

By: Representative Mims

To: Ways and Means

HOUSE BILL NO. 1756

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR CERTAIN
2 TAXPAYERS WHO INCUR COSTS FOR THE REMOVAL OF TREES FROM LAND AS A
3 RESULT OF DAMAGE TO THE TREES CAUSED BY THE 2023 DROUGHT; TO
4 PROVIDE THE AMOUNT OF THE TAX CREDIT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) As used in this section, the following words
7 shall have the meanings ascribed herein unless the context clearly
8 requires otherwise:

9 (a) "Eligible land" means manageable forestland that is
10 owned by an eligible landowner and located in Mississippi.

11 (b) "Eligible landowner" means a taxpayer who owns at
12 least ten (10) acres of eligible land in Mississippi.

13 (c) "Manageable forestland" means land that would be
14 considered to be eligible for participation in the Farm Resource
15 Development Program, regardless of whether the owner of the land
16 participates in the program.

17 (2) (a) Subject to the provisions of this section, a
18 taxpayer who is an eligible landowner and incurs costs for the
19 removal of trees from eligible land as a result of damage to the



20 trees caused by the 2023 drought shall be allowed a credit against
21 the taxes imposed under this chapter. The credit shall be for an
22 amount equal to the lesser of (i) the total costs incurred by the
23 taxpayer for removal of trees from eligible land or (ii) Three
24 Thousand Dollars (\$3,000.00). However, the tax credit shall not
25 exceed the amount of tax imposed upon the taxpayer for the taxable
26 year reduced by the sum of all other credits allowable to the
27 taxpayer under this chapter, except credit for tax payments made
28 by or on behalf of the taxpayer. Any tax credit claimed under
29 this section but not used in any taxable year may be carried
30 forward for five (5) consecutive years from the close of the tax
31 year in which the credit was earned. The maximum aggregate amount
32 of tax credits that may be allocated under this section in a
33 calendar year shall not exceed Five Million Dollars
34 (\$5,000,000.00).

35 (b) A taxpayer shall apply for credits under this
36 section with the department on forms prescribed by the department.
37 In such application the taxpayer shall certify to the department
38 the dollar amount of the costs incurred or to be incurred during
39 the calendar year. The taxpayer also must submit documentation
40 from a licensed forester verifying that the damage to the trees
41 for which the landowner incurred or will incur removal costs is
42 the result of the 2023 drought. Within thirty (30) days after the
43 receipt of an application, the department shall allocate credits
44 based on the dollar amount of costs as certified in the



45 application. However, if the department cannot allocate the full
46 amount of credits certified in the application due to the limit on
47 the aggregate amount of credits that may be allocated under this
48 section in a calendar year, the department shall so notify the
49 applicant within thirty (30) days with the amount of credits, if
50 any, that may be allocated to the applicant in the calendar year.
51 Once the department has allocated credits to a taxpayer, if the
52 costs for which a credit is allocated have not been incurred as of
53 the date of the allocation, then the costs must be incurred not
54 later than sixty (60) days from the date of the allocation. If
55 the costs are not incurred within such time period, the allocation
56 shall be cancelled and returned to the department for
57 reallocation. Upon final documentation of the costs, if the
58 actual dollar amount of the costs is lower than the amount
59 estimated, the department shall adjust the tax credit allowed
60 under this section.

61 **SECTION 2.** Section 1 of this act shall be codified as a new
62 section in Chapter 7, Title 27, Mississippi Code of 1972.

63 **SECTION 3.** This act shall take effect and be in force from
64 and after January 1, 2024.

