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

SECTION 1. This act shall be known and may be cited as the Tax Relief Act of 2022.

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

27-7-5. (1) There is hereby assessed and levied, to be collected and paid as hereinafter provided, for the calendar year 1983 and fiscal years ending during the calendar year 1983 and all taxable years thereafter, upon the entire net income of every resident individual, corporation, association, trust or estate, in excess of the credits provided, a tax at the following rates:
(a)  (i) Through calendar year 2017, on the first Five Thousand Dollars ($5,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%); 

(ii) For calendar year 2018, on the first One Thousand Dollars ($1,000.00) of taxable income there shall be no tax levied, and on the next Four Thousand Dollars ($4,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%); 

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

(iv) For calendar year 2020, on the first Three Thousand Dollars ($3,000.00) of taxable income there shall be no tax levied, and on the next Two Thousand Dollars ($2,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%); 

(v) For calendar year 2021, on the first Four Thousand Dollars ($4,000.00) of taxable income there shall be no tax levied, and on the next One Thousand Dollars ($1,000.00) of taxable income, or any part thereof, the rate shall be three percent (3%);
(vi) For calendar year 2022 and all taxable years thereafter, there shall be no tax levied on the first Five Thousand Dollars ($5,000.00) of taxable income;

(b) On taxable income in excess of Five Thousand Dollars ($5,000.00) up to and including Ten Thousand Dollars ($10,000.00), or any part thereof, the rate shall be:

(i) Through calendar year 2026, four percent (4%);

(ii) For calendar year 2027, three percent (3%);

(iii) For calendar year 2028, two percent (2%);

(iv) For calendar year 2029, one percent (1%);

(v) For calendar year 2030 and all taxable years thereafter, there shall be no tax levied on taxable income in excess of Five Thousand Dollars ($5,000.00) up to and including Ten Thousand Dollars ($10,000.00), or any part thereof; and

(c) On all taxable income in excess of Ten Thousand Dollars ($10,000.00), the rate shall be:

(i) Through calendar year 2022, five percent (5%)

(ii) For calendar year 2023, four and nine-tenths percent (4.9%);

(iii) For calendar year 2024, four and eight-tenths percent (4.8%);

(iv) For calendar year 2025, four and seven-tenths percent (4.7%);
(v) For calendar year 2026 and all taxable years thereafter, four and six-tenths percent (4.6%).

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

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

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

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

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

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

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

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

SECTION 3. Section 27-65-17, Mississippi Code of 1972, is
amended as follows:

27-65-17. (1) (a) Except as otherwise provided in this
section, upon every person engaging or continuing within this
state in the business of selling any tangible personal property
whatsoever there is hereby levied, assessed and shall be collected
a tax equal to seven percent (7%) of the gross proceeds of the
retail sales of the business.

(b) Retail sales of farm tractors and parts and labor
used to maintain and/or repair such tractors shall be taxed at the
rate of one and one-half percent (1-1/2%) when made to farmers for
agricultural purposes.

(c) (i) Retail sales of farm implements sold to
farmers and used directly in the production of poultry, ratite,
domesticated fish as defined in Section 69-7-501, livestock,
livestock products, agricultural crops or ornamental plant crops
or used for other agricultural purposes, and parts and labor used
to maintain and/or repair such implements, shall be taxed at the
rate of one and one-half percent (1-1/2%) when used on the farm.

(ii) The one and one-half percent (1-1/2%) rate
shall also apply to all equipment used in logging, pulpwood
operations or tree farming, and parts and labor used to maintain
and/or repair such equipment, which is either:

1. Self-propelled, or

2. Mounted so that it is permanently attached
to other equipment which is self-propelled or attached to other
equipment drawn by a vehicle which is self-propelled.

In order to be eligible for the rate of tax provided for in
this subparagraph (ii), such sales must be made to a professional
logger. For the purposes of this subparagraph (ii), a
"professional logger" is a person, corporation, limited liability
company or other entity, or an agent thereof, who possesses a
professional logger's permit issued by the Department of Revenue
and who presents the permit to the seller at the time of purchase.
The department shall establish an application process for a
professional logger's permit to be issued, which shall include a
requirement that the applicant submit a copy of documentation
verifying that the applicant is certified according to Sustainable
Forestry Initiative guidelines. Upon a determination that an
applicant is a professional logger, the department shall issue the
applicant a numbered professional logger's permit.
(d) Except as otherwise provided in subsection (3) of this section, retail sales of aircraft, automobiles, trucks, truck-tractors, semitrailers and manufactured or mobile homes shall be taxed at the rate of three percent (3%).

(e) Sales of manufacturing machinery or manufacturing machine parts when made to a manufacturer or custom processor for plant use only when the machinery and machine parts will be used exclusively and directly within this state in manufacturing a commodity for sale, rental or in processing for a fee shall be taxed at the rate of one and one-half percent (1-1/2%).

(f) Sales of machinery and machine parts when made to a technology intensive enterprise for plant use only when the machinery and machine parts will be used exclusively and directly within this state for industrial purposes, including, but not limited to, manufacturing or research and development activities, shall be taxed at the rate of one and one-half percent (1-1/2%).

In order to be considered a technology intensive enterprise for purposes of this paragraph:

(i) The enterprise shall meet minimum criteria established by the Mississippi Development Authority;

(ii) The enterprise shall employ at least ten (10) persons in full-time jobs;

(iii) At least ten percent (10%) of the workforce in the facility operated by the enterprise shall be scientists, engineers or computer specialists;
(iv) The enterprise shall manufacture plastics, chemicals, automobiles, aircraft, computers or electronics; or shall be a research and development facility, a computer design or related facility, or a software publishing facility or other technology intensive facility or enterprise as determined by the Mississippi Development Authority;

(v) The average wage of all workers employed by the enterprise at the facility shall be at least one hundred fifty percent (150%) of the state average annual wage; and

(vi) The enterprise must provide a basic health care plan to all employees at the facility.

(g) Sales of materials for use in track and track structures to a railroad whose rates are fixed by the Interstate Commerce Commission or the Mississippi Public Service Commission shall be taxed at the rate of three percent (3%).

(h) Sales of tangible personal property to electric power associations for use in the ordinary and necessary operation of their generating or distribution systems shall be taxed at the rate of one percent (1%).

(i) Wholesale sales of beer shall be taxed at the rate of seven percent (7%), and the retailer shall file a return and compute the retail tax on retail sales but may take credit for the amount of the tax paid to the wholesaler on said return covering the subsequent sales of same property, provided adequate invoices and records are maintained to substantiate the credit.
(j) Wholesale sales of food and drink for human consumption to full-service vending machine operators to be sold through vending machines located apart from and not connected with other taxable businesses shall be taxed at the rate of eight percent (8%).

(k) Sales of equipment used or designed for the purpose of assisting disabled persons, such as wheelchair equipment and lifts, that is mounted or attached to or installed on a private carrier of passengers or light carrier of property, as defined in Section 27-51-101, at the time when the private carrier of passengers or light carrier of property is sold shall be taxed at the same rate as the sale of such vehicles under this section.

(l) Sales of the factory-built components of modular homes, panelized homes and precut homes, and panel constructed homes consisting of structural insulated panels, shall be taxed at the rate of three percent (3%).

(m) Sales of materials used in the repair, renovation, addition to, expansion and/or improvement of buildings and related facilities used by a dairy producer shall be taxed at the rate of three and one-half percent (3-1/2%). For the purposes of this paragraph (m), "dairy producer" means any person engaged in the production of milk for commercial use.

(n) Retail sales of food or drink for human consumption eligible for purchase with food stamps issued by the United States Department of Agriculture or other federal agency shall be taxed
at the rate of five percent (5%). This paragraph shall not affect
the sales tax exemption provided in Section 27-65-111(o).

(2) From and after January 1, 1995, retail sales of private
carriers of passengers and light carriers of property, as defined
in Section 27-51-101, shall be taxed an additional two percent
(2%).

(3) A manufacturer selling at retail in this state shall be
required to make returns of the gross proceeds of such sales and
pay the tax imposed in this section.

SECTION 4. Section 27-65-75, Mississippi Code of 1972, is
amended as follows:

27-65-75. On or before the fifteenth day of each month, the
revenue collected under the provisions of this chapter during the
preceding month shall be paid and distributed as follows:

(1) (a) On or before August 15, 1992, and each succeeding
month thereafter through July 15, 1993, eighteen percent (18%) of
the total sales tax revenue collected during the preceding month
under the provisions of this chapter, except that collected under
the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
business activities within a municipal corporation shall be
allocated for distribution to the municipality and paid to the
municipal corporation. Except as otherwise provided in this
paragraph (a), on or before August 15, 1993, and each succeeding
month thereafter through August 15, 2022, eighteen and one-half
percent (18-1/2%) of the total sales tax revenue collected during
the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. On or before September 15, 2022, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation, and twenty-five and ninety one-hundredths percent (25-90/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities within a municipal corporation shall be allocated for distribution to the municipality and paid to the municipal corporation. However, in the event the State Auditor issues a certificate of noncompliance pursuant to Section 21-35-31, the Department of Revenue shall withhold ten percent (10%) of the allocations and payments to the municipality that would otherwise be payable to the municipality under this paragraph (a) until such time that the department receives written notice of the cancellation of a certificate of noncompliance from the State Auditor.
A municipal corporation, for the purpose of distributing the tax under this subsection, shall mean and include all incorporated cities, towns and villages.

Monies allocated for distribution and credited to a municipal corporation under this paragraph may be pledged as security for a loan if the distribution received by the municipal corporation is otherwise authorized or required by law to be pledged as security for such a loan.

In any county having a county seat that is not an incorporated municipality, the distribution provided under this subsection shall be made as though the county seat was an incorporated municipality; however, the distribution to the municipality shall be paid to the county treasury in which the municipality is located, and those funds shall be used for road, bridge and street construction or maintenance in the county.

(b) On or before August 15, 2006, and each succeeding month thereafter through August 15, 2022, eighteen and one-half percent (18-1/2\%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and
paid to the state institution of higher learning or community or junior college. On or before September 15, 2022, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3) and 27-65-21, on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college, and twenty-five and ninety one-hundredths percent (25-90/100%) of the total sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) on business activities on the campus of a state institution of higher learning or community or junior college whose campus is not located within the corporate limits of a municipality, shall be allocated for distribution to the state institution of higher learning or community or junior college and paid to the state institution of higher learning or community or junior college.

(c) On or before August 15, 2018, and each succeeding month thereafter until August 14, 2019, two percent (2%) of the total sales tax revenue collected during the preceding month under
the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2019, and each succeeding month thereafter until August 14, 2020, four percent (4%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before August 15, 2020, and each succeeding month thereafter through August 15, 2022, six percent (6%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215. On or before September 15, 2022, and each succeeding month thereafter, six and twenty-two one-hundredths percent (6.22/100%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter,
except that collected under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and 27-65-24, on business activities within the corporate limits of the City of Jackson, Mississippi, shall be deposited into the Capitol Complex Improvement District Project Fund created in Section 29-5-215.

(d) (i) On or before the fifteenth day of the month that the diversion authorized by this section begins, and each succeeding month thereafter, eighteen and one-half percent (18-1/2%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on business activities within a redevelopment project area developed under a redevelopment plan adopted under the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be allocated for distribution to the county in which the project area is located if:

1. The county:
   
   a. Borders on the Mississippi Sound and the State of Alabama, or
   
   b. Is Harrison County, Mississippi, and the project area is within a radius of two (2) miles from the intersection of Interstate 10 and Menge Avenue;

2. The county has issued bonds under Section 21-45-9 to finance all or a portion of a redevelopment project in the redevelopment project area;
3. Any debt service for the indebtedness incurred is outstanding; and

4. A development with a value of Ten Million Dollars ($10,000,000.00) or more is, or will be, located in the redevelopment area.

   (ii) Before any sales tax revenue may be allocated for distribution to a county under this paragraph, the county shall certify to the Department of Revenue that the requirements of this paragraph have been met, the amount of bonded indebtedness that has been incurred by the county for the redevelopment project and the expected date the indebtedness incurred by the county will be satisfied.

   (iii) The diversion of sales tax revenue authorized by this paragraph shall begin the month following the month in which the Department of Revenue determines that the requirements of this paragraph have been met. The diversion shall end the month the indebtedness incurred by the county is satisfied. All revenue received by the county under this paragraph shall be deposited in the fund required to be created in the tax increment financing plan under Section 21-45-11 and be utilized solely to satisfy the indebtedness incurred by the county.

(2) On or before September 15, 1987, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, One Million One Hundred Twenty-five
Thousand Dollars ($1,125,000.00) shall be allocated for distribution to municipal corporations as defined under subsection (1) of this section in the proportion that the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each such municipality during the preceding fiscal year bears to the total gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in municipalities statewide during the preceding fiscal year. The Department of Revenue shall require all distributors of gasoline and diesel fuel to report to the department monthly the total number of gallons of gasoline and diesel fuel sold by them to consumers and retailers in each municipality during the preceding month. The Department of Revenue shall have the authority to promulgate such rules and regulations as is necessary to determine the number of gallons of gasoline and diesel fuel sold by distributors to consumers and retailers in each municipality. In determining the percentage allocation of funds under this subsection for the fiscal year beginning July 1, 1987, and ending June 30, 1988, the Department of Revenue may consider gallons of gasoline and diesel fuel sold for a period of less than one (1) fiscal year. For the purposes of this subsection, the term "fiscal year" means the fiscal year beginning July 1 of a year.

(3) On or before September 15, 1987, and on or before the fifteenth day of each succeeding month, until the date specified in Section 65-39-35, the proceeds derived from contractors' taxes
levied under Section 27-65-21 on contracts for the construction or
reconstruction of highways designated under the highway program
created under Section 65-3-97 shall, except as otherwise provided
in Section 31-17-127, be deposited into the State Treasury to the
credit of the State Highway Fund to be used to fund that highway
program. The Mississippi Department of Transportation shall
provide to the Department of Revenue such information as is
necessary to determine the amount of proceeds to be distributed
under this subsection.

(4) On or before August 15, 1994, and on or before the
fifteenth day of each succeeding month through July 15, 1999, from
the proceeds of gasoline, diesel fuel or kerosene taxes as
provided in Section 27-5-101(a)(ii)1, Four Million Dollars
($4,000,000.00) shall be deposited in the State Treasury to the
credit of a special fund designated as the "State Aid Road Fund,"
created by Section 65-9-17. On or before August 15, 1999, and on
or before the fifteenth day of each succeeding month, from the
total amount of the proceeds of gasoline, diesel fuel or kerosene
taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
Dollars ($4,000,000.00) or an amount equal to twenty-three and
one-fourth percent (23-1/4%) of those funds, whichever is the
greater amount, shall be deposited in the State Treasury to the
credit of the "State Aid Road Fund," created by Section 65-9-17.
Those funds shall be pledged to pay the principal of and interest
on state aid road bonds heretofore issued under Sections 19-9-51
through 19-9-77, in lieu of and in substitution for the funds previously allocated to counties under this section. Those funds may not be pledged for the payment of any state aid road bonds issued after April 1, 1981; however, this prohibition against the pledging of any such funds for the payment of bonds shall not apply to any bonds for which intent to issue those bonds has been published for the first time, as provided by law before March 29, 1981. From the amount of taxes paid into the special fund under this subsection and subsection (9) of this section, there shall be first deducted and paid the amount necessary to pay the expenses of the Office of State Aid Road Construction, as authorized by the Legislature for all other general and special fund agencies. The remainder of the fund shall be allocated monthly to the several counties in accordance with the following formula:

(a) One-third (1/3) shall be allocated to all counties in equal shares;

(b) One-third (1/3) shall be allocated to counties based on the proportion that the total number of rural road miles in a county bears to the total number of rural road miles in all counties of the state; and

(c) One-third (1/3) shall be allocated to counties based on the proportion that the rural population of the county bears to the total rural population in all counties of the state, according to the latest federal decennial census.
For the purposes of this subsection, the term "gasoline, diesel fuel or kerosene taxes" means such taxes as defined in paragraph (f) of Section 27-5-101.

The amount of funds allocated to any county under this subsection for any fiscal year after fiscal year 1994 shall not be less than the amount allocated to the county for fiscal year 1994.

Any reference in the general laws of this state or the Mississippi Code of 1972 to Section 27-5-105 shall mean and be construed to refer and apply to subsection (4) of Section 27-65-75.

(5) One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars ($1,666,666.00) each month shall be paid into the special fund known as the "State Public School Building Fund" created and existing under the provisions of Sections 37-47-1 through 37-47-67. Those payments into that fund are to be made on the last day of each succeeding month hereafter.

(6) An amount each month beginning August 15, 1983, through November 15, 1986, as specified in Section 6, Chapter 542, Laws of 1983, shall be paid into the special fund known as the Correctional Facilities Construction Fund created in Section 6, Chapter 542, Laws of 1983.

(7) On or before August 15, 1992, and each succeeding month thereafter through July 15, 2000, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this
chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited by the department into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35. On or before August 15, 2000, and each succeeding month thereafter through August 15, 2022, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(2), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Forty-two Million Dollars ($42,000,000.00). Thereafter, the amounts diverted under this subsection (7) during the fiscal year in excess of Forty-two Million Dollars ($42,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33. On or before September 15, 2022, and each succeeding month thereafter, two and two hundred sixty-six one-thousandths percent (2.266%) of the total sales tax revenue collected during the preceding month under the provisions of this chapter, except that collected under the provisions of Section 27-65-17(1)(n) and (2), and three and seventeen one-hundredths percent (3.17%) of the total sales tax revenue collected during the preceding month under the provisions
of Section 27-65-17(1)(n) shall be deposited into the School Ad
Valorem Tax Reduction Fund created under Section 37-61-35 until
such time that the total amount deposited into the fund during a
fiscal year equals Forty-two Million Dollars ($42,000,000.00).
Thereafter, the amounts diverted under this subsection (7) during
the fiscal year in excess of Forty-two Million Dollars
($42,000,000.00) shall be deposited into the Education Enhancement
Fund created under Section 37-61-33 for appropriation by the
Legislature as other education needs and shall not be subject to
the percentage appropriation requirements set forth in Section
37-61-33.

(8) On or before August 15, 1992, and each succeeding month
thereafter through August 15, 2022, nine and seventy-three
one-thousandths percent (9.073%) of the total sales tax revenue
collected during the preceding month under the provisions of this
chapter, except that collected under the provisions of Section
27-65-17(2), shall be deposited into the Education Enhancement
Fund created under Section 37-61-33. On or before September 15,
2022, and each succeeding month thereafter, nine and seventy-three
one-thousandths percent (9.073%) of the total sales tax revenue
collected during the preceding month under the provisions of this
chapter, except that collected under the provisions of Section
27-65-17(1)(n) and (2), shall be deposited into the Education
Enhancement Fund created under Section 37-61-33, and twelve and
seventy one-hundredths percent (12.70%) of the total sales tax
revenue collected during the preceding month under the provisions of Section 27-65-17(1)(n) shall be deposited into the Education Enhancement Fund created under Section 37-61-33.

(9) On or before August 15, 1994, and each succeeding month thereafter, from the revenue collected under this chapter during the preceding month, Two Hundred Fifty Thousand Dollars ($250,000.00) shall be paid into the State Aid Road Fund.

(10) On or before August 15, 1994, and each succeeding month thereafter through August 15, 1995, from the revenue collected under this chapter during the preceding month, Two Million Dollars ($2,000,000.00) shall be deposited into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(11) Notwithstanding any other provision of this section to the contrary, on or before February 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(2) and the corresponding levy in Section 27-65-23 on the rental or lease of private carriers of passengers and light carriers of property as defined in Section 27-51-101 shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(12) Notwithstanding any other provision of this section to the contrary, on or before August 15, 1995, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-17(1) on
retail sales of private carriers of passengers and light carriers
of property, as defined in Section 27-51-101 and the corresponding
levy in Section 27-65-23 on the rental or lease of these vehicles,
shall be deposited, after diversion, into the Motor Vehicle Ad
Valorem Tax Reduction Fund established in Section 27-51-105.

(13) On or before July 15, 1994, and on or before the
fifteenth day of each succeeding month thereafter, that portion of
the avails of the tax imposed in Section 27-65-22 that is derived
from activities held on the Mississippi State Fairgrounds Complex
shall be paid into a special fund that is created in the State
Treasury and shall be expended upon legislative appropriation
solely to defray the costs of repairs and renovation at the Trade
Mart and Coliseum.

(14) On or before August 15, 1998, and each succeeding month
thereafter through July 15, 2005, that portion of the avails of
the tax imposed in Section 27-65-23 that is derived from sales by
cotton compresses or cotton warehouses and that would otherwise be
paid into the General Fund shall be deposited in an amount not to
exceed Two Million Dollars ($2,000,000.00) into the special fund
created under Section 69-37-39. On or before August 15, 2007, and
each succeeding month thereafter through July 15, 2010, that
portion of the avails of the tax imposed in Section 27-65-23 that
is derived from sales by cotton compresses or cotton warehouses
and that would otherwise be paid into the General Fund shall be
deposited in an amount not to exceed Two Million Dollars
($2,000,000.00) into the special fund created under Section 69-37-39 until all debts or other obligations incurred by the Certified Cotton Growers Organization under the Mississippi Boll Weevil Management Act before January 1, 2007, are satisfied in full. On or before August 15, 2010, and each succeeding month thereafter through July 15, 2011, fifty percent (50%) of that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00). On or before August 15, 2011, and each succeeding month thereafter, that portion of the avails of the tax imposed in Section 27-65-23 that is derived from sales by cotton compresses or cotton warehouses and that would otherwise be paid into the General Fund shall be deposited into the special fund created under Section 69-37-39 until such time that the total amount deposited into the fund during a fiscal year equals One Million Dollars ($1,000,000.00).

(15) Notwithstanding any other provision of this section to the contrary, on or before September 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,

(16)  (a)  On or before August 15, 2000, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a project as defined in Section 57-30-1 shall be deposited, after all diversions except the diversion provided for in subsection (1) of this section, into the Sales Tax Incentive Fund created in Section 57-30-3.

(b)  On or before August 15, 2007, and each succeeding month thereafter, eighty percent (80%) of the sales tax revenue collected during the preceding month under the provisions of this chapter from the operation of a tourism project under the provisions of Sections 57-26-1 through 57-26-5, shall be deposited, after the diversions required in subsections (7) and (8) of this section, into the Tourism Project Sales Tax Incentive Fund created in Section 57-26-3.

(17)  Notwithstanding any other provision of this section to the contrary, on or before April 15, 2002, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under Section 27-65-23 on sales of parking services of parking garages and lots at airports shall be deposited, without diversion, into the special fund created under Section 27-5-101(d).

(18)  [Repealed]
(19) (a) On or before August 15, 2005, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of this chapter on the gross proceeds of sales of a business enterprise located within a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and the revenue collected on the gross proceeds of sales from sales made to a business enterprise located in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises of the business enterprise), shall, except as otherwise provided in this subsection (19), be deposited, after all diversions, into the Redevelopment Project Incentive Fund as created in Section 57-91-9.

(b) For a municipality participating in the Economic Redevelopment Act created in Sections 57-91-1 through 57-91-11, the diversion provided for in subsection (1) of this section attributable to the gross proceeds of sales of a business enterprise located within a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11, and attributable to the gross proceeds of sales from sales made to a business enterprise located in a redevelopment project area under the provisions of Sections 57-91-1 through 57-91-11 (provided that such sales made to a business enterprise are made on the premises of the business enterprise), shall be deposited into the
Redevelopment Project Incentive Fund as created in Section 57-91-9, as follows:

(i) For the first six (6) years in which payments are made to a developer from the Redevelopment Project Incentive Fund, one hundred percent (100%) of the diversion shall be deposited into the fund;

(ii) For the seventh year in which such payments are made to a developer from the Redevelopment Project Incentive Fund, eighty percent (80%) of the diversion shall be deposited into the fund;

(iii) For the eighth year in which such payments are made to a developer from the Redevelopment Project Incentive Fund, seventy percent (70%) of the diversion shall be deposited into the fund;

(iv) For the ninth year in which such payments are made to a developer from the Redevelopment Project Incentive Fund, sixty percent (60%) of the diversion shall be deposited into the fund; and

(v) For the tenth year in which such payments are made to a developer from the Redevelopment Project Incentive Fund, fifty percent (50%) of the funds shall be deposited into the fund.

(20) On or before January 15, 2007, and each succeeding month thereafter, eighty percent (80%) of the sales tax revenue collected during the preceding month under the provisions of this chapter from the operation of a tourism project under the
provisions of Sections 57-28-1 through 57-28-5 shall be deposited, after the diversions required in subsections (7) and (8) of this section, into the Tourism Sales Tax Incentive Fund created in Section 57-28-3.

(21) (a) On or before April 15, 2007, and each succeeding month thereafter through June 15, 2013, One Hundred Fifty Thousand Dollars ($150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the MMEIA Tax Incentive Fund created in Section 57-101-3.

(b) On or before July 15, 2013, and each succeeding month thereafter, One Hundred Fifty Thousand Dollars ($150,000.00) of the sales tax revenue collected during the preceding month under the provisions of this chapter shall be deposited into the Mississippi Development Authority Job Training Grant Fund created in Section 57-1-451.

(22) Notwithstanding any other provision of this section to the contrary, on or before August 15, 2009, and each succeeding month thereafter, the sales tax revenue collected during the preceding month under the provisions of Section 27-65-201 shall be deposited, without diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund established in Section 27-51-105.

(23) (a) On or before August 15, 2019, and each month thereafter through July 15, 2020, one percent (1%) of the total sales tax revenue collected during the preceding month from
restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2020, and each month thereafter through July 15, 2021, two percent (2%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. On or before August 15, 2021, and each month thereafter, three percent (3%) of the total sales tax revenue collected during the preceding month from restaurants and hotels shall be allocated for distribution to the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, to be used exclusively for the purpose stated therein. The revenue diverted pursuant to this subsection shall not be available for expenditure until February 1, 2020.

(b) The Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER) must provide an annual report to the Legislature indicating the amount of funds deposited into the Mississippi Development Authority Tourism Advertising Fund established under Section 57-1-64, and a detailed record of how the funds are spent.
(24) The remainder of the amounts collected under the provisions of this chapter shall be paid into the State Treasury to the credit of the General Fund.

(25) (a) It shall be the duty of the municipal officials of any municipality that expands its limits, or of any community that incorporates as a municipality, to notify the commissioner of that action thirty (30) days before the effective date. Failure to so notify the commissioner shall cause the municipality to forfeit the revenue that it would have been entitled to receive during this period of time when the commissioner had no knowledge of the action.

(b) (i) Except as otherwise provided in subparagraph (ii) of this paragraph, if any funds have been erroneously disbursed to any municipality or any overpayment of tax is recovered by the taxpayer, the commissioner may make correction and adjust the error or overpayment with the municipality by withholding the necessary funds from any later payment to be made to the municipality.

(ii) Subject to the provisions of Sections 27-65-51 and 27-65-53, if any funds have been erroneously disbursed to a municipality under subsection (1) of this section for a period of three (3) years or more, the maximum amount that may be recovered or withheld from the municipality is the total amount of funds erroneously disbursed for a period of three (3) years beginning with the date of the first erroneous disbursement.
However, if during such period, a municipality provides written notice to the Department of Revenue indicating the erroneous disbursement of funds, then the maximum amount that may be recovered or withheld from the municipality is the total amount of funds erroneously disbursed for a period of one (1) year beginning with the date of the first erroneous disbursement.

SECTION 5. Section 27-67-31, Mississippi Code of 1972, is amended as follows:

27-67-31. All administrative provisions of the sales tax law, and amendments thereto, including those which fix damages, penalties and interest for failure to comply with the provisions of said sales tax law, and all other requirements and duties imposed upon taxpayer, shall apply to all persons liable for use taxes under the provisions of this article. The commissioner shall exercise all power and authority and perform all duties with respect to taxpayers under this article as are provided in said sales tax law, except where there is conflict, then the provisions of this article shall control.

The commissioner may require transportation companies to permit the examination of waybills, freight bills, or other documents covering shipments of tangible personal property into this state.

On or before the fifteenth day of each month, the amount received from taxes, damages and interest under the provisions of
this article during the preceding month shall be paid and
distributed as follows:

   (a) On or before July 15, 1994, through July 15, 2000,
   and each succeeding month thereafter, two and two hundred
   sixty-six one-thousandths percent (2.266%) of the total use tax
   revenue collected during the preceding month under the provisions
   of this article shall be deposited in the School Ad Valorem Tax
   Reduction Fund created pursuant to Section 37-61-35. On or before
   August 15, 2000, and each succeeding month thereafter through
   August 15, 2022, two and two hundred sixty-six one-thousandths
   percent (2.266%) of the total use tax revenue collected during the
   preceding month under the provisions of this * * * article shall
   be deposited into the School Ad Valorem Tax Reduction Fund created
   under Section 37-61-35 until such time that the total amount
   deposited into the fund during a fiscal year equals Four Million
   Dollars ($4,000,000.00). Thereafter, the amounts diverted under
   this paragraph (a) during the fiscal year in excess of Four
   Million Dollars ($4,000,000.00) shall be deposited into the
   Education Enhancement Fund created under Section 37-61-33 for
   appropriation by the Legislature as other education needs and
   shall not be subject to the percentage appropriation requirements
   set forth in Section 37-61-33. On or before September 15, 2022,
   and each succeeding month thereafter, two and two hundred
   sixty-six one-thousandths percent (2.266%) of the total use tax
   revenue collected during the preceding month under the provisions
of this article, except that imposed and levied as a result of Section 27-65-17(1)(n), and three and seventeen one-hundredths percent (3.17%) of the total use tax revenue collected during the preceding month under the provisions of this article imposed and levied as a result of Section 27-65-17(1)(n), shall be deposited into the School Ad Valorem Tax Reduction Fund created under Section 37-61-35 until such time that the total amount deposited into the fund during a fiscal year equals Four Million Dollars ($4,000,000.00). Thereafter, the amounts diverted under this paragraph (a) during the fiscal year in excess of Four Million Dollars ($4,000,000.00) shall be deposited into the Education Enhancement Fund created under Section 37-61-33 for appropriation by the Legislature as other education needs and shall not be subject to the percentage appropriation requirements set forth in Section 37-61-33.

(b) On or before July 15, 1994, and each succeeding month thereafter through August 15, 2022, nine and seventy-three one-thousandths percent (9.073%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the Education Enhancement Fund created pursuant to Section 37-61-33. On or before September 15, 2022, and each succeeding month thereafter, nine and seventy-three one-thousandths percent (9.073%) of the total use tax revenue collected during the preceding month under the provisions of this article, except that imposed and levied as a result of Section
27-65-17(1)(n), and twelve and seventy one-hundredths percent
(12.70%) of the total use tax revenue collected during the
preceding month under the provisions of this article imposed and
levied as a result of Section 27-65-17(1)(n), shall be deposited
into the Education Enhancement Fund created under Section
37-61-33.

(c) On or before July 15, 1997, and on or before the
fifteenth day of each succeeding month thereafter, the revenue
collected under the provisions of this article imposed and levied
as a result of Section 27-65-17(2) and the corresponding levy in
Section 27-65-23 on the rental or lease of private carriers of
passengers and light carriers of property as defined in Section
27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
Reduction Fund created pursuant to Section 27-51-105.

(d) On or before July 15, 1997, and on or before the
fifteenth day of each succeeding month thereafter and after the
deposits required by paragraphs (a) and (b) of this section are
made, the remaining revenue collected under the provisions of this
article imposed and levied as a result of Section 27-65-17(1) and
the corresponding levy in Section 27-65-23 on the rental or lease
of private carriers of passengers and light carriers of property
as defined in Section 27-51-101 shall be deposited into the Motor
Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
27-51-105.
(e) On or before August 15, 2019, and each succeeding month thereafter through July 15, 2020, three and three-fourths percent (3-3/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, seven and one-half percent (7-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022, eleven and one-fourth percent (11-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before August 15, 2022, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(1). On or before September 15, 2022, and each succeeding month thereafter, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article, except that imposed and levied as a result of Section 27-65-17(1)(n), and twenty-one percent (21%) of the total use tax revenue collected during the preceding month under the provisions of this article imposed and levied as a result of
Section 27-65-17(1)(n), shall be deposited into the special fund created in Section 27-67-35(1).

(f) On or before August 15, 2019, and each succeeding month thereafter through July 15, 2020, three and three-fourths percent (3-3/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, seven and one-half percent (7-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022, eleven and one-fourth percent (11-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before August 15, 2022, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the special fund created in Section 27-67-35(2). On or before September 15, 2022, and each succeeding month thereafter, fifteen percent (15%) of the total use tax revenue collected during the preceding month under the provisions of this article, except that imposed and levied as a result of Section 27-65-17(1)(n), and twenty-one percent (21%) of the total
use tax revenue collected during the preceding month under the provisions of this article imposed and levied as a result of Section 27-65-17(1)(n), shall be deposited into the special fund created in Section 27-67-35(2).

(g) On or before August 15, 2019, and each succeeding month thereafter through July 15, 2020, Four Hundred Sixteen Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents ($416,666.67) or one and one-fourth percent (1-1/4%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before August 15, 2020, and each succeeding month thereafter through July 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred Thirty-three Dollars and Thirty-four Cents ($833,333.34) or two and one-half percent (2-1/2%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before August 15, 2021, and each succeeding month thereafter through July 15, 2022, One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00) or three and three-fourths percent (3-3/4%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be
deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before August 15, 2022, * * * One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents ($1,666,666.67) or five percent (5%) of the total use tax revenue collected during the preceding month under the provisions of this article, whichever is the greater amount, shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. On or before September 15, 2022, and each succeeding month thereafter, five percent (5%) of the total use tax revenue collected during the preceding month under the provisions of this article, except that imposed and levied as a result of Section 27-65-17(1)(n), and seven percent (7%) of the total use tax revenue collected during the preceding month under the provisions of this article imposed and levied as a result of Section 27-65-17(1)(n), shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13; however, if in any month the total amount of the diversion calculated from the percentages in the preceding clause is less than One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents ($1,666,666.67), then the amount deposited into the Local System Bridge Replacement and Rehabilitation Fund under this paragraph (g) for that month shall be One Million Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents ($1,666,666.67).
(h) On or before August 15, 2020, and each succeeding month thereafter through July 15, 2022, One Million Dollars ($1,000,000.00) of the total use tax revenue collected during the preceding month under the provisions of this article shall be deposited into the Local System Bridge Replacement and Rehabilitation Fund created in Section 65-37-13. Amounts deposited into the Local System Bridge Replacement and Rehabilitation Fund under this paragraph (h) shall be in addition to amounts deposited into the fund under paragraph (g) of this section.

(i) The remainder of the amount received from taxes, damages and interest under the provisions of this article shall be paid into the General Fund of the State Treasury by the commissioner.

SECTION 6. (1) Each taxpayer who filed a 2021 Form 80-105 Mississippi income tax return shall receive a rebate of five percent (5%) of his 2021 tax liability; however, the rebate shall be no less than One Hundred Dollars ($100.00) per taxpayer and no more than One Thousand Dollars ($1,000.00) per tax return.

(2) A special fund, to be designated the "2022 Income Tax Rebate Fund," is created within the State Treasury. The fund shall be maintained by the State Treasurer as a separate and special fund, separate and apart from the General Fund of the state. Monies in this special fund shall be appropriated by the Legislature and used by the Department of Revenue to pay taxpayers...
entitled to income tax rebates under this section. Before July 1, 2024, amounts remaining in the special fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned or investment earnings on amounts in the fund shall be deposited to the credit of the fund. On July 1, 2024, any unobligated amounts remaining in the special fund shall be transferred to the State General Fund.

(3) If the monies appropriated or transferred by the Legislature to the 2022 Income Tax Rebate Fund are found to be insufficient to fund the rebate authorized in this section, the State Fiscal Officer shall transfer to the 2022 Income Tax Rebate Fund out of the Capital Expense Fund any additional amount necessary to fund the rebate.

SECTION 7. Section 27-55-11, Mississippi Code of 1972, is amended as follows:

27-55-11. Any person in business as a distributor of gasoline or who acts as a distributor of gasoline, as defined in this article, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Eighteen Cents (18¢) per gallon until the date specified in Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per gallon thereafter, on all gasoline and blend stock stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, use on the highways, storage, distribution, or for any purpose.
Any person in business as a distributor of aviation gasoline, or who acts as a distributor of aviation gasoline, shall pay for the privilege of engaging in such business or acting as such distributor an excise tax equal to Six and Four-tenths Cents (6.4¢) per gallon on all aviation gasoline stored, sold, distributed, manufactured, refined, distilled, blended or compounded in this state or received in this state for sale, storage, distribution or for any purpose.

The excise taxes collected under this section shall be paid and distributed in accordance with Section 27-5-101.

The tax herein imposed and assessed shall be collected and paid to the State of Mississippi but once in respect to any gasoline. The basis for determining the tax liability shall be the correct invoiced gallons, adjusted to sixty (60) degrees Fahrenheit at the refinery or point of origin of shipment when such shipment is made by tank car or by motor carrier. The point of origin of shipment of gasoline transported into this state by pipelines shall be deemed to be that point in this state where such gasoline is withdrawn from the pipeline for storage or distribution, and adjustment to sixty (60) degrees Fahrenheit shall there be made. The basis for determining the tax liability on gasoline shipped into this state in barge cargoes and by pipeline shall be the actual number of gallons adjusted to sixty (60) degrees Fahrenheit unloaded into storage tanks or other containers in this state, such gallonage to be determined by
measurement and/or gauge of storage tank or tanks or by any other method authorized by the commission. The tank or tanks into which barge cargoes of gasoline are discharged, or into which gasoline transported by pipeline is discharged, shall have correct gauge tables listing capacity, such gauge tables to be prepared by some recognized calibrating agency and to be approved by the commission.

The tax levied herein shall accrue at the time gasoline is withdrawn from a refinery in this state except when withdrawal is by pipeline, barge, ship or vessel. The refiner shall pay to the commission the tax levied herein when gasoline is sold or delivered to persons who do not hold gasoline distributor permits. The refiner shall report to the commission all sales and deliveries of gasoline to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires gasoline from a refinery in this state shall report such gasoline and pay the tax levied herein.

Gasoline imported by common carrier shall be deemed to be received by the distributor of gasoline, and the tax levied herein shall accrue, when the car or tank truck containing such gasoline is unloaded by the carrier.

With respect to distributors or other persons who bring, ship, have transported, or have brought into this state gasoline by means other than through a common carrier, the tax accrues and the tax liability attaches on the distributor or other person for
each gallon of gasoline brought into the state at the time when and at the point where such gasoline is brought into the state. The tax levied herein shall accrue on blend stock at the time it is blended with gasoline. The blender shall pay to the commission the tax levied herein when blend stock is sold or delivered to persons who do not hold gasoline distributor permits. The blender shall report to the commission all sales and deliveries of blend stock to bonded distributors of gasoline. The bonded distributor of gasoline who purchases, receives or acquires blend stock from a blender in this state shall report blend stock and pay the tax levied herein.

The tax levied in this section shall be suspended for six (6) months from the effective date of this act. A retailer of gasoline or aviation gasoline taxed under this section may seek a refund from the distributor for any taxes paid to the distributor for gasoline or aviation gasoline for which the tax is suspended. The distributor may claim a refund for such taxes from the department pursuant to emergency regulations promulgated by the department.

**SECTION 8.** Section 27-55-519, Mississippi Code of 1972, is amended as follows:

27-55-519. (1) Any person engaged in business as a distributor of special fuel or who acts as a distributor of special fuel, as defined in this article, shall pay for the privilege of engaging in such business or acting as such
distributor an excise tax on all special fuel stored, used, sold, 
distributed, manufactured, refined, distilled, blended or 
compounded in this state or received in this state for sale, 
storage, distribution or for any purpose, adjusted to sixty (60) 
degrees Fahrenheit.

The excise tax shall become due and payable when:

- (a) Special fuel is withdrawn from storage at a 
  refinery, marine or pipeline terminal, except when withdrawal is 
  by barge or pipeline.

- (b) Special fuel imported by a common carrier is 
  unloaded by that carrier unless the special fuel is unloaded 
  directly into the storage tanks of a refinery, marine or pipeline 
  terminal.

- (c) Special fuel imported by any person other than a 
  common carrier enters the State of Mississippi unless the special 
  fuel is unloaded directly into the storage tanks of a refinery, 
  marine or pipeline terminal.

- (d) Special fuel is blended in this state unless such 
  blending occurs in a refinery, marine or pipeline terminal.

- (e) Special fuel is acquired tax free.

(2) The special fuel excise tax shall be as follows:

- (a) Eighteen Cents (18¢) per gallon on undyed diesel 
  fuel until the date specified in Section 65-39-35 and Fourteen and 
  Three-fourths Cents (14.75¢) per gallon thereafter;
(b) Five and Three-fourths Cents (5.75¢) per gallon on all special fuel except undyed diesel fuel and special fuel used as fuels in aircraft; and

(c) Five and One-fourth Cents (5.25¢) per gallon on special fuel used as fuel in aircraft.

(3) The tax levied in this section shall be suspended for six (6) months from the effective date of this act. A retailer of special fuel taxed under this section may seek a refund from the distributor for any taxes paid to the distributor for special fuel for which the tax is suspended. The distributor may claim a refund for such taxes from the department pursuant to emergency regulations promulgated by the department.

SECTION 9. Section 27-55-521, Mississippi Code of 1972, is amended as follows:

27-55-521. (1) An excise tax at the rate of Eighteen Cents (18¢) per gallon until the date specified in Section 65-39-35, Mississippi Code of 1972, and Fourteen and Three-fourths Cents (14.75¢) per gallon thereafter is levied on any person engaged in business as a distributor of special fuel or who acts as such who sells:

(a) Special fuel for use in performing contracts for construction, reconstruction, maintenance or repairs, where such contracts are entered into with the State of Mississippi, any political subdivision of the State of Mississippi, or any
(b) Dyed diesel fuel or kerosene to a state or local governmental entity for use on the highways in a motor vehicle.

(c) Special fuel for use on the highway.

(2) An excise tax at the rate of Eighteen Cents (18¢) per gallon until the date specified in Section 65-39-35, Mississippi Code of 1972, and Fourteen and Three-fourths Cents (14.75¢) per gallon thereafter is levied on any person who:

(a) Uses dyed diesel fuel or kerosene in a motor vehicle on the highways of this state in violation of Section 27-55-539.

(b) Purchases or acquires undyed diesel fuel or kerosene for nonhighway use and subsequently uses such diesel fuel or kerosene in a motor vehicle on the highways of this state.

(c) Purchases or acquires special fuel for use in performing contracts as specified in this section.

(3) The tax levied in this section shall be suspended for six (6) months from the effective date of this act. A retailer of special fuel taxed under this section may seek a refund from the distributor for any taxes paid to the distributor for special fuel for which the tax is suspended. The distributor may claim a refund for such taxes from the department pursuant to emergency regulations promulgated by the department.
SECTION 10. Section 27-7-17, Mississippi Code of 1972, as amended by Senate Bill No. 2095, 2022 Regular Session, and House Bill No. 1529, 2022 Regular Session, is amended as follows:

Through February 1, 2022, this section shall read as follows:

27-7-17. In computing taxable income, there shall be allowed as deductions:

(1) **Business deductions.**

(a) **Business expenses.** All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; nonreimbursable traveling expenses incident to current employment, including a reasonable amount expended for meals and lodging while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition of the continued use or possession, for purposes of the trade or business of property to which the taxpayer has not taken or is not taking title or in which he had no equity. Expense incurred in connection with earning and distributing nontaxable income is not an allowable deduction. Limitations on entertainment expenses shall conform to the provisions of the Internal Revenue Code of 1986.

(b) **Interest.** All interest paid or accrued during the taxable year on business indebtedness, except interest upon the indebtedness for the purchase of tax-free bonds, or any stocks,
the dividends from which are nontaxable under the provisions of this article; provided, however, in the case of securities dealers, interest payments or accruals on loans, the proceeds of which are used to purchase tax-exempt securities, shall be deductible if income from otherwise tax-free securities is reported as income. Investment interest expense shall be limited to investment income. Interest expense incurred for the purchase of treasury stock, to pay dividends, or incurred as a result of an undercapitalized affiliated corporation may not be deducted unless an ordinary and necessary business purpose can be established to the satisfaction of the commissioner. For the purposes of this paragraph, the phrase "interest upon the indebtedness for the purchase of tax-free bonds" applies only to the indebtedness incurred for the purpose of directly purchasing tax-free bonds and does not apply to any other indebtedness incurred in the regular course of the taxpayer's business. Any corporation, association, organization or other entity taxable under Section 27-7-23(c) shall allocate interest expense as provided in Section 27-7-23(c)(3)(I).

(c) Taxes. Taxes paid or accrued within the taxable year, except state and federal income taxes, excise taxes based on or measured by net income, estate and inheritance taxes, gift taxes, cigar and cigarette taxes, gasoline taxes, and sales and use taxes unless incurred as an item of expense in a trade or business or in the production of taxable income. In the case of
an individual, taxes permitted as an itemized deduction under the
provisions of subsection (3)(a) of this section are to be claimed
thereunder.

(d) *Business losses.*

(i) Losses sustained during the taxable year not
compensated for by insurance or otherwise, if incurred in trade or
business, or nonbusiness transactions entered into for profit.

(ii) Limitations on losses from passive activities
and rental real estate shall conform to the provisions of the

(e) *Bad debts.* Losses from debts ascertained to be
worthless and charged off during the taxable year, if sustained in
the conduct of the regular trade or business of the taxpayer;
provided, that such losses shall be allowed only when the taxpayer
has reported as income, on the accrual basis, the amount of such
debt or account.

(f) *Depreciation.* A reasonable allowance for
exhaustion, wear and tear of property used in the trade or
business, or rental property, and depreciation upon buildings
based upon their reasonable value as of March 16, 1912, if
acquired prior thereto, and upon cost if acquired subsequent to
that date. In the case of new or used aircraft, equipment,
engines, or other parts and tools used for aviation, allowance for
bonus depreciation conforms with the federal bonus depreciation
rates and reasonable allowance for depreciation under this section is no less than one hundred percent (100%).

(g) **Depletion.** In the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depletion and for depreciation of improvements, based upon cost, including cost of development, not otherwise deducted, or fair market value as of March 16, 1912, if acquired prior to that date, such allowance to be made upon regulations prescribed by the commissioner, with the approval of the Governor.

(h) **Contributions or gifts.** Except as otherwise provided in paragraph (p) of this subsection or subsection (3)(a) of this section for individuals, contributions or gifts made by corporations within the taxable year to corporations, organizations, associations or institutions, including Community Chest funds, foundations and trusts created solely and exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inure to the benefit of any private stockholder or individual. This deduction shall be allowed in an amount not to exceed twenty percent (20%) of the net income. Such contributions or gifts shall be allowable as deductions only if verified under rules and regulations prescribed by the commissioner, with the approval of the Governor. Contributions made in any form other than cash shall be allowed as a deduction, subject to the limitations herein provided, in an amount equal to
the actual market value of the contributions at the time the
collection is actually made and consummated.

(i) **Reserve funds - insurance companies.** In the case
of insurance companies the net additions required by law to be
made within the taxable year to reserve funds when such reserve
funds are maintained for the purpose of liquidating policies at
maturity.

(j) **Annuity income.** The sums, other than dividends,
paid within the taxpayer year on policy or annuity contracts when
such income has been included in gross income.

(k) **Contributions to employee pension plans.**
Contributions made by an employer to a plan or a trust forming
part of a pension plan, stock bonus plan, disability or
death-benefit plan, or profit-sharing plan of such employer for
the exclusive benefit of some or all of his, their, or its
employees, or their beneficiaries, shall be deductible from his,
their, or its income only to the extent that, and for the taxable
year in which, the contribution is deductible for federal income
tax purposes under the Internal Revenue Code of 1986 and any other
provisions of similar purport in the Internal Revenue Laws of the
United States, and the rules, regulations, rulings and
determinations promulgated thereunder, provided that:

(i) The plan or trust be irrevocable.

(ii) The plan or trust constitute a part of a
pension plan, stock bonus plan, disability or death-benefit plan,
or profit-sharing plan for the exclusive benefit of some or all of
the employer's employees and/or officers, or their beneficiaries,
for the purpose of distributing the corpus and income of the plan
or trust to such employees and/or officers, or their
beneficiaries.

(iii) No part of the corpus or income of the plan
or trust can be used for purposes other than for the exclusive
benefit of employees and/or officers, or their beneficiaries.

Contributions to all plans or to all trusts of real or
personal property (or real and personal property combined) or to
insured plans created under a retirement plan for which provision
has been made under the laws of the United States of America,
making such contributions deductible from income for federal
income tax purposes, shall be deductible only to the same extent
under the Income Tax Laws of the State of Mississippi.

(l) **Net operating loss carrybacks and carryovers.** A
net operating loss for any taxable year ending after December 31,
1993, and taxable years thereafter, shall be a net operating loss
carryback to each of the three (3) taxable years preceding the
taxable year of the loss. If the net operating loss for any
taxable year is not exhausted by carrybacks to the three (3)
taxable years preceding the taxable year of the loss, then there
shall be a net operating loss carryover to each of the fifteen
(15) taxable years following the taxable year of the loss
beginning with any taxable year after December 31, 1991.
For any taxable year ending after December 31, 1997, the period for net operating loss carrybacks and net operating loss carryovers shall be the same as those established by the Internal Revenue Code and the rules, regulations, rulings and determinations promulgated thereunder as in effect at the taxable year end or on December 31, 2000, whichever is earlier.

A net operating loss for any taxable year ending after December 31, 2001, and taxable years thereafter, shall be a net operating loss carryback to each of the two (2) taxable years preceding the taxable year of the loss. If the net operating loss for any taxable year is not exhausted by carrybacks to the two (2) taxable years preceding the taxable year of the loss, then there shall be a net operating loss carryover to each of the twenty (20) taxable years following the taxable year of the loss beginning with any taxable year after the taxable year of the loss.

The term "net operating loss," for the purposes of this paragraph, shall be the excess of the deductions allowed over the gross income; provided, however, the following deductions shall not be allowed in computing same:

(i) No net operating loss deduction shall be allowed.

(ii) No personal exemption deduction shall be allowed.

(iii) Allowable deductions which are not attributable to taxpayer's trade or business shall be allowed only
to the extent of the amount of gross income not derived from such
trade or business.

Any taxpayer entitled to a carryback period as provided by
this paragraph may elect to relinquish the entire carryback period
with respect to a net operating loss for any taxable year ending
after December 31, 1991. The election shall be made in the manner
prescribed by the Department of Revenue and shall be made by the
due date, including extensions of time, for filing the taxpayer's
return for the taxable year of the net operating loss for which
the election is to be in effect. The election, once made for any
taxable year, shall be irrevocable for that taxable year.

(m) **Amortization of pollution or environmental control
facilities.** Allowance of deduction. Every taxpayer, at his
election, shall be entitled to a deduction for pollution or
environmental control facilities to the same extent as that
allowed under the Internal Revenue Code and the rules,
regulations, rulings and determinations promulgated thereunder.

(n) **Dividend distributions - real estate investment
trusts.** "Real estate investment trust" (hereinafter referred to
as REIT) shall have the meaning ascribed to such term in Section
856 of the federal Internal Revenue Code of 1986, as amended. A
REIT is allowed a dividend distributed deduction if the dividend
distributions meet the requirements of Section 857 or are
otherwise deductible under Section 858 or 860, federal Internal
Revenue Code of 1986, as amended. In addition:
(i) A dividend distributed deduction shall only be allowed for dividends paid by a publicly traded REIT. A qualified REIT subsidiary shall be allowed a dividend distributed deduction if its owner is a publicly traded REIT.

(ii) Income generated from real estate contributed or sold to a REIT by a shareholder or related party shall not give rise to a dividend distributed deduction, unless the shareholder or related party would have received the dividend distributed deduction under this chapter.

(iii) A holding corporation receiving a dividend from a REIT shall not be allowed the deduction in Section 27-7-15(4)(t).

(iv) Any REIT not allowed the dividend distributed deduction in the federal Internal Revenue Code of 1986, as amended, shall not be allowed a dividend distributed deduction under this chapter.

The commissioner is authorized to promulgate rules and regulations consistent with the provisions in Section 269 of the federal Internal Revenue Code of 1986, as amended, so as to prevent the evasion or avoidance of state income tax.

(o) Contributions to college savings trust fund accounts. Contributions or payments to a Mississippi Affordable College Savings Program account are deductible as provided under Section 37-155-113. Payments made under a prepaid tuition contract entered into under the Mississippi Prepaid Affordable
College Tuition Program are deductible as provided under Section 37-155-17.

(p) **Contributions of human pharmaceutical products.** To the extent that a "major supplier" as defined in Section 27-13-13(2)(d) contributes human pharmaceutical products in excess of Two Hundred Fifty Million Dollars ($250,000,000.00) as determined under Section 170 of the Internal Revenue Code, the charitable contribution limitation associated with those donations shall follow the federal limitation but cannot result in the MISSISSIPPI net income being reduced below zero.

(q) **Contributions to ABLE trust fund accounts.** Contributions or payments to a Mississippi Achieving a Better Life Experience (ABLE) Program account are deductible as provided under Section 43-28-13.

(2) **Restrictions on the deductibility of certain intangible expenses and interest expenses with a related member.**

(a) As used in this subsection (2):

(i) "Intangible expenses and costs" include:

1. Expenses, losses and costs for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income under this chapter;
2. Expenses or losses related to or incurred in connection directly or indirectly with factoring transactions or discounting transactions;

3. Royalty, patent, technical and copyright fees;

4. Licensing fees; and

5. Other similar expenses and costs.

(ii) "Intangible property" means patents, patent applications, trade names, trademarks, service marks, copyrights and similar types of intangible assets.

(iii) "Interest expenses and cost" means amounts directly or indirectly allowed as deductions for purposes of determining taxable income under this chapter to the extent such interest expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

(iv) "Related member" means an entity or person that, with respect to the taxpayer during all or any portion of the taxable year, is a related entity, a component member as defined in the Internal Revenue Code, or is an entity or a person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code.

(v) "Related entity" means:
1. A stockholder who is an individual or a member of the stockholder's family, as defined in regulations prescribed by the commissioner, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

2. A stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

3. A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least fifty percent (50%) of the value of the corporation's outstanding stock under regulation prescribed by the commissioner;

4. Any entity or person which would be a related member under this section if the taxpayer were considered a corporation for purposes of this section.

(b) In computing net income, a taxpayer shall add back otherwise deductible interest expenses and costs and intangible
expenses and costs directly or indirectly paid, accrued to or
incurred, in connection directly or indirectly with one or more
direct or indirect transactions with one or more related members.

(c) The adjustments required by this subsection shall
not apply to such portion of interest expenses and costs and
intangible expenses and costs that the taxpayer can establish
meets one (1) of the following:

(i) The related member directly or indirectly
paid, accrued or incurred such portion to a person during the same
income year who is not a related member; or

(ii) The transaction giving rise to the interest
expenses and costs or intangible expenses and costs between the
taxpayer and related member was done primarily for a valid
business purpose other than the avoidance of taxes, and the
related member is not primarily engaged in the acquisition, use,
maintenance or management, ownership, sale, exchange or any other
disposition of intangible property.

(d) Nothing in this subsection shall require a taxpayer
to add to its net income more than once any amount of interest
expenses and costs or intangible expenses and costs that the
taxpayer pays, accrues or incurs to a related member.

(e) The commissioner may prescribe such regulations as
necessary or appropriate to carry out the purposes of this
subsection, including, but not limited to, clarifying definitions
of terms, rules of stock attribution, factoring and discount transactions.

(3) Individual nonbusiness deductions.

(a) The amount allowable for individual nonbusiness itemized deductions for federal income tax purposes where the individual is eligible to elect, for the taxable year, to itemize deductions on his federal return except the following:

(i) The deduction for state income taxes paid or other taxes allowed for federal purposes in lieu of state income taxes paid;

(ii) The deduction for gaming losses from gaming establishments;

(iii) The deduction for taxes collected by licensed gaming establishments pursuant to Section 27-7-901;

(iv) The deduction for taxes collected by gaming establishments pursuant to Section 27-7-903.

(b) In lieu of the individual nonbusiness itemized deductions authorized in paragraph (a), for all purposes other than ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, an optional standard deduction of:

(i) Three Thousand Four Hundred Dollars ($3,400.00) through calendar year 1997, Four Thousand Two Hundred Dollars ($4,200.00) for the calendar year 1998 and Four Thousand Six Hundred Dollars ($4,600.00) for each calendar year thereafter.
in the case of married individuals filing a joint or combined
return;

(ii) One Thousand Seven Hundred Dollars
($1,700.00) through calendar year 1997, Two Thousand One Hundred
Dollars ($2,100.00) for the calendar year 1998 and Two Thousand
Three Hundred Dollars ($2,300.00) for each calendar year
thereafter in the case of married individuals filing separate
returns;

(iii) Three Thousand Four Hundred Dollars
($3,400.00) in the case of a head of family; or

(iv) Two Thousand Three Hundred Dollars
($2,300.00) in the case of an individual who is not married.

In the case of a husband and wife living together, having
separate incomes, and filing combined returns, the standard
deduction authorized may be divided in any manner they choose. In
the case of separate returns by a husband and wife, the standard
deduction shall not be allowed to either if the taxable income of
one of the spouses is determined without regard to the standard
deduction.

(c) A nonresident individual shall be allowed the same
individual nonbusiness deductions as are authorized for resident
individuals in paragraph (a) or (b) of this subsection; however,
the nonresident individual is entitled only to that proportion of
the individual nonbusiness deductions as his net income from
sources within the State of Mississippi bears to his total or entire net income from all sources.

(4) Nothing in this section shall permit the same item to be deducted more than once, either in fact or in effect.

(5) Notwithstanding any other provision in Title 27, Mississippi Code of 1972, there shall be allowed an income tax deduction for otherwise deductible expenses if:

(a) The payment(s) for such deductible expenses are made with the grant or loan program of the Paycheck Protection Program as authorized under (i) the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Consolidated Appropriations Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan Program, (iii) the 2020 COVID-19 Mississippi Business Assistance Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered Venue Operators Grant Program and Restaurant Revitalization Fund authorized by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the federal American Rescue Plan Act, and/or (vi) the Mississippi Agriculture Stabilization Act; and

(b) Such deductible expenses shall be allowed as deductions for federal income tax purposes.

From and after February 2, 2022, this section shall read as follows:

27-7-17. In computing taxable income, there shall be allowed as deductions:
(1) **Business deductions.**

(a) **Business expenses.** All the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation for personal services actually rendered; nonreimbursable traveling expenses incident to current employment, including a reasonable amount expended for meals and lodging while away from home in the pursuit of a trade or business; and rentals or other payments required to be made as a condition of the continued use or possession, for purposes of the trade or business of property to which the taxpayer has not taken or is not taking title or in which he had no equity. Expense incurred in connection with earning and distributing nontaxable income is not an allowable deduction. Limitations on entertainment expenses shall conform to the provisions of the Internal Revenue Code of 1986. There shall also be allowed a deduction for expenses as provided in Section 26 of Senate Bill No. 2095, 2022 Regular Session.

(b) **Interest.** All interest paid or accrued during the taxable year on business indebtedness, except interest upon the indebtedness for the purchase of tax-free bonds, or any stocks, the dividends from which are nontaxable under the provisions of this article; provided, however, in the case of securities dealers, interest payments or accruals on loans, the proceeds of which are used to purchase tax-exempt securities, shall be
deductible if income from otherwise tax-free securities is reported as income. Investment interest expense shall be limited to investment income. Interest expense incurred for the purchase of treasury stock, to pay dividends, or incurred as a result of an undercapitalized affiliated corporation may not be deducted unless an ordinary and necessary business purpose can be established to the satisfaction of the commissioner. For the purposes of this paragraph, the phrase "interest upon the indebtedness for the purchase of tax-free bonds" applies only to the indebtedness incurred for the purpose of directly purchasing tax-free bonds and does not apply to any other indebtedness incurred in the regular course of the taxpayer's business. Any corporation, association, organization or other entity taxable under Section 27-7-23(c) shall allocate interest expense as provided in Section 27-7-23(c)(3)(I).

(c) Taxes. Taxes paid or accrued within the taxable year, except state and federal income taxes, excise taxes based on or measured by net income, estate and inheritance taxes, gift taxes, cigar and cigarette taxes, gasoline taxes, and sales and use taxes unless incurred as an item of expense in a trade or business or in the production of taxable income. In the case of an individual, taxes permitted as an itemized deduction under the provisions of subsection (3)(a) of this section are to be claimed thereunder.

(d) Business losses.
(i) Losses sustained during the taxable year not compensated for by insurance or otherwise, if incurred in trade or business, or nonbusiness transactions entered into for profit.

(ii) Limitations on losses from passive activities and rental real estate shall conform to the provisions of the Internal Revenue Code of 1986.

(e) **Bad debts.** Losses from debts ascertained to be worthless and charged off during the taxable year, if sustained in the conduct of the regular trade or business of the taxpayer; provided, that such losses shall be allowed only when the taxpayer has reported as income, on the accrual basis, the amount of such debt or account.

(f) **Depreciation.** A reasonable allowance for exhaustion, wear and tear of property used in the trade or business, or rental property, and depreciation upon buildings based upon their reasonable value as of March 16, 1912, if acquired prior thereto, and upon cost if acquired subsequent to that date. In the case of new or used aircraft, equipment, engines, or other parts and tools used for aviation, allowance for bonus depreciation conforms with the federal bonus depreciation rates and reasonable allowance for depreciation under this section is no less than one hundred percent (100%).

(g) **Depletion.** In the case of mines, oil and gas wells, other natural deposits and timber, a reasonable allowance for depletion and for depreciation of improvements, based upon
cost, including cost of development, not otherwise deducted, or 
fair market value as of March 16, 1912, if acquired prior to that 
date, such allowance to be made upon regulations prescribed by the 
commissioner, with the approval of the Governor.

(h) Contributions or gifts. Except as otherwise 
provided in paragraph (p) of this subsection or subsection (3)(a) 
of this section for individuals, contributions or gifts made by 
corporations within the taxable year to corporations, 
organizations, associations or institutions, including Community 
Chest funds, foundations and trusts created solely and exclusively 
for religious, charitable, scientific or educational purposes, or 
for the prevention of cruelty to children or animals, no part of 
the net earnings of which inure to the benefit of any private 
stockholder or individual. This deduction shall be allowed in an 
amount not to exceed twenty percent (20%) of the net income. Such 
contributions or gifts shall be allowable as deductions only if 
verified under rules and regulations prescribed by the 
commissioner, with the approval of the Governor. Contributions 
made in any form other than cash shall be allowed as a deduction, 
subject to the limitations herein provided, in an amount equal to 
the actual market value of the contributions at the time the 
contribution is actually made and consummated.

(i) Reserve funds - insurance companies. In the case 
of insurance companies the net additions required by law to be 
made within the taxable year to reserve funds when such reserve
funds are maintained for the purpose of liquidating policies at maturity.

(j) **Annuity income.** The sums, other than dividends, paid within the taxpayer year on policy or annuity contracts when such income has been included in gross income.

(k) **Contributions to employee pension plans.** Contributions made by an employer to a plan or a trust forming part of a pension plan, stock bonus plan, disability or death-benefit plan, or profit-sharing plan of such employer for the exclusive benefit of some or all of his, their, or its employees, or their beneficiaries, shall be deductible from his, their, or its income only to the extent that, and for the taxable year in which, the contribution is deductible for federal income tax purposes under the Internal Revenue Code of 1986 and any other provisions of similar purport in the Internal Revenue Laws of the United States, and the rules, regulations, rulings and determinations promulgated thereunder, provided that:

(i) The plan or trust be irrevocable.

(ii) The plan or trust constitute a part of a pension plan, stock bonus plan, disability or death-benefit plan, or profit-sharing plan for the exclusive benefit of some or all of the employer's employees and/or officers, or their beneficiaries, for the purpose of distributing the corpus and income of the plan or trust to such employees and/or officers, or their beneficiaries.
(iii) No part of the corpus or income of the plan or trust can be used for purposes other than for the exclusive benefit of employees and/or officers, or their beneficiaries.

Contributions to all plans or to all trusts of real or personal property (or real and personal property combined) or to insured plans created under a retirement plan for which provision has been made under the laws of the United States of America, making such contributions deductible from income for federal income tax purposes, shall be deductible only to the same extent under the Income Tax Laws of the State of Mississippi.

(1) **Net operating loss carrybacks and carryovers.** A net operating loss for any taxable year ending after December 31, 1993, and taxable years thereafter, shall be a net operating loss carryback to each of the three (3) taxable years preceding the taxable year of the loss. If the net operating loss for any taxable year is not exhausted by carrybacks to the three (3) taxable years preceding the taxable year of the loss, then there shall be a net operating loss carryover to each of the fifteen (15) taxable years following the taxable year of the loss beginning with any taxable year after December 31, 1991.

For any taxable year ending after December 31, 1997, the period for net operating loss carrybacks and net operating loss carryovers shall be the same as those established by the Internal Revenue Code and the rules, regulations, rulings and
determinations promulgated thereunder as in effect at the taxable year end or on December 31, 2000, whichever is earlier.

A net operating loss for any taxable year ending after December 31, 2001, and taxable years thereafter, shall be a net operating loss carryback to each of the two (2) taxable years preceding the taxable year of the loss. If the net operating loss for any taxable year is not exhausted by carrybacks to the two (2) taxable years preceding the taxable year of the loss, then there shall be a net operating loss carryover to each of the twenty (20) taxable years following the taxable year of the loss beginning with any taxable year after the taxable year of the loss.

The term "net operating loss," for the purposes of this paragraph, shall be the excess of the deductions allowed over the gross income; provided, however, the following deductions shall not be allowed in computing same:

(i) No net operating loss deduction shall be allowed.

(ii) No personal exemption deduction shall be allowed.

(iii) Allowable deductions which are not attributable to taxpayer's trade or business shall be allowed only to the extent of the amount of gross income not derived from such trade or business.

Any taxpayer entitled to a carryback period as provided by this paragraph may elect to relinquish the entire carryback period
with respect to a net operating loss for any taxable year ending after December 31, 1991. The election shall be made in the manner prescribed by the Department of Revenue and shall be made by the due date, including extensions of time, for filing the taxpayer's return for the taxable year of the net operating loss for which the election is to be in effect. The election, once made for any taxable year, shall be irrevocable for that taxable year.

(m) **Amortization of pollution or environmental control facilities.** Allowance of deduction. Every taxpayer, at his election, shall be entitled to a deduction for pollution or environmental control facilities to the same extent as that allowed under the Internal Revenue Code and the rules, regulations, rulings and determinations promulgated thereunder.

(n) **Dividend distributions - real estate investment trusts.** "Real estate investment trust" (hereinafter referred to as REIT) shall have the meaning ascribed to such term in Section 856 of the federal Internal Revenue Code of 1986, as amended. A REIT is allowed a dividend distributed deduction if the dividend distributions meet the requirements of Section 857 or are otherwise deductible under Section 858 or 860, federal Internal Revenue Code of 1986, as amended. In addition:

(i) A dividend distributed deduction shall only be allowed for dividends paid by a publicly traded REIT. A qualified REIT subsidiary shall be allowed a dividend distributed deduction if its owner is a publicly traded REIT.
(ii) Income generated from real estate contributed or sold to a REIT by a shareholder or related party shall not give rise to a dividend distributed deduction, unless the shareholder or related party would have received the dividend distributed deduction under this chapter.

(iii) A holding corporation receiving a dividend from a REIT shall not be allowed the deduction in Section 27-7-15(4)(t).

(iv) Any REIT not allowed the dividend distributed deduction in the federal Internal Revenue Code of 1986, as amended, shall not be allowed a dividend distributed deduction under this chapter.

The commissioner is authorized to promulgate rules and regulations consistent with the provisions in Section 269 of the federal Internal Revenue Code of 1986, as amended, so as to prevent the evasion or avoidance of state income tax.

(o) Contributions to college savings trust fund accounts. Contributions or payments to a Mississippi Affordable College Savings Program account are deductible as provided under Section 37-155-113. Payments made under a prepaid tuition contract entered into under the Mississippi Prepaid Affordable College Tuition Program are deductible as provided under Section 37-155-17.

(p) Contributions of human pharmaceutical products. To the extent that a "major supplier" as defined in Section
27-13-13(2)(d) contributes human pharmaceutical products in excess of Two Hundred Fifty Million Dollars ($250,000,000.00) as determined under Section 170 of the Internal Revenue Code, the charitable contribution limitation associated with those donations shall follow the federal limitation but cannot result in the Mississippi net income being reduced below zero.

(q) **Contributions to ABLE trust fund accounts.**

Contributions or payments to a Mississippi Achieving a Better Life Experience (ABLE) Program account are deductible as provided under Section 43-28-13.

(2) **Restrictions on the deductibility of certain intangible expenses and interest expenses with a related member.**

(a) As used in this subsection (2):

   (i) "Intangible expenses and costs" include:

      1. Expenses, losses and costs for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance or management, ownership, sale, exchange or any other disposition of intangible property to the extent such amounts are allowed as deductions or costs in determining taxable income under this chapter;

      2. Expenses or losses related to or incurred in connection directly or indirectly with factoring transactions or discounting transactions;

      3. Royalty, patent, technical and copyright fees;
4. Licensing fees; and
5. Other similar expenses and costs.

(ii) "Intangible property" means patents, patent applications, trade names, trademarks, service marks, copyrights and similar types of intangible assets.

(iii) "Interest expenses and cost" means amounts directly or indirectly allowed as deductions for purposes of determining taxable income under this chapter to the extent such interest expenses and costs are directly or indirectly for, related to, or in connection with the direct or indirect acquisition, maintenance, management, ownership, sale, exchange or disposition of intangible property.

(iv) "Related member" means an entity or person that, with respect to the taxpayer during all or any portion of the taxable year, is a related entity, a component member as defined in the Internal Revenue Code, or is an entity or a person to or from whom there is attribution of stock ownership in accordance with Section 1563(e) of the Internal Revenue Code.

(v) "Related entity" means:

1. A stockholder who is an individual or a member of the stockholder's family, as defined in regulations prescribed by the commissioner, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;
2. A stockholder, or a stockholder's partnership, limited liability company, estate, trust or corporation, if the stockholder and the stockholder's partnerships, limited liability companies, estates, trusts and corporations own, directly, indirectly, beneficially or constructively, in the aggregate, at least fifty percent (50%) of the value of the taxpayer's outstanding stock;

3. A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation, if the taxpayer owns, directly, indirectly, beneficially or constructively, at least fifty percent (50%) of the value of the corporation's outstanding stock under regulation prescribed by the commissioner;

4. Any entity or person which would be a related member under this section if the taxpayer were considered a corporation for purposes of this section.

(b) In computing net income, a taxpayer shall add back otherwise deductible interest expenses and costs and intangible expenses and costs directly or indirectly paid, accrued to or incurred, in connection directly or indirectly with one or more direct or indirect transactions with one or more related members.

(c) The adjustments required by this subsection shall not apply to such portion of interest expenses and costs and
intangible expenses and costs that the taxpayer can establish meets one (1) of the following:

- (i) The related member directly or indirectly paid, accrued or incurred such portion to a person during the same income year who is not a related member; or
- (ii) The transaction giving rise to the interest expenses and costs or intangible expenses and costs between the taxpayer and related member was done primarily for a valid business purpose other than the avoidance of taxes, and the related member is not primarily engaged in the acquisition, use, maintenance or management, ownership, sale, exchange or any other disposition of intangible property.

(d) Nothing in this subsection shall require a taxpayer to add to its net income more than once any amount of interest expenses and costs or intangible expenses and costs that the taxpayer pays, accrues or incurs to a related member.

(e) The commissioner may prescribe such regulations as necessary or appropriate to carry out the purposes of this subsection, including, but not limited to, clarifying definitions of terms, rules of stock attribution, factoring and discount transactions.

(3) **Individual nonbusiness deductions.**

- (a) The amount allowable for individual nonbusiness itemized deductions for federal income tax purposes where the
individual is eligible to elect, for the taxable year, to itemize deductions on his federal return except the following:

   (i) The deduction for state income taxes paid or other taxes allowed for federal purposes in lieu of state income taxes paid;

   (ii) The deduction for gaming losses from gaming establishments;

   (iii) The deduction for taxes collected by licensed gaming establishments pursuant to Section 27-7-901;

   (iv) The deduction for taxes collected by gaming establishments pursuant to Section 27-7-903.

(b) In lieu of the individual nonbusiness itemized deductions authorized in paragraph (a), for all purposes other than ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, an optional standard deduction of:

   (i) Three Thousand Four Hundred Dollars ($3,400.00) through calendar year 1997, Four Thousand Two Hundred Dollars ($4,200.00) for the calendar year 1998 and Four Thousand Six Hundred Dollars ($4,600.00) for each calendar year thereafter in the case of married individuals filing a joint or combined return;

   (ii) One Thousand Seven Hundred Dollars ($1,700.00) through calendar year 1997, Two Thousand One Hundred Dollars ($2,100.00) for the calendar year 1998 and Two Thousand
Three Hundred Dollars ($2,300.00) for each calendar year thereafter in the case of married individuals filing separate returns;

(iii) Three Thousand Four Hundred Dollars ($3,400.00) in the case of a head of family; or

(iv) Two Thousand Three Hundred Dollars ($2,300.00) in the case of an individual who is not married.

In the case of a husband and wife living together, having separate incomes, and filing combined returns, the standard deduction authorized may be divided in any manner they choose. In the case of separate returns by a husband and wife, the standard deduction shall not be allowed to either if the taxable income of one of the spouses is determined without regard to the standard deduction.

(c) A nonresident individual shall be allowed the same individual nonbusiness deductions as are authorized for resident individuals in paragraph (a) or (b) of this subsection; however, the nonresident individual is entitled only to that proportion of the individual nonbusiness deductions as his net income from sources within the State of Mississippi bears to his total or entire net income from all sources.

(4) Nothing in this section shall permit the same item to be deducted more than once, either in fact or in effect.
(5) Notwithstanding any other provision in Title 27, Mississippi Code of 1972, there shall be allowed an income tax deduction for otherwise deductible expenses if:

(a) The payment(s) for such deductible expenses are made with the grant or loan program of the Paycheck Protection Program as authorized under (i) the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Consolidated Appropriations Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan Program, (iii) the 2020 COVID-19 Mississippi Business Assistance Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered Venue Operators Grant Program and Restaurant Revitalization Fund authorized by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the federal American Rescue Plan Act, and/or (vi) the Mississippi Agriculture Stabilization Act; and

(b) Such deductible expenses shall be allowed as deductions for federal income tax purposes.

SECTION 11. Sections 7 through 9 of this act shall take effect and be in force from and after its passage. Section 10 of this act shall take effect and be in force from and after January 1, 2020. The remainder of this act shall take effect and be in force from and after July 1, 2022, and shall stand repealed on June 30, 2022.

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:
AN ACT TO ENACT THE TAX RELIEF ACT OF 2022; TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO PHASE DOWN TO 4.6%, AT A RATE OF 0.1% PER YEAR OVER A FOUR-YEAR PERIOD BEGINNING IN CALENDAR YEAR 2023, THE 5% INCOME TAX ON TAXABLE INCOME IN EXCESS OF $10,000.00; TO PHASE OUT, AT A RATE OF 1% PER YEAR OVER A FOUR-YEAR PERIOD BEGINNING IN CALENDAR YEAR 2027, THE 4% INCOME TAX ON TAXABLE INCOME IN EXCESS OF $5,000.00 UP TO AND INCLUDING $10,000.00, OR ANY PART THEREOF; TO AMEND SECTION 27-65-17, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT RETAIL SALES OF FOOD OR DRINK FOR HUMAN CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER FEDERAL AGENCY SHALL BE TAXED AT THE RATE OF 5%; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO REVISE THE DISTRIBUTION OF STATE USE TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM USE TAX IF PURCHASED WITH FOOD STAMPS; TO PROVIDE THAT EACH TAXPAYER WHO FILED A 2021 FORM 80-105 MISSISSIPPI INCOME TAX RETURN SHALL RECEIVE A REBATE OF 5% OF HIS 2021 TAX LIABILITY; TO SPECIFY THAT THE REBATE SHALL BE NO LESS THAN $100.00 PER TAXPAYER AND NO MORE THAN $1,000.00 PER TAX RETURN; TO CREATE THE 2022 INCOME TAX REBATE FUND AS A SPECIAL FUND IN THE STATE TREASURY, TO CONTAIN MONIES APPROPRIATED BY THE LEGISLATURE, TO BE USED BY THE DEPARTMENT OF REVENUE TO PAY TAXPAYERS ENTITLED TO INCOME TAX REBATES UNDER THIS ACT; TO DIRECT THE STATE FISCAL OFFICER TO TRANSFER TO THE 2022 INCOME TAX REBATE FUND OUT OF THE CAPITAL EXPENSE FUND ANY ADDITIONAL AMOUNT OVER THE AMOUNT PROVIDED BY THE LEGISLATURE AS NECESSARY TO FUND THE REBATE; TO AMEND SECTIONS 27-55-11, 27-55-519 AND 27-55-521, MISSISSIPPI CODE OF 1972, TO PROVIDE A SIX-MONTH SUSPENSION OF THE EXCISE TAX ON GASOLINE AND SPECIAL FUEL; TO AMEND SECTION 27-7-17, MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022 REGULAR SESSION, AND HOUSE BILL NO. 1529, 2022 REGULAR SESSION, TO CONFORM TO THE AMENDMENTS MADE BY BOTH BILLS; AND FOR RELATED PURPOSES.