation income derived from the  
54 taxpayer.

55 **SECTION 2.** Section 1 of this act shall be codified as a new  
56 section in Chapter 7, Title 27, Mississippi Code of 1972.

57 **SECTION 3.** This act shall take effect and be in force from  
58 and after July 1, 2018.

