

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1162

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 321, LAWS OF 2019, 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 321, LAWS OF 2019, 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, as amended by Section 3,
99 Chapter 321, Laws of 2019, is amended as follows:

100 **SECTION 4.** This act shall take effect and be in force from
101 and after January 1, 1994, and shall stand repealed from and after
102 December 31, * * * 2025.



103 **SECTION 5.** Section 27-7-22.25, Mississippi Code of 1972, is
104 reenacted and amended as follows:

105 27-7-22.25. (1) As used in this section, the term "airport"
106 means an airport established pursuant to Chapters 3 and 5, Title
107 61, Mississippi Code of 1972.

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

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

- 126 (a) Receiving into the airport;
- 127 (b) Aircraft marshalling or handling fees; and



128 (c) Aircraft landing fees.

129 (4) The credit provided for in this section shall not exceed
130 fifty percent (50%) of the amount of tax imposed upon the taxpayer
131 for the taxable year reduced by the sum of all other credits
132 allowable to such taxpayer under this chapter, except credit for
133 tax payments made by or on behalf of the taxpayer. Any unused
134 portion of the credit may be carried forward for the succeeding
135 five (5) years. The maximum cumulative credit that may be claimed
136 by a taxpayer under this section is limited to One Million Dollars
137 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
138 more than twenty-five (25) permanent full-time employees at its
139 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
140 if the taxpayer employs more than twenty-five (25), but not more
141 than one hundred (100) permanent full-time employees at its
142 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
143 if the taxpayer employs more than one hundred (100), but not more
144 than two hundred (200) permanent full-time employees at its
145 headquarters in Mississippi; and Four Million Dollars
146 (\$4,000,000.00) if the taxpayer employs more than two hundred
147 (200) permanent full-time employees at its headquarters in
148 Mississippi.

149 (5) To obtain the credit provided for in this section, a
150 taxpayer must provide to the Department of Revenue a statement
151 from the governing authority of the airport certifying the amount



152 of charges paid by the taxpayer for which a credit is claimed and
153 any other information required by the Department of Revenue.

154 (6) Any taxpayer who is eligible, before July 1, * * * 2025,
155 for the credit provided for in this section, shall remain eligible
156 for such credit after July 1, * * * 2025, notwithstanding the
157 repeal of this section.

158 **SECTION 6.** Section 27-7-22.26, Mississippi Code of 1972, is
159 reenacted as follows:

160 27-7-22.26. The Mississippi Development Authority shall
161 report annually to the Legislature regarding the impact of the
162 credit granted in Section 27-7-22.25 on shipping and economic
163 growth. Each report shall show the overall annual increase in
164 shipping at each airport for the most recent year for which data
165 is available and for each of the previous five (5) years. Each
166 report shall estimate the number of jobs created or retained at
167 each airport and in businesses related to airport activity at each
168 airport since January 1, 2006, as compared to the number of
169 similar jobs created during the ten (10) years preceding January
170 1, 2006. Each report shall state the net economic impact on the
171 state as a result of the tax credit provided for in Section
172 27-7-22.25. The Mississippi Development Authority shall file a
173 copy of the report with the Governor, the Secretary of the Senate,
174 the Clerk of the House of Representatives and the Chairmen of the
175 House Ways and Means Committee and the Senate Finance Committee of
176 the Legislature on May 1 of each year. The Department of Revenue



177 and all state, regional, county and municipal airports shall
178 cooperate with the Mississippi Development Authority in providing
179 the information required in the annual reports.

180 **SECTION 7.** Section 3, Chapter 442, Laws of 2005, as amended
181 by Section 3, Chapter 519, Laws of 2007, as amended by Section 3,
182 Chapter 323, Laws of 2009, as amended by Section 6, Chapter 377,
183 Laws of 2012, as amended by Section 6, Chapter 335, Laws of 2016,
184 as amended by Section 6, Chapter 321, Laws of 2019, is amended as
185 follows:

186 **SECTION 8.** Sections 1 and 2 of this act shall stand repealed
187 from and after July 1, * * * 2025.

188 **SECTION 9.** This act shall take effect and be in force from
189 and after July 1, 2022.

