

By: Representative White

To: Ways and Means

## HOUSE BILL NO. 694

1 AN ACT TO REENACT SECTIONS 27-7-22.7 AND 27-7-22.9,  
2 MISSISSIPPI CODE OF 1972, WHICH PROVIDE AN INCOME TAX CREDIT FOR  
3 INCOME TAXPAYERS THAT USE PORT FACILITIES AT STATE, COUNTY AND  
4 MUNICIPAL PORTS FOR THE EXPORT OF CARGO AND REQUIRE THE  
5 MISSISSIPPI DEVELOPMENT AUTHORITY TO REPORT ANNUALLY TO THE  
6 LEGISLATURE REGARDING THE IMPACT OF SUCH TAX CREDIT; TO AMEND  
7 SECTION 4, CHAPTER 492, LAWS OF 1994, AS LAST AMENDED BY SECTION  
8 3, CHAPTER 335, LAWS OF 2016, TO EXTEND THE DATE OF THE REPEALER  
9 ON SECTIONS 27-7-22.7 AND 27-7-22.9, MISSISSIPPI CODE OF 1972; TO  
10 REENACT SECTION 27-7-22.25, MISSISSIPPI CODE OF 1972, WHICH  
11 PROVIDES AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS THAT USE THE  
12 AIRPORT FACILITIES AT PUBLIC AIRPORTS FOR CERTAIN CHARGES PAID BY  
13 THE TAXPAYER ON THE EXPORT OR IMPORT OF CARGO; TO AMEND REENACTED  
14 SECTION 27-7-22.25, MISSISSIPPI CODE OF 1972; TO EXTEND THE DATE  
15 OF THE REPEALER ON THAT SECTION; TO REENACT SECTION 27-7-22.26,  
16 MISSISSIPPI CODE OF 1972, WHICH REQUIRES THE MISSISSIPPI  
17 DEVELOPMENT AUTHORITY TO REPORT ANNUALLY TO THE LEGISLATURE  
18 REGARDING THE IMPACT OF SUCH INCOME TAX CREDIT; TO AMEND SECTION  
19 3, CHAPTER 442, LAWS OF 2005, AS LAST AMENDED BY SECTION 6,  
20 CHAPTER 335, LAWS OF 2016, TO EXTEND THE DATE OF THE REPEALER ON  
21 SECTIONS 27-7-22.25 AND 27-7-22.26, MISSISSIPPI CODE OF 1972; AND  
22 FOR RELATED PURPOSES.

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

24 **SECTION 1.** Section 27-7-22.7, Mississippi Code of 1972, is  
25 reenacted as follows:

26 27-7-22.7. (1) As used in this section, the term "port"  
27 means a state, county or municipal port or harbor established  
28 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1



29 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections  
30 59-11-1 through 59-11-7.

31 (2) For any income taxpayer utilizing the port facilities at  
32 any port for the export of cargo that is loaded on a carrier  
33 calling at any such port, a credit against the taxes imposed  
34 pursuant to this chapter shall be allowed in the amounts provided  
35 in this section.

36 (3) Except as otherwise provided by subsection (5) of this  
37 section, the amount of the credit allowed pursuant to this section  
38 shall be the total of the following charges on export cargo paid  
39 by the corporation:

- 40 (a) Receiving into the port;
- 41 (b) Handling to a vessel; and
- 42 (c) Wharfage.

43 (4) The credit provided for in this section shall not exceed  
44 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
45 for the taxable year reduced by the sum of all other credits  
46 allowable to such taxpayer under this chapter, except credit for  
47 tax payments made by or on behalf of the taxpayer. Any unused  
48 portion of the credit may be carried forward for the succeeding  
49 five (5) years. The maximum cumulative credit that may be claimed  
50 by a taxpayer pursuant to this section and for the period of time  
51 beginning on January 1, 1994, and ending on December 31, 2005, is  
52 limited to One Million Two Hundred Thousand Dollars  
53 (\$1,200,000.00).



54           (5) To obtain the credit provided for in this section, a  
55 taxpayer must provide to the Department of Revenue a statement  
56 from the governing authority of the port certifying the amount of  
57 charges paid by the taxpayer for which a credit is claimed and any  
58 other information required by the Department of Revenue.

59           (6) The purpose of the tax credit provided for in this  
60 section is to promote the increased use of ports and related  
61 facilities in this state, particularly by those taxpayers which  
62 would not otherwise use such ports and related facilities without  
63 the benefit of such tax credit, and increase the number of port  
64 related jobs and other economic development benefits associated  
65 with the increased use of such ports and related facilities. It  
66 is the intent of the Legislature that in determining whether or  
67 not such tax credit will be continued in future years, the  
68 attainment of the purposes set forth in this subsection must be  
69 demonstrated by the material contained in the reports prepared by  
70 the Mississippi Development Authority under Section 27-7-22.9.

71           **SECTION 2.** Section 27-7-22.9, Mississippi Code of 1972, is  
72 reenacted as follows:

73           27-7-22.9. The Mississippi Development Authority shall  
74 report annually to the Legislature regarding the impact of the  
75 credit granted in Section 27-7-22.7 on shipping and economic  
76 growth. Each report shall show the overall annual increase on  
77 shipping at each port for the most recent year for which data is  
78 available and for each of the previous five (5) years. Each



79 report shall estimate the number of jobs created or retained at  
80 each port and in businesses related to port activity at each port  
81 since January 1, 1994, as compared to the number of similar jobs  
82 created during the ten (10) years preceding January 1, 1994. Each  
83 report shall state the net economic impact on the state as a  
84 result of the tax credit provided for in Section 27-7-22.7. The  
85 Mississippi Development Authority shall file a copy of the report  
86 with the Governor, the Secretary of the Senate, the Clerk of the  
87 House of Representatives and the Chairmen of the House Ways and  
88 Means Committee and the Senate Finance Committee of the  
89 Legislature on May 1 of each year. The Department of Revenue and  
90 all state, county and municipal ports shall cooperate with the  
91 Mississippi Development Authority in providing the information  
92 required in the annual reports.

93       **SECTION 3.** Section 4, Chapter 492, Laws of 1994, as amended  
94 by Section 3, Chapter 548, Laws of 1998, as amended by Section 3,  
95 Chapter 537, Laws of 2002, as amended by Section 3, Chapter 457,  
96 Laws of 2005, as amended by Section 3, Chapter 322, Laws of 2009,  
97 as amended by Section 3, Chapter 377, Laws of 2012, as amended by  
98 Section 3, Chapter 335, Laws of 2016, is amended as follows:

99       Section 4. This act shall take effect and be in force from  
100 and after January 1, 1994, and shall stand repealed from and after  
101 December 31, \* \* \* 2022.

102       **SECTION 4.** Section 27-7-22.25, Mississippi Code of 1972, is  
103 reenacted and amended as follows:



27-7-22.25. (1) As used in this section, the term "airport" means an airport established pursuant to Chapters 3 and 5, Title 61, Mississippi Code of 1972.

(2) Subject to the provisions of this section, for any income taxpayer utilizing the facilities at any airport for the export or import of cargo that is unloaded from a carrier at any such airport, a credit against the taxes imposed pursuant to this chapter shall be allowed in the amounts provided in this section. In order to be eligible for the credit authorized under this section, a taxpayer must locate its United States headquarters in Mississippi on or after July 1, 2005, employ at least five (5) new permanent full-time employees who actually work at such headquarters and, after July 1, 2005, invest a minimum of Two Million Dollars (\$2,000,000.00), in the aggregate, in real property and/or personal property in Mississippi. For the purposes of this section, "full-time employee" shall mean an employee who works at least thirty-five (35) hours per week.

(3) Except as otherwise provided by subsection (4) of this section, the amount of the credit allowed pursuant to this section shall be the total of the following charges on import or export of cargo paid by the corporation:

- (a) Receiving into the airport;
- (b) Aircraft marshalling or handling fees; and
- (c) Aircraft landing fees.



(4) The credit provided for in this section shall not exceed fifty percent (50%) of the amount of tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to such taxpayer under this chapter, except credit for tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five (5) years. The maximum cumulative credit that may be claimed by a taxpayer under this section is limited to One Million Dollars (\$1,000,000.00) if the taxpayer employs at least five (5), but not more than twenty-five (25) permanent full-time employees at its headquarters in Mississippi; Two Million Dollars (\$2,000,000.00) if the taxpayer employs more than twenty-five (25), but not more than one hundred (100) permanent full-time employees at its headquarters in Mississippi; Three Million Dollars (\$3,000,000.00) if the taxpayer employs more than one hundred (100), but not more than two hundred (200) permanent full-time employees at its headquarters in Mississippi; and Four Million Dollars (\$4,000,000.00) if the taxpayer employs more than two hundred (200) permanent full-time employees at its headquarters in Mississippi.

(5) To obtain the credit provided for in this section, a taxpayer must provide to the Department of Revenue a statement from the governing authority of the airport certifying the amount of charges paid by the taxpayer for which a credit is claimed and any other information required by the Department of Revenue.



(6) Any taxpayer who is eligible, before July 1, \* \* \* 2022, for the credit provided for in this section, shall remain eligible for such credit after July 1, \* \* \* 2022, notwithstanding the repeal of this section.

**SECTION 5.** Section 27-7-22.26, Mississippi Code of 1972, is reenacted as follows:

27-7-22.26. The Mississippi Development Authority shall report annually to the Legislature regarding the impact of the credit granted in Section 27-7-22.25 on shipping and economic growth. Each report shall show the overall annual increase in shipping at each airport for the most recent year for which data is available and for each of the previous five (5) years. Each report shall estimate the number of jobs created or retained at each airport and in businesses related to airport activity at each airport since January 1, 2006, as compared to the number of similar jobs created during the ten (10) years preceding January 1, 2006. Each report shall state the net economic impact on the state as a result of the tax credit provided for in Section 27-7-22.25. The Mississippi Development Authority shall file a copy of the report with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee of the Legislature on May 1 of each year. The Department of Revenue and all state, regional, county and municipal airports shall



177 cooperate with the Mississippi Development Authority in providing  
178 the information required in the annual reports.

179       **SECTION 6.** Section 3, Chapter 442, Laws of 2005, as amended  
180 by Section 3, Chapter 519, Laws of 2007, as amended by Section 3,  
181 Chapter 323, Laws of 2009, as amended by Section 6, Chapter 377,  
182 Laws of 2012, as amended by Section 6, Chapter 335, Laws of 2016,  
183 is amended as follows:

184       Section 3. Sections 1 and 2 of this act shall stand repealed  
185 from and after July 1, \* \* \* 2022.

186       **SECTION 7.** This act shall take effect and be in force from  
187 and after July 1, 2019.

