

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 2835

1 AN ACT TO AMEND SECTION 27-7-22.40, MISSISSIPPI CODE OF 1972,  
 2 TO EXTEND THE REPEAL DATE ON THE PROVISION OF LAW THAT ANY WATER  
 3 TRANSPORTATION ENTERPRISE IS ALLOWED AN INCOME TAX CREDIT OF  
 4 \$2,000.00 ANNUALLY FOR EACH MISSISSIPPI FULL-TIME JOB CREATED FOR  
 5 A PERIOD OF FIVE YEARS FROM THE DATE THE CREDIT COMMENCES; AND FOR  
 6 RELATED PURPOSES.

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

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

10 27-7-22.40. (1) The following words and phrases shall have  
 11 the meanings ascribed in this section unless the context clearly  
 12 indicates:

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

17 (b) "Mississippi full-time job" means a job created in  
 18 the State of Mississippi on or after January 1, 2019, and filled  
 19 by a Mississippi resident who works at least thirty-five (35)  
 20 hours per week.



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

43           (3) The credit that may be used each year shall be limited  
44 to an amount not greater than the total state income tax liability  
45 of the water transportation enterprise. Any tax credit claimed



46 under this section but not used in any taxable year may be carried  
47 forward for five (5) consecutive years from the close of the tax  
48 year in which the credits were earned.

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

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

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

65 (7) Any water transportation enterprise that is eligible for  
66 the credit authorized in this section before January 1, \* \* \*  
67 2027, shall be eligible for the credit authorized in this section,  
68 notwithstanding the repeal of this section, and shall be allowed  
69 to carry forward the credit after January 1, \* \* \* 2027, as  
70 provided for in subsection (3) of this section.



71           (8) This section shall be repealed from and after January  
72 1, \* \* \* 2027.

73           **SECTION 2.** This act shall take effect and be in force from  
74 and after January 1, 2023.

