

By: Senator(s) Caughman, Moran

To: Finance

SENATE BILL NO. 2459

1 AN ACT TO AMEND SECTION 27-7-5, MISSISSIPPI CODE OF 1972, TO
2 REDUCE AND PHASE OUT THE STATE INCOME TAX ON THE TAXABLE INCOME OF
3 INDIVIDUALS IN EXCESS OF \$10,000.00; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 27-7-5, Mississippi Code of 1972, is
6 amended as follows:

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

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

17 2. For calendar year 2018, on the first One
18 Thousand Dollars (\$1,000.00) of taxable income there shall be no



19 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
20 taxable income, or any part thereof, the rate shall be three
21 percent (3%);

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

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

32 5. For calendar year 2021, on the first Four
33 Thousand Dollars (\$4,000.00) of taxable income there shall be no
34 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
35 taxable income, or any part thereof, the rate shall be three
36 percent (3%);

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

40 (ii) On taxable income in excess of Five Thousand
41 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
42 (\$10,000.00), or any part thereof, the rate shall be four percent
43 (4%); and



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

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

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

57 1. For calendar year 2024, on such taxable
58 income, the rate shall be * * * four percent (4%);

59 2. For calendar year 2025, on such taxable
60 income, the rate shall be * * * three percent (3%);

61 3. For calendar year 2026 * * *, on such
62 taxable income, the rate shall be * * * two percent (2%);

63 4. For calendar year 2027, on such taxable
64 income, the rate shall be one percent (1%); and

65 5. For calendar year 2028 and all calendar
66 years thereafter, there shall be no tax levied under subparagraph
67 (iii) of paragraph (a) of this subsection on the taxable income of
68 individuals in excess of Ten Thousand Dollars (\$10,000.00).



69 * * *

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

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

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

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

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

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



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

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

101 **SECTION 2.** This act shall take effect and be in force from
102 and after July 1, 2023.

