

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MR. PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 531: Mississippi Tax Freedom Act of 2022; create.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

17 **SECTION 1.** This act shall be known and may be cited as the
18 "Mississippi Tax Freedom Act of 2022."

19 **SECTION 2.** Section 27-7-5, Mississippi Code of 1972, is
20 amended as follows:

21 27-7-5. (1) (a) Except as otherwise provided in this
22 section, there is hereby assessed and levied, to be collected and
23 paid as hereinafter provided, for the calendar year 1983 and
24 fiscal years ending during the calendar year 1983 and all taxable
25 years thereafter, upon the entire net income of every resident
26 individual, corporation, association, trust or estate, in excess
27 of the credits provided, a tax at the following rates:

28 * * * (i) 1. Through calendar year 2017, on the
29 first Five Thousand Dollars (\$5,000.00) of taxable income, or any
30 part thereof, the rate shall be three percent (3%);



31 * * * 2. For calendar year 2018, on the
32 first One Thousand Dollars (\$1,000.00) of taxable income there
33 shall be no tax levied, and on the next Four Thousand Dollars
34 (\$4,000.00) of taxable income, or any part thereof, the rate shall
35 be three percent (3%);

36 * * * 3. For calendar year 2019, on the
37 first Two Thousand Dollars (\$2,000.00) of taxable income there
38 shall be no tax levied, and on the next Three Thousand Dollars
39 (\$3,000.00) of taxable income, or any part thereof, the rate shall
40 be three percent (3%);

41 * * * 4. For calendar year 2020, on the
42 first Three Thousand Dollars (\$3,000.00) of taxable income there
43 shall be no tax levied, and on the next Two Thousand Dollars
44 (\$2,000.00) of taxable income, or any part thereof, the rate shall
45 be three percent (3%);

46 * * * 5. For calendar year 2021, on the
47 first Four Thousand Dollars (\$4,000.00) of taxable income there
48 shall be no tax levied, and on the next One Thousand Dollars
49 (\$1,000.00) of taxable income, or any part thereof, the rate shall
50 be three percent (3%);

51 * * * 6. For calendar year 2022 and all
52 taxable years thereafter, there shall be no tax levied on the
53 first Five Thousand Dollars (\$5,000.00) of taxable income;

54 * * * (ii) On taxable income in excess of Five
55 Thousand Dollars (\$5,000.00) up to and including Ten Thousand



56 Dollars (\$10,000.00), or any part thereof, the rate shall be four
57 percent (4%); and

58 * * * (iii) On all taxable income in excess of Ten
59 Thousand Dollars (\$10,000.00), the rate shall be five percent
60 (5%).

61 (b) (i) For calendar year 2023 and all calendar years
62 thereafter, there shall be no tax levied under subparagraph (ii)
63 of paragraph (a) of this subsection on the taxable income of
64 individuals in excess of Five Thousand Dollars (\$5,000.00) up to
65 and including Ten Thousand Dollars (\$10,000.00), or any part
66 thereof; and

67 (ii) For calendar year 2024 and all calendar years
68 thereafter, the tax imposed under subparagraph (iii) of paragraph
69 (a) of this subsection upon all taxable income of individuals in
70 excess of Ten Thousand Dollars (\$10,000.00), shall be at the
71 following rates:

72 1. For calendar year 2024, on such taxable
73 income, the rate shall be four and seven-tenths percent (4.7%);

74 2. For calendar year 2025, on such taxable
75 income, the rate shall be four and four-tenths percent (4.4%); and

76 3. For calendar year 2026 and all calendar
77 years thereafter, on such taxable income, the rate shall be four
78 percent (4%).

79 It is the intent of the Legislature that before calendar year
80 2026, the Legislature will consider whether the revised tax rates



81 provided for in this subparagraph (ii) will be further decreased
82 for calendar years after calendar year 2026. If the revised tax
83 rates provided for in this subparagraph (ii) are further decreased
84 for calendar years after calendar year 2026 to the extent that
85 there is no tax levied on the taxable income individuals under
86 this subparagraph (ii), the individual income tax shall stand
87 repealed.

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

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

97 (4) In the case of taxpayers having a fiscal year beginning
98 in a calendar year with a rate in effect that is different than
99 the rate in effect for the next calendar year and ending in the
100 next calendar year, the tax due for that taxable year shall be
101 determined by:

102 (a) Computing for the full fiscal year the amount of
103 tax that would be due under the rates in effect for the calendar
104 year in which the fiscal year begins; and



105 (b) Computing for the full fiscal year the amount of
106 tax that would be due under the rates in effect for the calendar
107 year in which the fiscal year ends; and

108 (c) Applying to the tax computed under paragraph (a)
109 the ratio which the number of months falling within the earlier
110 calendar year bears to the total number of months in the fiscal
111 year; and

112 (d) Applying to the tax computed under paragraph (b)
113 the ratio which the number of months falling within the later
114 calendar year bears to the total number of months within the
115 fiscal year; and

116 (e) Adding to the tax determined under paragraph (c)
117 the tax determined under paragraph (d) the sum of which shall be
118 the amount of tax due for the fiscal year.

119 **SECTION 3.** This act shall take effect and be in force from
120 and after July 1, 2022.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2022; TO
2 AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO REDUCE THE
3 STATE INCOME TAX ON THE TAXABLE INCOME OF INDIVIDUALS; TO PROVIDE
4 THAT IT IS THE INTENT OF THE LEGISLATURE THAT BEFORE CALENDAR YEAR
5 2026, THE LEGISLATURE WILL CONSIDER WHETHER THE REVISED INCOME TAX
6 RATES PROVIDED FOR IN THIS ACT WILL BE FURTHER DECREASED FOR
7 CALENDAR YEARS AFTER CALENDAR YEAR 2026; TO PROVIDE THAT IT IS THE
8 INTENT OF THE LEGISLATURE THAT BEFORE CALENDAR YEAR 2026, THE
9 LEGISLATURE WILL CONSIDER WHETHER THE REVISED INCOME TAX RATES
10 PROVIDED FOR IN THIS ACT WILL BE FURTHER DECREASED FOR CALENDAR
11 YEARS AFTER CALENDAR YEAR 2026; TO PROVIDE THAT IF THE REVISED TAX
12 RATES ARE FURTHER DECREASED FOR CALENDAR YEARS AFTER CALENDAR YEAR



13 2026 TO THE EXTENT THAT THERE IS NO TAX LEVIED ON THE TAXABLE
14 INCOME INDIVIDUALS UNDER THIS SECTION, THE INDIVIDUAL INCOME TAX
15 SHALL STAND REPEALED; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

X (SIGNED)
Lamar

X (SIGNED)
Steverson

X (SIGNED)
Massengill

CONFEREES FOR THE SENATE

X (SIGNED)
Harkins

X (SIGNED)
Hopson

X (SIGNED)
Johnson

