

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 2770
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-22.40, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES AN INCOME TAX JOB CREDIT FOR ENTERPRISES THAT ARE
3 PRIMARILY ENGAGED IN PROVIDING INLAND WATER TRANSPORTATION OF
4 CARGO ON LAKES, RIVERS AND INTRACOASTAL WATERWAYS FOR EACH
5 FULL-TIME EMPLOYEE EMPLOYED BY THE ENTERPRISE IN A MISSISSIPPI
6 FULL-TIME JOB, TO EXTEND THE REPEALER ON THE CREDIT; AND FOR
7 RELATED PURPOSES.

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

9 **SECTION 1.** Section 27-7-22.40, Mississippi Code of 1972, is
10 amended as follows:

11 27-7-22.40. (1) The following words and phrases shall have
12 the meanings ascribed in this section unless the context clearly
13 indicates:

14 (a) "Water transportation enterprise" means an
15 enterprise or establishment primarily engaged in providing inland
16 water transportation of cargo on lakes, rivers and/or intracoastal
17 waterways, except on the Great Lakes System.

18 (b) "Mississippi full-time job" means a job created in
19 the State of Mississippi on or after January 1, 2019, and filled



20 by a Mississippi resident who works at least thirty-five (35)
21 hours per week.

22 (2) Subject to the provisions of this section, any water
23 transportation enterprise is allowed a job tax credit for taxes
24 imposed by this chapter equal to Two Thousand Dollars (\$2,000.00)
25 annually for each Mississippi full-time job created for a period
26 of five (5) years from the date the credit commences. A water
27 transportation enterprise may not claim a tax credit for the
28 reemployment of a person whose employment with the enterprise is
29 terminated by the enterprise if the reemployment by the enterprise
30 occurs within twelve (12) months from the date of the termination.
31 The credit shall commence on the date selected by the enterprise.
32 For the year in which the commencement date occurs, the credit
33 will be determined based on the monthly average number of
34 full-time employees employed by the water transportation
35 enterprise in Mississippi full-time jobs subject to the
36 Mississippi income tax withholding. For each year thereafter, the
37 number of Mississippi full-time jobs shall be determined by
38 comparing the monthly average number of full-time employees
39 employed at the water transportation enterprise in Mississippi
40 full-time jobs subject to the Mississippi income tax withholding
41 for the taxable year with the corresponding period of the prior
42 taxable year. The Department of Revenue shall adjust the credit
43 allowed each year for employment fluctuations.



44 (3) The credit that may be used each year shall be limited
45 to an amount not greater than the total state income tax liability
46 of the water transportation enterprise. Any tax credit claimed
47 under this section but not used in any taxable year may be carried
48 forward for five (5) consecutive years from the close of the tax
49 year in which the credits were earned.

50 (4) * * * The sale, merger, acquisition, reorganization,
51 bankruptcy or relocation from one (1) county to another county
52 within the state of any water transportation enterprise may not
53 create new eligibility in any succeeding business entity, but any
54 unused job tax credit may be transferred and continued by any
55 transferee of the water transportation enterprise. The Department
56 of Revenue shall determine whether or not qualifying net increases
57 or decreases have occurred or proper transfers of credit have been
58 made and may require reports, promulgate regulations, and hold
59 hearings as needed for substantiation and qualification.

60 (5) The credits allowed under this section shall not be used
61 by any business enterprise or corporation other than the water
62 transportation enterprise actually qualifying for the credits.

63 (6) The maximum aggregate amount of tax credits that may be
64 claimed by all taxpayers claiming a credit under this section in a
65 taxable year shall not exceed Two Million Dollars (\$2,000,000.00).

66 (7) Any water transportation enterprise that is eligible for
67 the credit authorized in this section before January 1, * * *
68 2026, shall be eligible for the credit authorized in this section,



69 notwithstanding the repeal of this section, and shall be allowed
70 to carry forward the credit after January 1, * * * 2026, as
71 provided for in subsection (3) of this section.

72 (8) This section shall be repealed from and after January
73 1, * * * 2026.

74 **SECTION 2.** This act shall take effect and be in force from
75 and after July 1, 2022.

