

**Adopted
SUBSTITUTE NO 1 FOR COMMITTEE AMENDMENT NO 1 PROPOSED
TO**

House Bill No. 531

BY: Senator(s) Harkins

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

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

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

44 27-7-5. (1) There is hereby assessed and levied, to be
45 collected and paid as hereinafter provided, for the calendar year
46 1983 and fiscal years ending during the calendar year 1983 and all
47 taxable years thereafter, upon the entire net income of every
48 resident individual, corporation, association, trust or estate, in
49 excess of the credits provided, a tax at the following rates:



50 (a) (i) Through calendar year 2017, on the first Five
51 Thousand Dollars (\$5,000.00) of taxable income, or any part
52 thereof, the rate shall be three percent (3%);

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

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

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

68 (v) For calendar year 2021, on the first Four
69 Thousand Dollars (\$4,000.00) of taxable income there shall be no
70 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
71 taxable income, or any part thereof, the rate shall be three
72 percent (3%);



73 (vi) For calendar year 2022 and all taxable years
74 thereafter, there shall be no tax levied on the first Five
75 Thousand Dollars (\$5,000.00) of taxable income;

76 (b) On taxable income in excess of Five Thousand
77 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
78 (\$10,000.00), or any part thereof, the rate shall be:

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

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

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

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

83 (v) For calendar year 2030 and all taxable years

84 thereafter, there shall be no tax levied on taxable income in
85 excess of Five Thousand Dollars (\$5,000.00) up to and including
86 Ten Thousand Dollars (\$10,000.00), or any part thereof; and

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

89 (i) Through calendar year 2022, five percent
90 (5%) * * *;

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

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

95 (iv) For calendar year 2025, four and seven-tenths
96 percent (4.7%);



97 (v) For calendar year 2026 and all taxable years
98 thereafter, four and six-tenths percent (4.6%).

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

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

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

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

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

119 (c) Applying to the tax computed under paragraph (a)
120 the ratio which the number of months falling within the earlier



121 calendar year bears to the total number of months in the fiscal
122 year; and

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

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

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

132 27-65-17. (1) (a) Except as otherwise provided in this
133 section, upon every person engaging or continuing within this
134 state in the business of selling any tangible personal property
135 whatsoever there is hereby levied, assessed and shall be collected
136 a tax equal to seven percent (7%) of the gross proceeds of the
137 retail sales of the business.

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

142 (c) (i) Retail sales of farm implements sold to
143 farmers and used directly in the production of poultry, ratite,
144 domesticated fish as defined in Section 69-7-501, livestock,
145 livestock products, agricultural crops or ornamental plant crops



146 or used for other agricultural purposes, and parts and labor used
147 to maintain and/or repair such implements, shall be taxed at the
148 rate of one and one-half percent (1-1/2%) when used on the farm.

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

- 153 1. Self-propelled, or
- 154 2. Mounted so that it is permanently attached
155 to other equipment which is self-propelled or attached to other
156 equipment drawn by a vehicle which is self-propelled.

157 In order to be eligible for the rate of tax provided for in
158 this subparagraph (ii), such sales must be made to a professional
159 logger. For the purposes of this subparagraph (ii), a
160 "professional logger" is a person, corporation, limited liability
161 company or other entity, or an agent thereof, who possesses a
162 professional logger's permit issued by the Department of Revenue
163 and who presents the permit to the seller at the time of purchase.
164 The department shall establish an application process for a
165 professional logger's permit to be issued, which shall include a
166 requirement that the applicant submit a copy of documentation
167 verifying that the applicant is certified according to Sustainable
168 Forestry Initiative guidelines. Upon a determination that an
169 applicant is a professional logger, the department shall issue the
170 applicant a numbered professional logger's permit.



171 (d) Except as otherwise provided in subsection (3) of
172 this section, retail sales of aircraft, automobiles, trucks,
173 truck-tractors, semitrailers and manufactured or mobile homes
174 shall be taxed at the rate of three percent (3%).

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

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

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

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

193 (iii) At least ten percent (10%) of the workforce
194 in the facility operated by the enterprise shall be scientists,
195 engineers or computer specialists;



196 (iv) The enterprise shall manufacture plastics,
197 chemicals, automobiles, aircraft, computers or electronics; or
198 shall be a research and development facility, a computer design or
199 related facility, or a software publishing facility or other
200 technology intensive facility or enterprise as determined by the
201 Mississippi Development Authority;

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

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

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

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

215 (i) Wholesale sales of beer shall be taxed at the rate
216 of seven percent (7%), and the retailer shall file a return and
217 compute the retail tax on retail sales but may take credit for the
218 amount of the tax paid to the wholesaler on said return covering
219 the subsequent sales of same property, provided adequate invoices
220 and records are maintained to substantiate the credit.



221 (j) Wholesale sales of food and drink for human
222 consumption to full-service vending machine operators to be sold
223 through vending machines located apart from and not connected with
224 other taxable businesses shall be taxed at the rate of eight
225 percent (8%).

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

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

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

243 (n) Retail sales of food or drink for human consumption
244 eligible for purchase with food stamps issued by the United States
245 Department of Agriculture or other federal agency shall be taxed



246 at the rate of five percent (5%). This paragraph shall not affect
247 the sales tax exemption provided in Section 27-65-111(o).

248 (2) From and after January 1, 1995, retail sales of private
249 carriers of passengers and light carriers of property, as defined
250 in Section 27-51-101, shall be taxed an additional two percent
251 (2%).

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

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

257 27-65-75. On or before the fifteenth day of each month, the
258 revenue collected under the provisions of this chapter during the
259 preceding month shall be paid and distributed as follows:

260 (1) (a) On or before August 15, 1992, and each succeeding
261 month thereafter through July 15, 1993, eighteen percent (18%) of
262 the total sales tax revenue collected during the preceding month
263 under the provisions of this chapter, except that collected under
264 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
265 business activities within a municipal corporation shall be
266 allocated for distribution to the municipality and paid to the
267 municipal corporation. Except as otherwise provided in this
268 paragraph (a), on or before August 15, 1993, and each succeeding
269 month thereafter through August 15, 2022, eighteen and one-half
270 percent (18-1/2%) of the total sales tax revenue collected during



271 the preceding month under the provisions of this chapter, except
272 that collected under the provisions of Sections 27-65-15,
273 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
274 a municipal corporation shall be allocated for distribution to the
275 municipality and paid to the municipal corporation. On or before
276 September 15, 2022, and each succeeding month thereafter, eighteen
277 and one-half percent (18-1/2%) of the total sales tax revenue
278 collected during the preceding month under the provisions of this
279 chapter, except that collected under the provisions of Sections
280 27-65-15, 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on
281 business activities within a municipal corporation shall be
282 allocated for distribution to the municipality and paid to the
283 municipal corporation, and twenty-five and ninety one-hundredths
284 percent (25-90/100%) of the total sales tax revenue collected
285 during the preceding month under the provisions of Section
286 27-65-17(1) (n) on business activities within a municipal
287 corporation shall be allocated for distribution to the
288 municipality and paid to the municipal corporation. However, in
289 the event the State Auditor issues a certificate of noncompliance
290 pursuant to Section 21-35-31, the Department of Revenue shall
291 withhold ten percent (10%) of the allocations and payments to the
292 municipality that would otherwise be payable to the municipality
293 under this paragraph (a) until such time that the department
294 receives written notice of the cancellation of a certificate of
295 noncompliance from the State Auditor.



296 A municipal corporation, for the purpose of distributing the
297 tax under this subsection, shall mean and include all incorporated
298 cities, towns and villages.

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

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

311 (b) On or before August 15, 2006, and each succeeding
312 month thereafter through August 15, 2022, eighteen and one-half
313 percent (18-1/2%) of the total sales tax revenue collected during
314 the preceding month under the provisions of this chapter, except
315 that collected under the provisions of Sections 27-65-15,
316 27-65-19(3) and 27-65-21, on business activities on the campus of
317 a state institution of higher learning or community or junior
318 college whose campus is not located within the corporate limits of
319 a municipality, shall be allocated for distribution to the state
320 institution of higher learning or community or junior college and



321 paid to the state institution of higher learning or community or
322 junior college. On or before September 15, 2022, and each
323 succeeding month thereafter, eighteen and one-half percent
324 (18-1/2%) of the total sales tax revenue collected during the
325 preceding month under the provisions of this chapter, except that
326 collected under the provisions of Sections 27-65-15,
327 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities
328 on the campus of a state institution of higher learning or
329 community or junior college whose campus is not located within the
330 corporate limits of a municipality, shall be allocated for
331 distribution to the state institution of higher learning or
332 community or junior college and paid to the state institution of
333 higher learning or community or junior college, and twenty-five
334 and ninety one-hundredths percent (25-90/100%) of the total sales
335 tax revenue collected during the preceding month under the
336 provisions of Section 27-65-17(1) (n) on business activities on the
337 campus of a state institution of higher learning or community or
338 junior college whose campus is not located within the corporate
339 limits of a municipality, shall be allocated for distribution to
340 the state institution of higher learning or community or junior
341 college and paid to the state institution of higher learning or
342 community or junior college.

343 (c) On or before August 15, 2018, and each succeeding
344 month thereafter until August 14, 2019, two percent (2%) of the
345 total sales tax revenue collected during the preceding month under



346 the provisions of this chapter, except that collected under the
347 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
348 27-65-24, on business activities within the corporate limits of
349 the City of Jackson, Mississippi, shall be deposited into the
350 Capitol Complex Improvement District Project Fund created in
351 Section 29-5-215. On or before August 15, 2019, and each
352 succeeding month thereafter until August 14, 2020, four percent
353 (4%) of the total sales tax revenue collected during the preceding
354 month under the provisions of this chapter, except that collected
355 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
356 and 27-65-24, on business activities within the corporate limits
357 of the City of Jackson, Mississippi, shall be deposited into the
358 Capitol Complex Improvement District Project Fund created in
359 Section 29-5-215. On or before August 15, 2020, and each
360 succeeding month thereafter through August 15, 2022, six percent
361 (6%) of the total sales tax revenue collected during the preceding
362 month under the provisions of this chapter, except that collected
363 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
364 and 27-65-24, on business activities within the corporate limits
365 of the City of Jackson, Mississippi, shall be deposited into the
366 Capitol Complex Improvement District Project Fund created in
367 Section 29-5-215. On or before September 15, 2022, and each
368 succeeding month thereafter, six and twenty-two one-hundredths
369 percent (6-22/100%) of the total sales tax revenue collected
370 during the preceding month under the provisions of this chapter,



371 except that collected under the provisions of Sections 27-65-15,
372 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
373 the corporate limits of the City of Jackson, Mississippi, shall be
374 deposited into the Capitol Complex Improvement District Project
375 Fund created in Section 29-5-215.

376 (d) (i) On or before the fifteenth day of the month
377 that the diversion authorized by this section begins, and each
378 succeeding month thereafter, eighteen and one-half percent
379 (18-1/2%) of the total sales tax revenue collected during the
380 preceding month under the provisions of this chapter, except that
381 collected under the provisions of Sections 27-65-15, 27-65-19(3)
382 and 27-65-21, on business activities within a redevelopment
383 project area developed under a redevelopment plan adopted under
384 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
385 allocated for distribution to the county in which the project area
386 is located if:

387 1. The county:

388 a. Borders on the Mississippi Sound and
389 the State of Alabama, or

390 b. Is Harrison County, Mississippi, and
391 the project area is within a radius of two (2) miles from the
392 intersection of Interstate 10 and Menge Avenue;

393 2. The county has issued bonds under Section
394 21-45-9 to finance all or a portion of a redevelopment project in
395 the redevelopment project area;



396 3. Any debt service for the indebtedness
397 incurred is outstanding; and

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

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

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

418 (2) On or before September 15, 1987, and each succeeding
419 month thereafter, from the revenue collected under this chapter
420 during the preceding month, One Million One Hundred Twenty-five



421 Thousand Dollars (\$1,125,000.00) shall be allocated for
422 distribution to municipal corporations as defined under subsection
423 (1) of this section in the proportion that the number of gallons
424 of gasoline and diesel fuel sold by distributors to consumers and
425 retailers in each such municipality during the preceding fiscal
426 year bears to the total gallons of gasoline and diesel fuel sold
427 by distributors to consumers and retailers in municipalities
428 statewide during the preceding fiscal year. The Department of
429 Revenue shall require all distributors of gasoline and diesel fuel
430 to report to the department monthly the total number of gallons of
431 gasoline and diesel fuel sold by them to consumers and retailers
432 in each municipality during the preceding month. The Department
433 of Revenue shall have the authority to promulgate such rules and
434 regulations as is necessary to determine the number of gallons of
435 gasoline and diesel fuel sold by distributors to consumers and
436 retailers in each municipality. In determining the percentage
437 allocation of funds under this subsection for the fiscal year
438 beginning July 1, 1987, and ending June 30, 1988, the Department
439 of Revenue may consider gallons of gasoline and diesel fuel sold
440 for a period of less than one (1) fiscal year. For the purposes
441 of this subsection, the term "fiscal year" means the fiscal year
442 beginning July 1 of a year.

443 (3) On or before September 15, 1987, and on or before the
444 fifteenth day of each succeeding month, until the date specified
445 in Section 65-39-35, the proceeds derived from contractors' taxes



446 levied under Section 27-65-21 on contracts for the construction or
447 reconstruction of highways designated under the highway program
448 created under Section 65-3-97 shall, except as otherwise provided
449 in Section 31-17-127, be deposited into the State Treasury to the
450 credit of the State Highway Fund to be used to fund that highway
451 program. The Mississippi Department of Transportation shall
452 provide to the Department of Revenue such information as is
453 necessary to determine the amount of proceeds to be distributed
454 under this subsection.

455 (4) On or before August 15, 1994, and on or before the
456 fifteenth day of each succeeding month through July 15, 1999, from
457 the proceeds of gasoline, diesel fuel or kerosene taxes as
458 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
459 (\$4,000,000.00) shall be deposited in the State Treasury to the
460 credit of a special fund designated as the "State Aid Road Fund,"
461 created by Section 65-9-17. On or before August 15, 1999, and on
462 or before the fifteenth day of each succeeding month, from the
463 total amount of the proceeds of gasoline, diesel fuel or kerosene
464 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
465 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
466 one-fourth percent (23-1/4%) of those funds, whichever is the
467 greater amount, shall be deposited in the State Treasury to the
468 credit of the "State Aid Road Fund," created by Section 65-9-17.
469 Those funds shall be pledged to pay the principal of and interest
470 on state aid road bonds heretofore issued under Sections 19-9-51



471 through 19-9-77, in lieu of and in substitution for the funds
472 previously allocated to counties under this section. Those funds
473 may not be pledged for the payment of any state aid road bonds
474 issued after April 1, 1981; however, this prohibition against the
475 pledging of any such funds for the payment of bonds shall not
476 apply to any bonds for which intent to issue those bonds has been
477 published for the first time, as provided by law before March 29,
478 1981. From the amount of taxes paid into the special fund under
479 this subsection and subsection (9) of this section, there shall be
480 first deducted and paid the amount necessary to pay the expenses
481 of the Office of State Aid Road Construction, as authorized by the
482 Legislature for all other general and special fund agencies. The
483 remainder of the fund shall be allocated monthly to the several
484 counties in accordance with the following formula:

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

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

491 (c) One-third (1/3) shall be allocated to counties
492 based on the proportion that the rural population of the county
493 bears to the total rural population in all counties of the state,
494 according to the latest federal decennial census.



495 For the purposes of this subsection, the term "gasoline,
496 diesel fuel or kerosene taxes" means such taxes as defined in
497 paragraph (f) of Section 27-5-101.

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

501 Any reference in the general laws of this state or the
502 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
503 construed to refer and apply to subsection (4) of Section
504 27-65-75.

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

511 (6) An amount each month beginning August 15, 1983, through
512 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
513 1983, shall be paid into the special fund known as the
514 Correctional Facilities Construction Fund created in Section 6,
515 Chapter 542, Laws of 1983.

516 (7) On or before August 15, 1992, and each succeeding month
517 thereafter through July 15, 2000, two and two hundred sixty-six
518 one-thousandths percent (2.266%) of the total sales tax revenue
519 collected during the preceding month under the provisions of this



520 chapter, except that collected under the provisions of Section
521 27-65-17(2), shall be deposited by the department into the School
522 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On
523 or before August 15, 2000, and each succeeding month thereafter
524 through August 15, 2022, two and two hundred sixty-six
525 one-thousandths percent (2.266%) of the total sales tax revenue
526 collected during the preceding month under the provisions of this
527 chapter, except that collected under the provisions of Section
528 27-65-17(2), shall be deposited into the School Ad Valorem Tax
529 Reduction Fund created under Section 37-61-35 until such time that
530 the total amount deposited into the fund during a fiscal year
531 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,
532 the amounts diverted under this subsection (7) during the fiscal
533 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall
534 be deposited into the Education Enhancement Fund created under
535 Section 37-61-33 for appropriation by the Legislature as other
536 education needs and shall not be subject to the percentage
537 appropriation requirements set forth in Section 37-61-33. On or
538 before September 15, 2022, and each succeeding month thereafter,
539 two and two hundred sixty-six one-thousandths percent (2.266%) of
540 the total sales tax revenue collected during the preceding month
541 under the provisions of this chapter, except that collected under
542 the provisions of Section 27-65-17(1)(n) and (2), and three and
543 seventeen one-hundredths percent (3.17%) of the total sales tax
544 revenue collected during the preceding month under the provisions



545 of Section 27-65-17(1)(n) shall be deposited into the School Ad
546 Valorem Tax Reduction Fund created under Section 37-61-35 until
547 such time that the total amount deposited into the fund during a
548 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
549 Thereafter, the amounts diverted under this subsection (7) during
550 the fiscal year in excess of Forty-two Million Dollars
551 (\$42,000,000.00) shall be deposited into the Education Enhancement
552 Fund created under Section 37-61-33 for appropriation by the
553 Legislature as other education needs and shall not be subject to
554 the percentage appropriation requirements set forth in Section
555 37-61-33.

556 (8) On or before August 15, 1992, and each succeeding month
557 thereafter through August 15, 2022, nine and seventy-three
558 one-thousandths percent (9.073%) of the total sales tax revenue
559 collected during the preceding month under the provisions of this
560 chapter, except that collected under the provisions of Section
561 27-65-17(2), shall be deposited into the Education Enhancement
562 Fund created under Section 37-61-33. On or before September 15,
563 2022, and each succeeding month thereafter, nine and seventy-three
564 one-thousandths percent (9.073%) of the total sales tax revenue
565 collected during the preceding month under the provisions of this
566 chapter, except that collected under the provisions of Section
567 27-65-17(1)(n) and (2), shall be deposited into the Education
568 Enhancement Fund created under Section 37-61-33, and twelve and
569 seventy one-hundredths percent (12.70%) of the total sales tax



570 revenue collected during the preceding month under the provisions
571 of Section 27-65-17(1)(n) shall be deposited into the Education
572 Enhancement Fund created under Section 37-61-33.

573 (9) On or before August 15, 1994, and each succeeding month
574 thereafter, from the revenue collected under this chapter during
575 the preceding month, Two Hundred Fifty Thousand Dollars
576 (\$250,000.00) shall be paid into the State Aid Road Fund.

577 (10) On or before August 15, 1994, and each succeeding month
578 thereafter through August 15, 1995, from the revenue collected
579 under this chapter during the preceding month, Two Million Dollars
580 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
581 Valorem Tax Reduction Fund established in Section 27-51-105.

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

591 (12) Notwithstanding any other provision of this section to
592 the contrary, on or before August 15, 1995, and each succeeding
593 month thereafter, the sales tax revenue collected during the
594 preceding month under the provisions of Section 27-65-17(1) on



595 retail sales of private carriers of passengers and light carriers
596 of property, as defined in Section 27-51-101 and the corresponding
597 levy in Section 27-65-23 on the rental or lease of these vehicles,
598 shall be deposited, after diversion, into the Motor Vehicle Ad
599 Valorem Tax Reduction Fund established in Section 27-51-105.

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

608 (14) On or before August 15, 1998, and each succeeding month
609 thereafter through July 15, 2005, that portion of the avails of
610 the tax imposed in Section 27-65-23 that is derived from sales by
611 cotton compresses or cotton warehouses and that would otherwise be
612 paid into the General Fund shall be deposited in an amount not to
613 exceed Two Million Dollars (\$2,000,000.00) into the special fund
614 created under Section 69-37-39. On or before August 15, 2007, and
615 each succeeding month thereafter through July 15, 2010, that
616 portion of the avails of the tax imposed in Section 27-65-23 that
617 is derived from sales by cotton compresses or cotton warehouses
618 and that would otherwise be paid into the General Fund shall be
619 deposited in an amount not to exceed Two Million Dollars



620 (\$2,000,000.00) into the special fund created under Section
621 69-37-39 until all debts or other obligations incurred by the
622 Certified Cotton Growers Organization under the Mississippi Boll
623 Weevil Management Act before January 1, 2007, are satisfied in
624 full. On or before August 15, 2010, and each succeeding month
625 thereafter through July 15, 2011, fifty percent (50%) of that
626 portion of the avails of the tax imposed in Section 27-65-23 that
627 is derived from sales by cotton compresses or cotton warehouses
628 and that would otherwise be paid into the General Fund shall be
629 deposited into the special fund created under Section 69-37-39
630 until such time that the total amount deposited into the fund
631 during a fiscal year equals One Million Dollars (\$1,000,000.00).
632 On or before August 15, 2011, and each succeeding month
633 thereafter, that portion of the avails of the tax imposed in
634 Section 27-65-23 that is derived from sales by cotton compresses
635 or cotton warehouses and that would otherwise be paid into the
636 General Fund shall be deposited into the special fund created
637 under Section 69-37-39 until such time that the total amount
638 deposited into the fund during a fiscal year equals One Million
639 Dollars (\$1,000,000.00).

640 (15) Notwithstanding any other provision of this section to
641 the contrary, on or before September 15, 2000, and each succeeding
642 month thereafter, the sales tax revenue collected during the
643 preceding month under the provisions of Section
644 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



645 without diversion, into the Telecommunications Ad Valorem Tax
646 Reduction Fund established in Section 27-38-7.

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

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

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

669 (18) [Repealed]



670 (19) (a) On or before August 15, 2005, and each succeeding
671 month thereafter, the sales tax revenue collected during the
672 preceding month under the provisions of this chapter on the gross
673 proceeds of sales of a business enterprise located within a
674 redevelopment project area under the provisions of Sections
675 57-91-1 through 57-91-11, and the revenue collected on the gross
676 proceeds of sales from sales made to a business enterprise located
677 in a redevelopment project area under the provisions of Sections
678 57-91-1 through 57-91-11 (provided that such sales made to a
679 business enterprise are made on the premises of the business
680 enterprise), shall, except as otherwise provided in this
681 subsection (19), be deposited, after all diversions, into the
682 Redevelopment Project Incentive Fund as created in Section
683 57-91-9.

684 (b) For a municipality participating in the Economic
685 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
686 the diversion provided for in subsection (1) of this section
687 attributable to the gross proceeds of sales of a business
688 enterprise located within a redevelopment project area under the
689 provisions of Sections 57-91-1 through 57-91-11, and attributable
690 to the gross proceeds of sales from sales made to a business
691 enterprise located in a redevelopment project area under the
692 provisions of Sections 57-91-1 through 57-91-11 (provided that
693 such sales made to a business enterprise are made on the premises
694 of the business enterprise), shall be deposited into the



695 Redevelopment Project Incentive Fund as created in Section
696 57-91-9, as follows:

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

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

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

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

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

716 (20) On or before January 15, 2007, and each succeeding
717 month thereafter, eighty percent (80%) of the sales tax revenue
718 collected during the preceding month under the provisions of this
719 chapter from the operation of a tourism project under the



720 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
721 after the diversions required in subsections (7) and (8) of this
722 section, into the Tourism Sales Tax Incentive Fund created in
723 Section 57-28-3.

724 (21) (a) On or before April 15, 2007, and each succeeding
725 month thereafter through June 15, 2013, One Hundred Fifty Thousand
726 Dollars (\$150,000.00) of the sales tax revenue collected during
727 the preceding month under the provisions of this chapter shall be
728 deposited into the MMEIA Tax Incentive Fund created in Section
729 57-101-3.

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

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

742 (23) (a) On or before August 15, 2019, and each month
743 thereafter through July 15, 2020, one percent (1%) of the total
744 sales tax revenue collected during the preceding month from



745 restaurants and hotels shall be allocated for distribution to the
746 Mississippi Development Authority Tourism Advertising Fund
747 established under Section 57-1-64, to be used exclusively for the
748 purpose stated therein. On or before August 15, 2020, and each
749 month thereafter through July 15, 2021, two percent (2%) of the
750 total sales tax revenue collected during the preceding month from
751 restaurants and hotels shall be allocated for distribution to the
752 Mississippi Development Authority Tourism Advertising Fund
753 established under Section 57-1-64, to be used exclusively for the
754 purpose stated therein. On or before August 15, 2021, and each
755 month thereafter, three percent (3%) of the total sales tax
756 revenue collected during the preceding month from restaurants and
757 hotels shall be allocated for distribution to the Mississippi
758 Development Authority Tourism Advertising Fund established under
759 Section 57-1-64, to be used exclusively for the purpose stated
760 therein. The revenue diverted pursuant to this subsection shall
761 not be available for expenditure until February 1, 2020.

762 (b) The Joint Legislative Committee on Performance
763 Evaluation and Expenditure Review (PEER) must provide an annual
764 report to the Legislature indicating the amount of funds deposited
765 into the Mississippi Development Authority Tourism Advertising
766 Fund established under Section 57-1-64, and a detailed record of
767 how the funds are spent.



768 (24) The remainder of the amounts collected under the
769 provisions of this chapter shall be paid into the State Treasury
770 to the credit of the General Fund.

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

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

786 (ii) Subject to the provisions of Sections
787 27-65-51 and 27-65-53, if any funds have been erroneously
788 disbursed to a municipality under subsection (1) of this section
789 for a period of three (3) years or more, the maximum amount that
790 may be recovered or withheld from the municipality is the total
791 amount of funds erroneously disbursed for a period of three (3)
792 years beginning with the date of the first erroneous disbursement.



793 However, if during such period, a municipality provides written
794 notice to the Department of Revenue indicating the erroneous
795 disbursement of funds, then the maximum amount that may be
796 recovered or withheld from the municipality is the total amount of
797 funds erroneously disbursed for a period of one (1) year beginning
798 with the date of the first erroneous disbursement.

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

801 27-67-31. All administrative provisions of the sales tax
802 law, and amendments thereto, including those which fix damages,
803 penalties and interest for failure to comply with the provisions
804 of said sales tax law, and all other requirements and duties
805 imposed upon taxpayer, shall apply to all persons liable for use
806 taxes under the provisions of this article. The commissioner
807 shall exercise all power and authority and perform all duties with
808 respect to taxpayers under this article as are provided in said
809 sales tax law, except where there is conflict, then the provisions
810 of this article shall control.

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

815 On or before the fifteenth day of each month, the amount
816 received from taxes, damages and interest under the provisions of



817 this article during the preceding month shall be paid and
818 distributed as follows:

819 (a) On or before July 15, 1994, through July 15, 2000,
820 and each succeeding month thereafter, two and two hundred
821 sixty-six one-thousandths percent (2.266%) of the total use tax
822 revenue collected during the preceding month under the provisions
823 of this article shall be deposited in the School Ad Valorem Tax
824 Reduction Fund created pursuant to Section 37-61-35. On or before
825 August 15, 2000, and each succeeding month thereafter through
826 August 15, 2022, two and two hundred sixty-six one-thousandths
827 percent (2.266%) of the total use tax revenue collected during the
828 preceding month under the provisions of this * * * article shall
829 be deposited into the School Ad Valorem Tax Reduction Fund created
830 under Section 37-61-35 until such time that the total amount
831 deposited into the fund during a fiscal year equals Four Million
832 Dollars (\$4,000,000.00). Thereafter, the amounts diverted under
833 this paragraph (a) during the fiscal year in excess of Four
834 Million Dollars (\$4,000,000.00) shall be deposited into the
835 Education Enhancement Fund created under Section 37-61-33 for
836 appropriation by the Legislature as other education needs and
837 shall not be subject to the percentage appropriation requirements
838 set forth in Section 37-61-33. On or before September 15, 2022,
839 and each succeeding month thereafter, two and two hundred
840 sixty-six one-thousandths percent (2.266%) of the total use tax
841 revenue collected during the preceding month under the provisions



842 of this article, except that imposed and levied as a result of
843 Section 27-65-17(1) (n), and three and seventeen one-hundredths
844 percent (3.17%) of the total use tax revenue collected during the
845 preceding month under the provisions of this article imposed and
846 levied as a result of Section 27-65-17(1) (n), shall be deposited
847 into the School Ad Valorem Tax Reduction Fund created under
848 Section 37-61-35 until such time that the total amount deposited
849 into the fund during a fiscal year equals Four Million Dollars
850 (\$4,000,000.00). Thereafter, the amounts diverted under this
851 paragraph (a) during the fiscal year in excess of Four Million
852 Dollars (\$4,000,000.00) shall be deposited into the Education
853 Enhancement Fund created under Section 37-61-33 for appropriation
854 by the Legislature as other education needs and shall not be
855 subject to the percentage appropriation requirements set forth in
856 Section 37-61-33.

857 (b) On or before July 15, 1994, and each succeeding
858 month thereafter through August 15, 2022, nine and seventy-three
859 one-thousandths percent (9.073%) of the total use tax revenue
860 collected during the preceding month under the provisions of this
861 article shall be deposited into the Education Enhancement Fund
862 created pursuant to Section 37-61-33. On or before September 15,
863 2022, and each succeeding month thereafter, nine and seventy-three
864 one-thousandths percent (9.073%) of the total use tax revenue
865 collected during the preceding month under the provisions of this
866 article, except that imposed and levied as a result of Section



867 27-65-17(1) (n), and twelve and seventy one-hundredths percent
868 (12.70%) of the total use tax revenue collected during the
869 preceding month under the provisions of this article imposed and
870 levied as a result of Section 27-65-17(1) (n), shall be deposited
871 into the Education Enhancement Fund created under Section
872 37-61-33.

873 (c) On or before July 15, 1997, and on or before the
874 fifteenth day of each succeeding month thereafter, the revenue
875 collected under the provisions of this article imposed and levied
876 as a result of Section 27-65-17(2) and the corresponding levy in
877 Section 27-65-23 on the rental or lease of private carriers of
878 passengers and light carriers of property as defined in Section
879 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
880 Reduction Fund created pursuant to Section 27-51-105.

881 (d) On or before July 15, 1997, and on or before the
882 fifteenth day of each succeeding month thereafter and after the
883 deposits required by paragraphs (a) and (b) of this section are
884 made, the remaining revenue collected under the provisions of this
885 article imposed and levied as a result of Section 27-65-17(1) and
886 the corresponding levy in Section 27-65-23 on the rental or lease
887 of private carriers of passengers and light carriers of property
888 as defined in Section 27-51-101 shall be deposited into the Motor
889 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
890 27-51-105.



891 (e) On or before August 15, 2019, and each succeeding
892 month thereafter through July 15, 2020, three and three-fourths
893 percent (3-3/4%) of the total use tax revenue collected during the
894 preceding month under the provisions of this article shall be
895 deposited into the special fund created in Section 27-67-35(1).
896 On or before August 15, 2020, and each succeeding month thereafter
897 through July 15, 2021, seven and one-half percent (7-1/2%) of the
898 total use tax revenue collected during the preceding month under
899 the provisions of this article shall be deposited into the special
900 fund created in Section 27-67-35(1). On or before August 15,
901 2021, and each succeeding month thereafter through July 15, 2022,
902 eleven and one-fourth percent (11-1/4%) of the total use tax
903 revenue collected during the preceding month under the provisions
904 of this article shall be deposited into the special fund created
905 in Section 27-67-35(1). On or before August 15, 2022, * * *
906 fifteen percent (15%) of the total use tax revenue collected
907 during the preceding month under the provisions of this article
908 shall be deposited into the special fund created in Section
909 27-67-35(1). On or before September 15, 2022, and each succeeding
910 month thereafter, fifteen percent (15%) of the total use tax
911 revenue collected during the preceding month under the provisions
912 of this article, except that imposed and levied as a result of
913 Section 27-65-17(1) (n), and twenty-one percent (21%) of the total
914 use tax revenue collected during the preceding month under the
915 provisions of this article imposed and levied as a result of



916 Section 27-65-17(1)(n), shall be deposited into the special fund
917 created in Section 27-67-35(1).

918 (f) On or before August 15, 2019, and each succeeding
919 month thereafter through July 15, 2020, three and three-fourths
920 percent (3-3/4%) of the total use tax revenue collected during the
921 preceding month under the provisions of this article shall be
922 deposited into the special fund created in Section 27-67-35(2).

923 On or before August 15, 2020, and each succeeding month thereafter
924 through July 15, 2021, seven and one-half percent (7-1/2%) of the
925 total use tax revenue collected during the preceding month under
926 the provisions of this article shall be deposited into the special
927 fund created in Section 27-67-35(2). On or before August 15,
928 2021, and each succeeding month thereafter through July 15, 2022,
929 eleven and one-fourth percent (11-1/4%) of the total use tax
930 revenue collected during the preceding month under the provisions
931 of this article shall be deposited into the special fund created
932 in Section 27-67-35(2). On or before August 15, 2022, * * *

933 fifteen percent (15%) of the total use tax revenue collected
934 during the preceding month under the provisions of this article
935 shall be deposited into the special fund created in Section
936 27-67-35(2). On or before September 15, 2022, and each succeeding
937 month thereafter, fifteen percent (15%) of the total use tax
938 revenue collected during the preceding month under the provisions
939 of this article, except that imposed and levied as a result of
940 Section 27-65-17(1)(n), and twenty-one percent (21%) of the total



941 use tax revenue collected during the preceding month under the
942 provisions of this article imposed and levied as a result of
943 Section 27-65-17(1) (n), shall be deposited into the special fund
944 created in Section 27-67-35(2).

945 (g) On or before August 15, 2019, and each succeeding
946 month thereafter through July 15, 2020, Four Hundred Sixteen
947 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
948 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
949 use tax revenue collected during the preceding month under the
950 provisions of this article, whichever is the greater amount, shall
951 be deposited into the Local System Bridge Replacement and
952 Rehabilitation Fund created in Section 65-37-13. On or before
953 August 15, 2020, and each succeeding month thereafter through July
954 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
955 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
956 and one-half percent (2-1/2%) of the total use tax revenue
957 collected during the preceding month under the provisions of this
958 article, whichever is the greater amount, shall be deposited into
959 the Local System Bridge Replacement and Rehabilitation Fund
960 created in Section 65-37-13. On or before August 15, 2021, and
961 each succeeding month thereafter through July 15, 2022, One
962 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
963 three and three-fourths percent (3-3/4%) of the total use tax
964 revenue collected during the preceding month under the provisions
965 of this article, whichever is the greater amount, shall be



966 deposited into the Local System Bridge Replacement and
967 Rehabilitation Fund created in Section 65-37-13. On or before
968 August 15, 2022, * * * One Million Six Hundred Sixty-six Thousand
969 Six Hundred Sixty-six Dollars and Sixty-seven Cents
970 (\$1,666,666.67) or five percent (5%) of the total use tax revenue
971 collected during the preceding month under the provisions of this
972 article, whichever is the greater amount, shall be deposited into
973 the Local System Bridge Replacement and Rehabilitation Fund
974 created in Section 65-37-13. On or before September 15, 2022, and
975 each succeeding month thereafter, five percent (5%) of the total
976 use tax revenue collected during the preceding month under the
977 provisions of this article, except that imposed and levied as a
978 result of Section 27-65-17(1) (n), and seven percent (7%) of the
979 total use tax revenue collected during the preceding month under
980 the provisions of this article imposed and levied as a result of
981 Section 27-65-17(1) (n), shall be deposited into the Local System
982 Bridge Replacement and Rehabilitation Fund created in Section
983 65-37-13; however, if in any month the total amount of the
984 diversion calculated from the percentages in the preceding clause
985 is less than One Million Six Hundred Sixty-six Thousand Six
986 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67),
987 then the amount deposited into the Local System Bridge Replacement
988 and Rehabilitation Fund under this paragraph (g) for that month
989 shall be One Million Six Hundred Sixty-six Thousand Six Hundred
990 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67).



991 (h) On or before August 15, 2020, and each succeeding
992 month thereafter through July 15, 2022, One Million Dollars
993 (\$1,000,000.00) of the total use tax revenue collected during the
994 preceding month under the provisions of this article shall be
995 deposited into the Local System Bridge Replacement and
996 Rehabilitation Fund created in Section 65-37-13. Amounts
997 deposited into the Local System Bridge Replacement and
998 Rehabilitation Fund under this paragraph (h) shall be in addition
999 to amounts deposited into the fund under paragraph (g) of this
1000 section.

1001 (i) The remainder of the amount received from taxes,
1002 damages and interest under the provisions of this article shall be
1003 paid into the General Fund of the State Treasury by the
1004 commissioner.

1005 **SECTION 6.** (1) Each taxpayer who filed a 2021 Form 80-105
1006 Mississippi income tax return shall receive a rebate of five
1007 percent (5%) of his 2021 tax liability; however, the rebate shall
1008 be no less than One Hundred Dollars (\$100.00) per taxpayer and no
1009 more than One Thousand Dollars (\$1,000.00) per tax return.

1010 (2) A special fund, to be designated the "2022 Income Tax
1011 Rebate Fund," is created within the State Treasury. The fund
1012 shall be maintained by the State Treasurer as a separate and
1013 special fund, separate and apart from the General Fund of the
1014 state. Monies in this special fund shall be appropriated by the
1015 Legislature and used by the Department of Revenue to pay taxpayers



1016 entitled to income tax rebates under this section. Before July 1,
1017 2024, amounts remaining in the special fund at the end of a fiscal
1018 year shall not lapse into the State General Fund, and any interest
1019 earned or investment earnings on amounts in the fund shall be
1020 deposited to the credit of the fund. On July 1, 2024, any
1021 unobligated amounts remaining in the special fund shall be
1022 transferred to the State General Fund.

1023 (3) If the monies appropriated or transferred by the
1024 Legislature to the 2022 Income Tax Rebate Fund are found to be
1025 insufficient to fund the rebate authorized in this section, the
1026 State Fiscal Officer shall transfer to the 2022 Income Tax Rebate
1027 Fund out of the Capital Expense Fund any additional amount
1028 necessary to fund the rebate.

1029 **SECTION 7.** Section 27-55-11, Mississippi Code of 1972, is
1030 amended as follows:

1031 27-55-11. Any person in business as a distributor of
1032 gasoline or who acts as a distributor of gasoline, as defined in
1033 this article, shall pay for the privilege of engaging in such
1034 business or acting as such distributor an excise tax equal to
1035 Eighteen Cents (18¢) per gallon until the date specified in
1036 Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per
1037 gallon thereafter, on all gasoline and blend stock stored, sold,
1038 distributed, manufactured, refined, distilled, blended or
1039 compounded in this state or received in this state for sale, use
1040 on the highways, storage, distribution, or for any purpose.



1041 Any person in business as a distributor of aviation gasoline,
1042 or who acts as a distributor of aviation gasoline, shall pay for
1043 the privilege of engaging in such business or acting as such
1044 distributor an excise tax equal to Six and Four-tenths Cents
1045 (6.4¢) per gallon on all aviation gasoline stored, sold,
1046 distributed, manufactured, refined, distilled, blended or
1047 compounded in this state or received in this state for sale,
1048 storage, distribution or for any purpose.

1049 The excise taxes collected under this section shall be paid
1050 and distributed in accordance with Section 27-5-101.

1051 The tax herein imposed and assessed shall be collected and
1052 paid to the State of Mississippi but once in respect to any
1053 gasoline. The basis for determining the tax liability shall be
1054 the correct invoiced gallons, adjusted to sixty (60) degrees
1055 Fahrenheit at the refinery or point of origin of shipment when
1056 such shipment is made by tank car or by motor carrier. The point
1057 of origin of shipment of gasoline transported into this state by
1058 pipelines shall be deemed to be that point in this state where
1059 such gasoline is withdrawn from the pipeline for storage or
1060 distribution, and adjustment to sixty (60) degrees Fahrenheit
1061 shall there be made. The basis for determining the tax liability
1062 on gasoline shipped into this state in barge cargoes and by
1063 pipeline shall be the actual number of gallons adjusted to sixty
1064 (60) degrees Fahrenheit unloaded into storage tanks or other
1065 containers in this state, such gallonage to be determined by



1066 measurement and/or gauge of storage tank or tanks or by any other
1067 method authorized by the commission. The tank or tanks into which
1068 barge cargoes of gasoline are discharged, or into which gasoline
1069 transported by pipeline is discharged, shall have correct gauge
1070 tables listing capacity, such gauge tables to be prepared by some
1071 recognized calibrating agency and to be approved by the
1072 commission.

1073 The tax levied herein shall accrue at the time gasoline is
1074 withdrawn from a refinery in this state except when withdrawal is
1075 by pipeline, barge, ship or vessel. The refiner shall pay to the
1076 commission the tax levied herein when gasoline is sold or
1077 delivered to persons who do not hold gasoline distributor permits.
1078 The refiner shall report to the commission all sales and
1079 deliveries of gasoline to bonded distributors of gasoline. The
1080 bonded distributor of gasoline who purchases, receives or acquires
1081 gasoline from a refinery in this state shall report such gasoline
1082 and pay the tax levied herein.

1083 Gasoline imported by common carrier shall be deemed to be
1084 received by the distributor of gasoline, and the tax levied herein
1085 shall accrue, when the car or tank truck containing such gasoline
1086 is unloaded by the carrier.

1087 With respect to distributors or other persons who bring,
1088 ship, have transported, or have brought into this state gasoline
1089 by means other than through a common carrier, the tax accrues and
1090 the tax liability attaches on the distributor or other person for



1091 each gallon of gasoline brought into the state at the time when
1092 and at the point where such gasoline is brought into the state.

1093 The tax levied herein shall accrue on blend stock at the time
1094 it is blended with gasoline. The blender shall pay to the
1095 commission the tax levied herein when blend stock is sold or
1096 delivered to persons who do not hold gasoline distributor permits.
1097 The blender shall report to the commission all sales and
1098 deliveries of blend stock to bonded distributors of gasoline. The
1099 bonded distributor of gasoline who purchases, receives or acquires
1100 blend stock from a blender in this state shall report blend stock
1101 and pay the tax levied herein.

1102 The tax levied in this section shall be suspended for six (6)
1103 months from the effective date of this act. A retailer of
1104 gasoline or aviation gasoline taxed under this section may seek a
1105 refund from the distributor for any taxes paid to the distributor
1106 for gasoline or aviation gasoline for which the tax is suspended.
1107 The distributor may claim a refund for such taxes from the
1108 department pursuant to emergency regulations promulgated by the
1109 department.

1110 **SECTION 8.** Section 27-55-519, Mississippi Code of 1972, is
1111 amended as follows:

1112 27-55-519. (1) Any person engaged in business as a
1113 distributor of special fuel or who acts as a distributor of
1114 special fuel, as defined in this article, shall pay for the
1115 privilege of engaging in such business or acting as such



1116 distributor an excise tax on all special fuel stored, used, sold,
1117 distributed, manufactured, refined, distilled, blended or
1118 compounded in this state or received in this state for sale,
1119 storage, distribution or for any purpose, adjusted to sixty (60)
1120 degrees Fahrenheit.

1121 The excise tax shall become due and payable when:

1122 (a) Special fuel is withdrawn from storage at a
1123 refinery, marine or pipeline terminal, except when withdrawal is
1124 by barge or pipeline.

1125 (b) Special fuel imported by a common carrier is
1126 unloaded by that carrier unless the special fuel is unloaded
1127 directly into the storage tanks of a refinery, marine or pipeline
1128 terminal.

1129 (c) Special fuel imported by any person other than a
1130 common carrier enters the State of Mississippi unless the special
1131 fuel is unloaded directly into the storage tanks of a refinery,
1132 marine or pipeline terminal.

1133 (d) Special fuel is blended in this state unless such
1134 blending occurs in a refinery, marine or pipeline terminal.

1135 (e) Special fuel is acquired tax free.

1136 (2) The special fuel excise tax shall be as follows:

1137 (a) Eighteen Cents (18¢) per gallon on undyed diesel
1138 fuel until the date specified in Section 65-39-35 and Fourteen and
1139 Three-fourths Cents (14.75¢) per gallon thereafter;



1140 (b) Five and Three-fourths Cents (5.75¢) per gallon on
1141 all special fuel except undyed diesel fuel and special fuel used
1142 as fuels in aircraft; and

1143 (c) Five and One-fourth Cents (5.25¢) per gallon on
1144 special fuel used as fuel in aircraft.

1145 (3) The tax levied in this section shall be suspended for
1146 six (6) months from the effective date of this act. A retailer of
1147 special fuel taxed under this section may seek a refund from the
1148 distributor for any taxes paid to the distributor for special fuel
1149 for which the tax is suspended. The distributor may claim a
1150 refund for such taxes from the department pursuant to emergency
1151 regulations promulgated by the department.

1152 **SECTION 9.** Section 27-55-521, Mississippi Code of 1972, is
1153 amended as follows:

1154 27-55-521. (1) An excise tax at the rate of Eighteen Cents
1155 (18¢) per gallon until the date specified in Section 65-39-35,
1156 Mississippi Code of 1972, and Fourteen and Three-fourths Cents
1157 (14.75¢) per gallon thereafter is levied on any person engaged in
1158 business as a distributor of special fuel or who acts as such who
1159 sells:

1160 (a) Special fuel for use in performing contracts for
1161 construction, reconstruction, maintenance or repairs, where such
1162 contracts are entered into with the State of Mississippi, any
1163 political subdivision of the State of Mississippi, or any



1164 department, agency, institution of the State of Mississippi or any
1165 political subdivision thereof.

1166 (b) Dyed diesel fuel or kerosene to a state or local
1167 governmental entity for use on the highways in a motor vehicle.

1168 (c) Special fuel for use on the highway.

1169 (2) An excise tax at the rate of Eighteen Cents (18¢) per
1170 gallon until the date specified in Section 65-39-35, Mississippi
1171 Code of 1972, and Fourteen and Three-fourths Cents (14.75¢) per
1172 gallon thereafter is levied on any person who:

1173 (a) Uses dyed diesel fuel or kerosene in a motor
1174 vehicle on the highways of this state in violation of Section
1175 27-55-539.

1176 (b) Purchases or acquires undyed diesel fuel or
1177 kerosene for nonhighway use and subsequently uses such diesel fuel
1178 or kerosene in a motor vehicle on the highways of this state.

1179 (c) Purchases or acquires special fuel for use in
1180 performing contracts as specified in this section.

1181 (3) The tax levied in this section shall be suspended
1182 for six (6) months from the effective date of this act. A
1183 retailer of special fuel taxed under this section may seek a
1184 refund from the distributor for any taxes paid to the distributor
1185 for special fuel for which the tax is suspended. The distributor
1186 may claim a refund for such taxes from the department pursuant to
1187 emergency regulations promulgated by the department.



1188 **SECTION 10.** Section 27-7-17, Mississippi Code of 1972, as
1189 amended by Senate Bill No. 2095, 2022 Regular Session, and House
1190 Bill No. 1529, 2022 Regular Session, is amended as follows:

1191 **Through February 1, 2022, this section shall read as follows:**

1192 27-7-17. In computing taxable income, there shall be allowed
1193 as deductions:

1194 (1) **Business deductions.**

1195 (a) **Business expenses.** All the ordinary and necessary
1196 expenses paid or incurred during the taxable year in carrying on
1197 any trade or business, including a reasonable allowance for
1198 salaries or other compensation for personal services actually
1199 rendered; nonreimbursable traveling expenses incident to current
1200 employment, including a reasonable amount expended for meals and
1201 lodging while away from home in the pursuit of a trade or
1202 business; and rentals or other payments required to be made as a
1203 condition of the continued use or possession, for purposes of the
1204 trade or business of property to which the taxpayer has not taken
1205 or is not taking title or in which he had no equity. Expense
1206 incurred in connection with earning and distributing nontaxable
1207 income is not an allowable deduction. Limitations on
1208 entertainment expenses shall conform to the provisions of the
1209 Internal Revenue Code of 1986.

1210 (b) **Interest.** All interest paid or accrued during the
1211 taxable year on business indebtedness, except interest upon the
1212 indebtedness for the purchase of tax-free bonds, or any stocks,



1213 the dividends from which are nontaxable under the provisions of
1214 this article; provided, however, in the case of securities
1215 dealers, interest payments or accruals on loans, the proceeds of
1216 which are used to purchase tax-exempt securities, shall be
1217 deductible if income from otherwise tax-free securities is
1218 reported as income. Investment interest expense shall be limited
1219 to investment income. Interest expense incurred for the purchase
1220 of treasury stock, to pay dividends, or incurred as a result of an
1221 undercapitalized affiliated corporation may not be deducted unless
1222 an ordinary and necessary business purpose can be established to
1223 the satisfaction of the commissioner. For the purposes of this
1224 paragraph, the phrase "interest upon the indebtedness for the
1225 purchase of tax-free bonds" applies only to the indebtedness
1226 incurred for the purpose of directly purchasing tax-free bonds and
1227 does not apply to any other indebtedness incurred in the regular
1228 course of the taxpayer's business. Any corporation, association,
1229 organization or other entity taxable under Section 27-7-23(c)
1230 shall allocate interest expense as provided in Section
1231 27-7-23(c) (3) (I).

1232 (c) **Taxes.** Taxes paid or accrued within the taxable
1233 year, except state and federal income taxes, excise taxes based on
1234 or measured by net income, estate and inheritance taxes, gift
1235 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
1236 use taxes unless incurred as an item of expense in a trade or
1237 business or in the production of taxable income. In the case of



1238 an individual, taxes permitted as an itemized deduction under the
1239 provisions of subsection (3)(a) of this section are to be claimed
1240 thereunder.

1241 (d) **Business losses.**

1242 (i) Losses sustained during the taxable year not
1243 compensated for by insurance or otherwise, if incurred in trade or
1244 business, or nonbusiness transactions entered into for profit.

1245 (ii) Limitations on losses from passive activities
1246 and rental real estate shall conform to the provisions of the
1247 Internal Revenue Code of 1986.

1248 (e) **Bad debts.** Losses from debts ascertained to be
1249 worthless and charged off during the taxable year, if sustained in
1250 the conduct of the regular trade or business of the taxpayer;
1251 provided, that such losses shall be allowed only when the taxpayer
1252 has reported as income, on the accrual basis, the amount of such
1253 debt or account.

1254 (f) **Depreciation.** A reasonable allowance for
1255 exhaustion, wear and tear of property used in the trade or
1256 business, or rental property, and depreciation upon buildings
1257 based upon their reasonable value as of March 16, 1912, if
1258 acquired prior thereto, and upon cost if acquired subsequent to
1259 that date. In the case of new or used aircraft, equipment,
1260 engines, or other parts and tools used for aviation, allowance for
1261 bonus depreciation conforms with the federal bonus depreciation



1262 rates and reasonable allowance for depreciation under this section
1263 is no less than one hundred percent (100%).

1264 (g) **Depletion.** In the case of mines, oil and gas
1265 wells, other natural deposits and timber, a reasonable allowance
1266 for depletion and for depreciation of improvements, based upon
1267 cost, including cost of development, not otherwise deducted, or
1268 fair market value as of March 16, 1912, if acquired prior to that
1269 date, such allowance to be made upon regulations prescribed by the
1270 commissioner, with the approval of the Governor.

1271 (h) **Contributions or gifts.** Except as otherwise
1272 provided in paragraph (p) of this subsection or subsection (3)(a)
1273 of this section for individuals, contributions or gifts made by
1274 corporations within the taxable year to corporations,
1275 organizations, associations or institutions, including Community
1276 Chest funds, foundations and trusts created solely and exclusively
1277 for religious, charitable, scientific or educational purposes, or
1278 for the prevention of cruelty to children or animals, no part of
1279 the net earnings of which inure to the benefit of any private
1280 stockholder or individual. This deduction shall be allowed in an
1281 amount not to exceed twenty percent (20%) of the net income. Such
1282 contributions or gifts shall be allowable as deductions only if
1283 verified under rules and regulations prescribed by the
1284 commissioner, with the approval of the Governor. Contributions
1285 made in any form other than cash shall be allowed as a deduction,
1286 subject to the limitations herein provided, in an amount equal to



1287 the actual market value of the contributions at the time the
1288 contribution is actually made and consummated.

1289 (i) **Reserve funds - insurance companies.** In the case
1290 of insurance companies the net additions required by law to be
1291 made within the taxable year to reserve funds when such reserve
1292 funds are maintained for the purpose of liquidating policies at
1293 maturity.

1294 (j) **Annuity income.** The sums, other than dividends,
1295 paid within the taxpayer year on policy or annuity contracts when
1296 such income has been included in gross income.

1297 (k) **Contributions to employee pension plans.**
1298 Contributions made by an employer to a plan or a trust forming
1299 part of a pension plan, stock bonus plan, disability or
1300 death-benefit plan, or profit-sharing plan of such employer for
1301 the exclusive benefit of some or all of his, their, or its
1302 employees, or their beneficiaries, shall be deductible from his,
1303 their, or its income only to the extent that, and for the taxable
1304 year in which, the contribution is deductible for federal income
1305 tax purposes under the Internal Revenue Code of 1986 and any other
1306 provisions of similar purport in the Internal Revenue Laws of the
1307 United States, and the rules, regulations, rulings and
1308 determinations promulgated thereunder, provided that:

1309 (i) The plan or trust be irrevocable.

1310 (ii) The plan or trust constitute a part of a
1311 pension plan, stock bonus plan, disability or death-benefit plan,



1312 or profit-sharing plan for the exclusive benefit of some or all of
1313 the employer's employees and/or officers, or their beneficiaries,
1314 for the purpose of distributing the corpus and income of the plan
1315 or trust to such employees and/or officers, or their
1316 beneficiaries.

1317 (iii) No part of the corpus or income of the plan
1318 or trust can be used for purposes other than for the exclusive
1319 benefit of employees and/or officers, or their beneficiaries.

1320 Contributions to all plans or to all trusts of real or
1321 personal property (or real and personal property combined) or to
1322 insured plans created under a retirement plan for which provision
1323 has been made under the laws of the United States of America,
1324 making such contributions deductible from income for federal
1325 income tax purposes, shall be deductible only to the same extent
1326 under the Income Tax Laws of the State of Mississippi.

1327 (1) **Net operating loss carrybacks and carryovers.** A
1328 net operating loss for any taxable year ending after December 31,
1329 1993, and taxable years thereafter, shall be a net operating loss
1330 carryback to each of the three (3) taxable years preceding the
1331 taxable year of the loss. If the net operating loss for any
1332 taxable year is not exhausted by carrybacks to the three (3)
1333 taxable years preceding the taxable year of the loss, then there
1334 shall be a net operating loss carryover to each of the fifteen
1335 (15) taxable years following the taxable year of the loss
1336 beginning with any taxable year after December 31, 1991.



1337 For any taxable year ending after December 31, 1997, the
1338 period for net operating loss carrybacks and net operating loss
1339 carryovers shall be the same as those established by the Internal
1340 Revenue Code and the rules, regulations, rulings and
1341 determinations promulgated thereunder as in effect at the taxable
1342 year end or on December 31, 2000, whichever is earlier.

1343 A net operating loss for any taxable year ending after
1344 December 31, 2001, and taxable years thereafter, shall be a net
1345 operating loss carryback to each of the two (2) taxable years
1346 preceding the taxable year of the loss. If the net operating loss
1347 for any taxable year is not exhausted by carrybacks to the two (2)
1348 taxable years preceding the taxable year of the loss, then there
1349 shall be a net operating loss carryover to each of the twenty (20)
1350 taxable years following the taxable year of the loss beginning
1351 with any taxable year after the taxable year of the loss.

1352 The term "net operating loss," for the purposes of this
1353 paragraph, shall be the excess of the deductions allowed over the
1354 gross income; provided, however, the following deductions shall
1355 not be allowed in computing same:

1356 (i) No net operating loss deduction shall be
1357 allowed.

1358 (ii) No personal exemption deduction shall be
1359 allowed.

1360 (iii) Allowable deductions which are not
1361 attributable to taxpayer's trade or business shall be allowed only



1362 to the extent of the amount of gross income not derived from such
1363 trade or business.

1364 Any taxpayer entitled to a carryback period as provided by
1365 this paragraph may elect to relinquish the entire carryback period
1366 with respect to a net operating loss for any taxable year ending
1367 after December 31, 1991. The election shall be made in the manner
1368 prescribed by the Department of Revenue and shall be made by the
1369 due date, including extensions of time, for filing the taxpayer's
1370 return for the taxable year of the net operating loss for which
1371 the election is to be in effect. The election, once made for any
1372 taxable year, shall be irrevocable for that taxable year.

1373 (m) **Amortization of pollution or environmental control**
1374 **facilities.** Allowance of deduction. Every taxpayer, at his
1375 election, shall be entitled to a deduction for pollution or
1376 environmental control facilities to the same extent as that
1377 allowed under the Internal Revenue Code and the rules,
1378 regulations, rulings and determinations promulgated thereunder.

1379 (n) **Dividend distributions - real estate investment**
1380 **trusts.** "Real estate investment trust" (hereinafter referred to
1381 as REIT) shall have the meaning ascribed to such term in Section
1382 856 of the federal Internal Revenue Code of 1986, as amended. A
1383 REIT is allowed a dividend distributed deduction if the dividend
1384 distributions meet the requirements of Section 857 or are
1385 otherwise deductible under Section 858 or 860, federal Internal
1386 Revenue Code of 1986, as amended. In addition:



1387 (i) A dividend distributed deduction shall only be
1388 allowed for dividends paid by a publicly traded REIT. A qualified
1389 REIT subsidiary shall be allowed a dividend distributed deduction
1390 if its owner is a publicly traded REIT.

1391 (ii) Income generated from real estate contributed
1392 or sold to a REIT by a shareholder or related party shall not give
1393 rise to a dividend distributed deduction, unless the shareholder
1394 or related party would have received the dividend distributed
1395 deduction under this chapter.

1396 (iii) A holding corporation receiving a dividend
1397 from a REIT shall not be allowed the deduction in Section
1398 27-7-15(4)(t).

1399 (iv) Any REIT not allowed the dividend distributed
1400 deduction in the federal Internal Revenue Code of 1986, as
1401 amended, shall not be allowed a dividend distributed deduction
1402 under this chapter.

1403 The commissioner is authorized to promulgate rules and
1404 regulations consistent with the provisions in Section 269 of the
1405 federal Internal Revenue Code of 1986, as amended, so as to
1406 prevent the evasion or avoidance of state income tax.

1407 (o) **Contributions to college savings trust fund**
1408 **accounts.** Contributions or payments to a Mississippi Affordable
1409 College Savings Program account are deductible as provided under
1410 Section 37-155-113. Payments made under a prepaid tuition
1411 contract entered into under the Mississippi Prepaid Affordable



1412 College Tuition Program are deductible as provided under Section
1413 37-155-17.

1414 (p) **Contributions of human pharmaceutical products.** To
1415 the extent that a "major supplier" as defined in Section
1416 27-13-13(2) (d) contributes human pharmaceutical products in excess
1417 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
1418 determined under Section 170 of the Internal Revenue Code, the
1419 charitable contribution limitation associated with those donations
1420 shall follow the federal limitation but cannot result in the
1421 Mississippi net income being reduced below zero.

1422 (q) **Contributions to ABLE trust fund accounts.**
1423 Contributions or payments to a Mississippi Achieving a Better Life
1424 Experience (ABLE) Program account are deductible as provided under
1425 Section 43-28-13.

1426 (2) **Restrictions on the deductibility of certain intangible
1427 expenses and interest expenses with a related member.**

1428 (a) As used in this subsection (2):

1429 (i) "Intangible expenses and costs" include:

1430 1. Expenses, losses and costs for, related
1431 to, or in connection directly or indirectly with the direct or
1432 indirect acquisition, use, maintenance or management, ownership,
1433 sale, exchange or any other disposition of intangible property to
1434 the extent such amounts are allowed as deductions or costs in
1435 determining taxable income under this chapter;



1436 2. Expenses or losses related to or incurred
1437 in connection directly or indirectly with factoring transactions
1438 or discounting transactions;

1439 3. Royalty, patent, technical and copyright
1440 fees;

1441 4. Licensing fees; and

1442 5. Other similar expenses and costs.

1443 (ii) "Intangible property" means patents, patent
1444 applications, trade names, trademarks, service marks, copyrights
1445 and similar types of intangible assets.

1446 (iii) "Interest expenses and cost" means amounts
1447 directly or indirectly allowed as deductions for purposes of
1448 determining taxable income under this chapter to the extent such
1449 interest expenses and costs are directly or indirectly for,
1450 related to, or in connection with the direct or indirect
1451 acquisition, maintenance, management, ownership, sale, exchange or
1452 disposition of intangible property.

1453 (iv) "Related member" means an entity or person
1454 that, with respect to the taxpayer during all or any portion of
1455 the taxable year, is a related entity, a component member as
1456 defined in the Internal Revenue Code, or is an entity or a person
1457 to or from whom there is attribution of stock ownership in
1458 accordance with Section 1563(e) of the Internal Revenue Code.

1459 (v) "Related entity" means:



1460 1. A stockholder who is an individual or a
1461 member of the stockholder's family, as defined in regulations
1462 prescribed by the commissioner, if the stockholder and the members
1463 of the stockholder's family own, directly, indirectly,
1464 beneficially or constructively, in the aggregate, at least fifty
1465 percent (50%) of the value of the taxpayer's outstanding stock;

1466 2. A stockholder, or a stockholder's
1467 partnership, limited liability company, estate, trust or
1468 corporation, if the stockholder and the stockholder's
1469 partnerships, limited liability companies, estates, trusts and
1470 corporations own, directly, indirectly, beneficially or
1471 constructively, in the aggregate, at least fifty percent (50%) of
1472 the value of the taxpayer's outstanding stock;

1473 3. A corporation, or a party related to the
1474 corporation in a manner that would require an attribution of stock
1475 from the corporation to the party or from the party to the
1476 corporation, if the taxpayer owns, directly, indirectly,
1477 beneficially or constructively, at least fifty percent (50%) of
1478 the value of the corporation's outstanding stock under regulation
1479 prescribed by the commissioner;

1480 4. Any entity or person which would be a
1481 related member under this section if the taxpayer were considered
1482 a corporation for purposes of this section.

1483 (b) In computing net income, a taxpayer shall add back
1484 otherwise deductible interest expenses and costs and intangible



1485 expenses and costs directly or indirectly paid, accrued to or
1486 incurred, in connection directly or indirectly with one or more
1487 direct or indirect transactions with one or more related members.

1488 (c) The adjustments required by this subsection shall
1489 not apply to such portion of interest expenses and costs and
1490 intangible expenses and costs that the taxpayer can establish
1491 meets one (1) of the following:

1492 (i) The related member directly or indirectly
1493 paid, accrued or incurred such portion to a person during the same
1494 income year who is not a related member; or

1495 (ii) The transaction giving rise to the interest
1496 expenses and costs or intangible expenses and costs between the
1497 taxpayer and related member was done primarily for a valid
1498 business purpose other than the avoidance of taxes, and the
1499 related member is not primarily engaged in the acquisition, use,
1500 maintenance or management, ownership, sale, exchange or any other
1501 disposition of intangible property.

1502 (d) Nothing in this subsection shall require a taxpayer
1503 to add to its net income more than once any amount of interest
1504 expenses and costs or intangible expenses and costs that the
1505 taxpayer pays, accrues or incurs to a related member.

1506 (e) The commissioner may prescribe such regulations as
1507 necessary or appropriate to carry out the purposes of this
1508 subsection, including, but not limited to, clarifying definitions



1509 of terms, rules of stock attribution, factoring and discount
1510 transactions.

1511 (3) **Individual nonbusiness deductions.**

1512 (a) The amount allowable for individual nonbusiness
1513 itemized deductions for federal income tax purposes where the
1514 individual is eligible to elect, for the taxable year, to itemize
1515 deductions on his federal return except the following:

1516 (i) The deduction for state income taxes paid or
1517 other taxes allowed for federal purposes in lieu of state income
1518 taxes paid;

1519 (ii) The deduction for gaming losses from gaming
1520 establishments;

1521 (iii) The deduction for taxes collected by
1522 licensed gaming establishments pursuant to Section 27-7-901;

1523 (iv) The deduction for taxes collected by gaming
1524 establishments pursuant to Section 27-7-903.

1525 (b) In lieu of the individual nonbusiness itemized
1526 deductions authorized in paragraph (a), for all purposes other
1527 than ordinary and necessary expenses paid or incurred during the
1528 taxable year in carrying on any trade or business, an optional
1529 standard deduction of:

1530 (i) Three Thousand Four Hundred Dollars
1531 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
1532 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
1533 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter



1534 in the case of married individuals filing a joint or combined
1535 return;

1536 (ii) One Thousand Seven Hundred Dollars
1537 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
1538 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
1539 Three Hundred Dollars (\$2,300.00) for each calendar year
1540 thereafter in the case of married individuals filing separate
1541 returns;

1542 (iii) Three Thousand Four Hundred Dollars
1543 (\$3,400.00) in the case of a head of family; or

1544 (iv) Two Thousand Three Hundred Dollars
1545 (\$2,300.00) in the case of an individual who is not married.

1546 In the case of a husband and wife living together, having
1547 separate incomes, and filing combined returns, the standard
1548 deduction authorized may be divided in any manner they choose. In
1549 the case of separate returns by a husband and wife, the standard
1550 deduction shall not be allowed to either if the taxable income of
1551 one of the spouses is determined without regard to the standard
1552 deduction.

1553 (c) A nonresident individual shall be allowed the same
1554 individual nonbusiness deductions as are authorized for resident
1555 individuals in paragraph (a) or (b) of this subsection; however,
1556 the nonresident individual is entitled only to that proportion of
1557 the individual nonbusiness deductions as his net income from



1558 sources within the State of Mississippi bears to his total or
1559 entire net income from all sources.

1560 (4) Nothing in this section shall permit the same item to be
1561 deducted more than once, either in fact or in effect.

1562 (5) Notwithstanding any other provision in Title 27,
1563 Mississippi Code of 1972, there shall be allowed an income tax
1564 deduction for otherwise deductible expenses if:

1565 (a) The payment(s) for such deductible expenses are
1566 made with the grant or loan program of the Paycheck Protection
1567 Program as authorized under (i) the Coronavirus Aid, Relief, and
1568 Economic Security (CARES) Act and the Consolidated Appropriations
1569 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
1570 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance
1571 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered
1572 Venue Operators Grant Program and Restaurant Revitalization Fund
1573 authorized by the Economic Aid to Hard-Hit Small Businesses,
1574 Nonprofits, and Venues Act, and amended by the federal American
1575 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
1576 Stabilization Act; and

1577 (b) Such deductible expenses shall be allowed as
1578 deductions for federal income tax purposes.

1579 **From and after February 2, 2022, this section shall read as**
1580 **follows:**

1581 27-7-17. In computing taxable income, there shall be allowed
1582 as deductions:



1583 (1) **Business deductions.**

1584 (a) **Business expenses.** All the ordinary and necessary
1585 expenses paid or incurred during the taxable year in carrying on
1586 any trade or business, including a reasonable allowance for
1587 salaries or other compensation for personal services actually
1588 rendered; nonreimbursable traveling expenses incident to current
1589 employment, including a reasonable amount expended for meals and
1590 lodging while away from home in the pursuit of a trade or
1591 business; and rentals or other payments required to be made as a
1592 condition of the continued use or possession, for purposes of the
1593 trade or business of property to which the taxpayer has not taken
1594 or is not taking title or in which he had no equity. Expense
1595 incurred in connection with earning and distributing nontaxable
1596 income is not an allowable deduction. Limitations on
1597 entertainment expenses shall conform to the provisions of the
1598 Internal Revenue Code of 1986. There shall also be allowed a
1599 deduction for expenses as provided in Section 26 of Senate Bill
1600 No. 2095, 2022 Regular Session.

1601 (b) **Interest.** All interest paid or accrued during the
1602 taxable year on business indebtedness, except interest upon the
1603 indebtedness for the purchase of tax-free bonds, or any stocks,
1604 the dividends from which are nontaxable under the provisions of
1605 this article; provided, however, in the case of securities
1606 dealers, interest payments or accruals on loans, the proceeds of
1607 which are used to purchase tax-exempt securities, shall be



1608 deductible if income from otherwise tax-free securities is
1609 reported as income. Investment interest expense shall be limited
1610 to investment income. Interest expense incurred for the purchase
1611 of treasury stock, to pay dividends, or incurred as a result of an
1612 undercapitalized affiliated corporation may not be deducted unless
1613 an ordinary and necessary business purpose can be established to
1614 the satisfaction of the commissioner. For the purposes of this
1615 paragraph, the phrase "interest upon the indebtedness for the
1616 purchase of tax-free bonds" applies only to the indebtedness
1617 incurred for the purpose of directly purchasing tax-free bonds and
1618 does not apply to any other indebtedness incurred in the regular
1619 course of the taxpayer's business. Any corporation, association,
1620 organization or other entity taxable under Section 27-7-23(c)
1621 shall allocate interest expense as provided in Section
1622 27-7-23(c) (3) (I).

1623 (c) **Taxes.** Taxes paid or accrued within the taxable
1624 year, except state and federal income taxes, excise taxes based on
1625 or measured by net income, estate and inheritance taxes, gift
1626 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
1627 use taxes unless incurred as an item of expense in a trade or
1628 business or in the production of taxable income. In the case of
1629 an individual, taxes permitted as an itemized deduction under the
1630 provisions of subsection (3) (a) of this section are to be claimed
1631 thereunder.

1632 (d) **Business losses.**



1633 (i) Losses sustained during the taxable year not
1634 compensated for by insurance or otherwise, if incurred in trade or
1635 business, or nonbusiness transactions entered into for profit.

1636 (ii) Limitations on losses from passive activities
1637 and rental real estate shall conform to the provisions of the
1638 Internal Revenue Code of 1986.

1639 (e) **Bad debts.** Losses from debts ascertained to be
1640 worthless and charged off during the taxable year, if sustained in
1641 the conduct of the regular trade or business of the taxpayer;
1642 provided, that such losses shall be allowed only when the taxpayer
1643 has reported as income, on the accrual basis, the amount of such
1644 debt or account.

1645 (f) **Depreciation.** A reasonable allowance for
1646 exhaustion, wear and tear of property used in the trade or
1647 business, or rental property, and depreciation upon buildings
1648 based upon their reasonable value as of March 16, 1912, if
1649 acquired prior thereto, and upon cost if acquired subsequent to
1650 that date. In the case of new or used aircraft, equipment,
1651 engines, or other parts and tools used for aviation, allowance for
1652 bonus depreciation conforms with the federal bonus depreciation
1653 rates and reasonable allowance for depreciation under this section
1654 is no less than one hundred percent (100%).

1655 (g) **Depletion.** In the case of mines, oil and gas
1656 wells, other natural deposits and timber, a reasonable allowance
1657 for depletion and for depreciation of improvements, based upon



1658 cost, including cost of development, not otherwise deducted, or
1659 fair market value as of March 16, 1912, if acquired prior to that
1660 date, such allowance to be made upon regulations prescribed by the
1661 commissioner, with the approval of the Governor.

1662 (h) **Contributions or gifts.** Except as otherwise
1663 provided in paragraph (p) of this subsection or subsection (3)(a)
1664 of this section for individuals, contributions or gifts made by
1665 corporations within the taxable year to corporations,
1666 organizations, associations or institutions, including Community
1667 Chest funds, foundations and trusts created solely and exclusively
1668 for religious, charitable, scientific or educational purposes, or
1669 for the prevention of cruelty to children or animals, no part of
1670 the net earnings of which inure to the benefit of any private
1671 stockholder or individual. This deduction shall be allowed in an
1672 amount not to exceed twenty percent (20%) of the net income. Such
1673 contributions or gifts shall be allowable as deductions only if
1674 verified under rules and regulations prescribed by the
1675 commissioner, with the approval of the Governor. Contributions
1676 made in any form other than cash shall be allowed as a deduction,
1677 subject to the limitations herein provided, in an amount equal to
1678 the actual market value of the contributions at the time the
1679 contribution is actually made and consummated.

1680 (i) **Reserve funds - insurance companies.** In the case
1681 of insurance companies the net additions required by law to be
1682 made within the taxable year to reserve funds when such reserve



1683 funds are maintained for the purpose of liquidating policies at
1684 maturity.

1685 (j) **Annuity income.** The sums, other than dividends,
1686 paid within the taxpayer year on policy or annuity contracts when
1687 such income has been included in gross income.

1688 (k) **Contributions to employee pension plans.**
1689 Contributions made by an employer to a plan or a trust forming
1690 part of a pension plan, stock bonus plan, disability or
1691 death-benefit plan, or profit-sharing plan of such employer for
1692 the exclusive benefit of some or all of his, their, or its
1693 employees, or their beneficiaries, shall be deductible from his,
1694 their, or its income only to the extent that, and for the taxable
1695 year in which, the contribution is deductible for federal income
1696 tax purposes under the Internal Revenue Code of 1986 and any other
1697 provisions of similar purport in the Internal Revenue Laws of the
1698 United States, and the rules, regulations, rulings and
1699 determinations promulgated thereunder, provided that:

1700 (i) The plan or trust be irrevocable.

1701 (ii) The plan or trust constitute a part of a
1702 pension plan, stock bonus plan, disability or death-benefit plan,
1703 or profit-sharing plan for the exclusive benefit of some or all of
1704 the employer's employees and/or officers, or their beneficiaries,
1705 for the purpose of distributing the corpus and income of the plan
1706 or trust to such employees and/or officers, or their
1707 beneficiaries.



1708 (iii) No part of the corpus or income of the plan
1709 or trust can be used for purposes other than for the exclusive
1710 benefit of employees and/or officers, or their beneficiaries.

1711 Contributions to all plans or to all trusts of real or
1712 personal property (or real and personal property combined) or to
1713 insured plans created under a retirement plan for which provision
1714 has been made under the laws of the United States of America,
1715 making such contributions deductible from income for federal
1716 income tax purposes, shall be deductible only to the same extent
1717 under the Income Tax Laws of the State of Mississippi.

1718 (1) **Net operating loss carrybacks and carryovers.** A
1719 net operating loss for any taxable year ending after December 31,
1720 1993, and taxable years thereafter, shall be a net operating loss
1721 carryback to each of the three (3) taxable years preceding the
1722 taxable year of the loss. If the net operating loss for any
1723 taxable year is not exhausted by carrybacks to the three (3)
1724 taxable years preceding the taxable year of the loss, then there
1725 shall be a net operating loss carryover to each of the fifteen
1726 (15) taxable years following the taxable year of the loss
1727 beginning with any taxable year after December 31, 1991.

1728 For any taxable year ending after December 31, 1997, the
1729 period for net operating loss carrybacks and net operating loss
1730 carryovers shall be the same as those established by the Internal
1731 Revenue Code and the rules, regulations, rulings and



1732 determinations promulgated thereunder as in effect at the taxable
1733 year end or on December 31, 2000, whichever is earlier.

1734 A net operating loss for any taxable year ending after
1735 December 31, 2001, and taxable years thereafter, shall be a net
1736 operating loss carryback to each of the two (2) taxable years
1737 preceding the taxable year of the loss. If the net operating loss
1738 for any taxable year is not exhausted by carrybacks to the two (2)
1739 taxable years preceding the taxable year of the loss, then there
1740 shall be a net operating loss carryover to each of the twenty (20)
1741 taxable years following the taxable year of the loss beginning
1742 with any taxable year after the taxable year of the loss.

1743 The term "net operating loss," for the purposes of this
1744 paragraph, shall be the excess of the deductions allowed over the
1745 gross income; provided, however, the following deductions shall
1746 not be allowed in computing same:

1747 (i) No net operating loss deduction shall be
1748 allowed.

1749 (ii) No personal exemption deduction shall be
1750 allowed.

1751 (iii) Allowable deductions which are not
1752 attributable to taxpayer's trade or business shall be allowed only
1753 to the extent of the amount of gross income not derived from such
1754 trade or business.

1755 Any taxpayer entitled to a carryback period as provided by
1756 this paragraph may elect to relinquish the entire carryback period



1757 with respect to a net operating loss for any taxable year ending
1758 after December 31, 1991. The election shall be made in the manner
1759 prescribed by the Department of Revenue and shall be made by the
1760 due date, including extensions of time, for filing the taxpayer's
1761 return for the taxable year of the net operating loss for which
1762 the election is to be in effect. The election, once made for any
1763 taxable year, shall be irrevocable for that taxable year.

1764 (m) **Amortization of pollution or environmental control**
1765 **facilities.** Allowance of deduction. Every taxpayer, at his
1766 election, shall be entitled to a deduction for pollution or
1767 environmental control facilities to the same extent as that
1768 allowed under the Internal Revenue Code and the rules,
1769 regulations, rulings and determinations promulgated thereunder.

1770 (n) **Dividend distributions - real estate investment**
1771 **trusts.** "Real estate investment trust" (hereinafter referred to
1772 as REIT) shall have the meaning ascribed to such term in Section
1773 856 of the federal Internal Revenue Code of 1986, as amended. A
1774 REIT is allowed a dividend distributed deduction if the dividend
1775 distributions meet the requirements of Section 857 or are
1776 otherwise deductible under Section 858 or 860, federal Internal
1777 Revenue Code of 1986, as amended. In addition:

1778 (i) A dividend distributed deduction shall only be
1779 allowed for dividends paid by a publicly traded REIT. A qualified
1780 REIT subsidiary shall be allowed a dividend distributed deduction
1781 if its owner is a publicly traded REIT.



1782 (ii) Income generated from real estate contributed
1783 or sold to a REIT by a shareholder or related party shall not give
1784 rise to a dividend distributed deduction, unless the shareholder
1785 or related party would have received the dividend distributed
1786 deduction under this chapter.

1787 (iii) A holding corporation receiving a dividend
1788 from a REIT shall not be allowed the deduction in Section
1789 27-7-15(4)(t).

1790 (iv) Any REIT not allowed the dividend distributed
1791 deduction in the federal Internal Revenue Code of 1986, as
1792 amended, shall not be allowed a dividend distributed deduction
1793 under this chapter.

1794 The commissioner is authorized to promulgate rules and
1795 regulations consistent with the provisions in Section 269 of the
1796 federal Internal Revenue Code of 1986, as amended, so as to
1797 prevent the evasion or avoidance of state income tax.

1798 (o) **Contributions to college savings trust fund**
1799 **accounts.** Contributions or payments to a Mississippi Affordable
1800 College Savings Program account are deductible as provided under
1801 Section 37-155-113. Payments made under a prepaid tuition
1802 contract entered into under the Mississippi Prepaid Affordable
1803 College Tuition Program are deductible as provided under Section
1804 37-155-17.

1805 (p) **Contributions of human pharmaceutical products.** To
1806 the extent that a "major supplier" as defined in Section



1807 27-13-13(2) (d) contributes human pharmaceutical products in excess
1808 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
1809 determined under Section 170 of the Internal Revenue Code, the
1810 charitable contribution limitation associated with those donations
1811 shall follow the federal limitation but cannot result in the
1812 Mississippi net income being reduced below zero.

1813 (q) **Contributions to ABLE trust fund accounts.**

1814 Contributions or payments to a Mississippi Achieving a Better Life
1815 Experience (ABLE) Program account are deductible as provided under
1816 Section 43-28-13.

1817 (2) **Restrictions on the deductibility of certain intangible
1818 expenses and interest expenses with a related member.**

1819 (a) As used in this subsection (2):

1820 (i) "Intangible expenses and costs" include:

1821 1. Expenses, losses and costs for, related
1822 to, or in connection directly or indirectly with the direct or
1823 indirect acquisition, use, maintenance or management, ownership,
1824 sale, exchange or any other disposition of intangible property to
1825 the extent such amounts are allowed as deductions or costs in
1826 determining taxable income under this chapter;

1827 2. Expenses or losses related to or incurred
1828 in connection directly or indirectly with factoring transactions
1829 or discounting transactions;

1830 3. Royalty, patent, technical and copyright
1831 fees;



1832 4. Licensing fees; and
1833 5. Other similar expenses and costs.

1834 (ii) "Intangible property" means patents, patent
1835 applications, trade names, trademarks, service marks, copyrights
1836 and similar types of intangible assets.

1837 (iii) "Interest expenses and cost" means amounts
1838 directly or indirectly allowed as deductions for purposes of
1839 determining taxable income under this chapter to the extent such
1840 interest expenses and costs are directly or indirectly for,
1841 related to, or in connection with the direct or indirect
1842 acquisition, maintenance, management, ownership, sale, exchange or
1843 disposition of intangible property.

1844 (iv) "Related member" means an entity or person
1845 that, with respect to the taxpayer during all or any portion of
1846 the taxable year, is a related entity, a component member as
1847 defined in the Internal Revenue Code, or is an entity or a person
1848 to or from whom there is attribution of stock ownership in
1849 accordance with Section 1563(e) of the Internal Revenue Code.

1850 (v) "Related entity" means:

1851 1. A stockholder who is an individual or a
1852 member of the stockholder's family, as defined in regulations
1853 prescribed by the commissioner, if the stockholder and the members
1854 of the stockholder's family own, directly, indirectly,
1855 beneficially or constructively, in the aggregate, at least fifty
1856 percent (50%) of the value of the taxpayer's outstanding stock;



1857 2. A stockholder, or a stockholder's
1858 partnership, limited liability company, estate, trust or
1859 corporation, if the stockholder and the stockholder's
1860 partnerships, limited liability companies, estates, trusts and
1861 corporations own, directly, indirectly, beneficially or
1862 constructively, in the aggregate, at least fifty percent (50%) of
1863 the value of the taxpayer's outstanding stock;

1864 3. A corporation, or a party related to the
1865 corporation in a manner that would require an attribution of stock
1866 from the corporation to the party or from the party to the
1867 corporation, if the taxpayer owns, directly, indirectly,
1868 beneficially or constructively, at least fifty percent (50%) of
1869 the value of the corporation's outstanding stock under regulation
1870 prescribed by the commissioner;

1871 4. Any entity or person which would be a
1872 related member under this section if the taxpayer were considered
1873 a corporation for purposes of this section.

1874 (b) In computing net income, a taxpayer shall add back
1875 otherwise deductible interest expenses and costs and intangible
1876 expenses and costs directly or indirectly paid, accrued to or
1877 incurred, in connection directly or indirectly with one or more
1878 direct or indirect transactions with one or more related members.

1879 (c) The adjustments required by this subsection shall
1880 not apply to such portion of interest expenses and costs and



1881 intangible expenses and costs that the taxpayer can establish
1882 meets one (1) of the following:

1883 (i) The related member directly or indirectly
1884 paid, accrued or incurred such portion to a person during the same
1885 income year who is not a related member; or

1886 (ii) The transaction giving rise to the interest
1887 expenses and costs or intangible expenses and costs between the
1888 taxpayer and related member was done primarily for a valid
1889 business purpose other than the avoidance of taxes, and the
1890 related member is not primarily engaged in the acquisition, use,
1891 maintenance or management, ownership, sale, exchange or any other
1892 disposition of intangible property.

1893 (d) Nothing in this subsection shall require a taxpayer
1894 to add to its net income more than once any amount of interest
1895 expenses and costs or intangible expenses and costs that the
1896 taxpayer pays, accrues or incurs to a related member.

1897 (e) The commissioner may prescribe such regulations as
1898 necessary or appropriate to carry out the purposes of this
1899 subsection, including, but not limited to, clarifying definitions
1900 of terms, rules of stock attribution, factoring and discount
1901 transactions.

1902 (3) **Individual nonbusiness deductions.**

1903 (a) The amount allowable for individual nonbusiness
1904 itemized deductions for federal income tax purposes where the



1905 individual is eligible to elect, for the taxable year, to itemize
1906 deductions on his federal return except the following:

1907 (i) The deduction for state income taxes paid or
1908 other taxes allowed for federal purposes in lieu of state income
1909 taxes paid;

1910 (ii) The deduction for gaming losses from gaming
1911 establishments;

1912 (iii) The deduction for taxes collected by
1913 licensed gaming establishments pursuant to Section 27-7-901;

1914 (iv) The deduction for taxes collected by gaming
1915 establishments pursuant to Section 27-7-903.

1916 (b) In lieu of the individual nonbusiness itemized
1917 deductions authorized in paragraph (a), for all purposes other
1918 than ordinary and necessary expenses paid or incurred during the
1919 taxable year in carrying on any trade or business, an optional
1920 standard deduction of:

1921 (i) Three Thousand Four Hundred Dollars
1922 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
1923 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
1924 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
1925 in the case of married individuals filing a joint or combined
1926 return;

1927 (ii) One Thousand Seven Hundred Dollars
1928 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
1929 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand



1930 Three Hundred Dollars (\$2,300.00) for each calendar year
1931 thereafter in the case of married individuals filing separate
1932 returns;

1933 (iii) Three Thousand Four Hundred Dollars
1934 (\$3,400.00) in the case of a head of family; or

1935 (iv) Two Thousand Three Hundred Dollars
1936 (\$2,300.00) in the case of an individual who is not married.

1937 In the case of a husband and wife living together, having
1938 separate incomes, and filing combined returns, the standard
1939 deduction authorized may be divided in any manner they choose. In
1940 the case of separate returns by a husband and wife, the standard
1941 deduction shall not be allowed to either if the taxable income of
1942 one of the spouses is determined without regard to the standard
1943 deduction.

1944 (c) A nonresident individual shall be allowed the same
1945 individual nonbusiness deductions as are authorized for resident
1946 individuals in paragraph (a) or (b) of this subsection; however,
1947 the nonresident individual is entitled only to that proportion of
1948 the individual nonbusiness deductions as his net income from
1949 sources within the State of Mississippi bears to his total or
1950 entire net income from all sources.

1951 (4) Nothing in this section shall permit the same item to be
1952 deducted more than once, either in fact or in effect.



1953 (5) Notwithstanding any other provision in Title 27,
1954 Mississippi Code of 1972, there shall be allowed an income tax
1955 deduction for otherwise deductible expenses if:

1956 (a) The payment(s) for such deductible expenses are
1957 made with the grant or loan program of the Paycheck Protection
1958 Program as authorized under (i) the Coronavirus Aid, Relief, and
1959 Economic Security (CARES) Act and the Consolidated Appropriations
1960 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
1961 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance
1962 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered
1963 Venue Operators Grant Program and Restaurant Revitalization Fund
1964 authorized by the Economic Aid to Hard-Hit Small Businesses,
1965 Nonprofits, and Venues Act, and amended by the federal American
1966 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
1967 Stabilization Act; and

1968 (b) Such deductible expenses shall be allowed as
1969 deductions for federal income tax purposes.

1970 **SECTION 11.** Sections 7 through 9 of this act shall take
1971 effect and be in force from and after its passage. Section 10 of
1972 this act shall take effect and be in force from and after January
1973 1, 2020. The remainder of this act shall take effect and be in
1974 force from and after July 1, 2022, and shall stand repealed on
1975 June 30, 2022.

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



1 AN ACT TO ENACT THE TAX RELIEF ACT OF 2022; TO AMEND SECTION
2 27-7-5, MISSISSIPPI CODE OF 1972, TO PHASE DOWN TO 4.6%, AT A RATE
3 OF 0.1% PER YEAR OVER A FOUR-YEAR PERIOD BEGINNING IN CALENDAR
4 YEAR 2023, THE 5% INCOME TAX ON TAXABLE INCOME IN EXCESS OF
5 \$10,000.00; TO PHASE OUT, AT A RATE OF 1% PER YEAR OVER A
6 FOUR-YEAR PERIOD BEGINNING IN CALENDAR YEAR 2027, THE 4% INCOME
7 TAX ON TAXABLE INCOME IN EXCESS OF \$5,000.00 UP TO AND INCLUDING
8 \$10,000.00, OR ANY PART THEREOF; TO AMEND SECTION 27-65-17,
9 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT RETAIL SALES OF FOOD OR
10 DRINK FOR HUMAN CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS
11 ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER
12 FEDERAL AGENCY SHALL BE TAXED AT THE RATE OF 5%; TO AMEND SECTION
13 27-65-75, MISSISSIPPI CODE OF 1972, TO REVISE THE DISTRIBUTION OF
14 STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR
15 HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD
16 BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND
17 SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO REVISE THE
18 DISTRIBUTION OF STATE USE TAX REVENUE COLLECTED FROM RETAIL SALES
19 OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT
20 WHICH WOULD BE EXEMPT FROM USE TAX IF PURCHASED WITH FOOD STAMPS;
21 TO PROVIDE THAT EACH TAXPAYER WHO FILED A 2021 FORM 80-105
22 MISSISSIPPI INCOME TAX RETURN SHALL RECEIVE A REBATE OF 5% OF HIS
23 2021 TAX LIABILITY; TO SPECIFY THAT THE REBATE SHALL BE NO LESS
24 THAN \$100.00 PER TAXPAYER AND NO MORE THAN \$1,000.00 PER TAX
25 RETURN; TO CREATE THE 2022 INCOME TAX REBATE FUND AS A SPECIAL
26 FUND IN THE STATE TREASURY, TO CONTAIN MONIES APPROPRIATED BY THE
27 LEGISLATURE, TO BE USED BY THE DEPARTMENT OF REVENUE TO PAY
28 TAXPAYERS ENTITLED TO INCOME TAX REBATES UNDER THIS ACT; TO DIRECT
29 THE STATE FISCAL OFFICER TO TRANSFER TO THE 2022 INCOME TAX REBATE
30 FUND OUT OF THE CAPITAL EXPENSE FUND ANY ADDITIONAL AMOUNT OVER
31 THE AMOUNT PROVIDED BY THE LEGISLATURE AS NECESSARY TO FUND THE
32 REBATE; TO AMEND SECTIONS 27-55-11, 27-55-519 AND 27-55-521,
33 MISSISSIPPI CODE OF 1972, TO PROVIDE A SIX-MONTH SUSPENSION OF THE
34 EXCISE TAX ON GASOLINE AND SPECIAL FUEL; TO AMEND SECTION 27-7-17,
35 MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022
36 REGULAR SESSION, AND HOUSE BILL NO. 1529, 2022 REGULAR SESSION, TO
37 CONFORM TO THE AMENDMENTS MADE BY BOTH BILLS; AND FOR RELATED
38 PURPOSES.

