

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1984

1 AN ACT TO AUTHORIZE AN AD VALOREM TAX CREDIT FOR A PERSON,
2 FIRM, OR CORPORATION OPERATING A REFINERY FOR THE REFINING OF
3 OIL, GAS OR PETROLEUM PRODUCTS AND OWNING OIL, GAS OR
4 PETROLEUM PRODUCTS, WHETHER PRODUCED WITHIN OR WITHOUT THE
5 STATE, WHICH ARE LOCATED AT SUCH A REFINERY PRIOR TO BEING
6 REFINED, ARE IN THE PROCESS OF BEING REFINED AT SUCH REFINERY,
7 OR HAVE BEEN REFINED AT SUCH REFINERY AND ARE STORED AT SUCH
8 REFINERY; TO PROVIDE THAT THE TAX CREDIT SHALL BE FOR THE
9 AMOUNT OF ALL AD VALOREM TAXES PAYABLE THAT ARE ATTRIBUTABLE
10 TO SUCH OIL, GAS, OR PETROLEUM PRODUCTS AND SHALL BE APPLIED
11 AGAINST OTHER AD VALOREM TAXES PAYABLE ON OTHER TAXABLE
12 REFINERY PROPERTY OF THE PERSON, FIRM OR CORPORATION OPERATING
13 THE REFINERY; TO PROVIDE THAT AD VALOREM TAXES THAT ARE
14 APPLIED AND USED AS A TAX CREDIT UNDER SECTION 27-7-22.5 MAY
15 NOT BE APPLIED AND USED AS AN INCOME CREDIT UNDER THIS ACT; TO
16 AMEND SECTION 27-7-22.5, MISSISSIPPI CODE OF 1972, WHICH
17 AUTHORIZES AN INCOME TAX CREDIT FOR ANY MANUFACTURER,
18 DISTRIBUTOR, WHOLESALE OR RETAIL MERCHANT WHO PAYS AD VALOREM
19 TAXES IMPOSED ON COMMODITIES, RAW MATERIALS, WORKS-IN-PROCESS,
20 PRODUCTS, GOODS, WARES AND MERCHANDISE HELD FOR RESALE, TO
21 PROVIDE THAT AD VALOREM TAXES THAT ARE APPLIED AND USED AS A
22 TAX CREDIT UNDER THIS ACT MAY NOT BE APPLIED AND USED AS AN
23 INCOME CREDIT UNDER SUCH SECTION; TO BRING FORWARD SECTION
24 27-31-19, MISSISSIPPI CODE OF 1972, WHICH PROVIDES AN AD VALOREM
25 TAX EXEMPTION FOR OIL, GAS, AND PETROLEUM PRODUCTS, WHETHER
26 PRODUCED WITHIN OR WITHOUT THE STATE, WHICH ARE OWNED BY A PERSON,
27 FIRM, OR CORPORATION OPERATING A REFINERY FOR THE REFINING OF OIL,
28 GAS OR PETROLEUM PRODUCTS IN THE STATE, WHICH ARE IN TRANSIT TO OR
29 SITUATED AT SUCH A REFINERY FOR REFINING THEREAT, ARE IN THE
30 PROCESS OF BEING REFINED AT SUCH A REFINERY OR HAVE BEEN REFINED
31 AT SUCH REFINERY AND ARE STILL OWNED BY OR IN THE HANDS OF THE
32 REFINER, FOR THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED
33 PURPOSES.



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

35 **SECTION 1.** (1) A person, firm, or corporation operating a
36 refinery for the refining of oil, gas or petroleum products
37 and owning oil, gas or petroleum products, whether produced
38 within or without the state, which (a) are located at such a
39 refinery prior to being refined, (b) are in the process of
40 being refined at such refinery, or (c) have been refined at
41 such refinery and are stored at such refinery, and which are
42 subject to ad valorem taxes levied or hereafter levied by any
43 county, municipality, levee district, school district or any other
44 taxing authority of the state or a political subdivision thereof
45 shall be allowed a tax credit for the amount of all ad valorem
46 taxes payable by the person, firm or corporation that are
47 attributable to such oil, gas or petroleum products. The tax
48 credit may be applied against other ad valorem taxes payable
49 on other taxable refinery property of such person, firm or
50 corporation by the same county, municipality, levee district,
51 school district or any other taxing authority of the state or a
52 political subdivision thereof. However, the amount of credit that
53 may be utilized during a taxable year cannot exceed the ad valorem
54 tax liability of the person, firm or corporation on such other
55 property for the taxable year. The tax credit provided by this
56 section shall also extend to ad valorem taxes payable that are
57 attributable to such oil, gas and petroleum products owned by
58 any corporation controlled by or under common control with, or



59 controlling such refiner; however, the tax credit shall not
60 extend to those finished petroleum products no longer at the
61 refinery incident to regular, normal and customary marketing
62 operations held in marketing bulk plants and retail service
63 stations.

64 (2) The administration of the tax credit provided by this
65 section will be performed by the tax assessor and/or tax
66 collector of the county in which each refinery is located, and
67 may include a credit applied by the tax assessor against the
68 assessed value of other taxable property, or a credit applied
69 by the tax collector against taxes on other taxable property
70 which have been determined but not yet billed.

71 (3) Any amount of ad valorem taxes applied and used as a
72 tax credit under Section 27-7-22.5, Mississippi Code of 1972,
73 may not be applied and used as a tax credit under this
74 section.

75 **SECTION 2.** Section 27-7-22.5, Mississippi Code of 1972, is
76 amended as follows:

77 27-7-22.5. (1) (a) For any manufacturer, distributor,
78 wholesale or retail merchant who pays to a county, municipality,
79 school district, levee district or any other taxing authority of
80 the state or a political subdivision thereof, ad valorem taxes
81 imposed on commodities, raw materials, works-in-process, products,
82 goods, wares and merchandise held for resale, a credit against the
83 income taxes imposed under this chapter shall be allowed for the



84 portion of the ad valorem taxes so paid in the amounts prescribed
85 in subsection (2).

86 (b) (i) For any person, firm or corporation who pays
87 to a county, municipality, school district, levee district or any
88 other taxing authority of the state or a political subdivision
89 thereof, ad valorem taxes imposed on rental equipment, a credit
90 against the income taxes imposed under this chapter shall be
91 allowed for the portion of the ad valorem taxes so paid in the
92 amounts prescribed in subsection (2).

93 (ii) As used in this paragraph, "rental equipment"
94 means any rental equipment or other rental items which are held
95 for short-term rental to the public:

96 1. Under rental agreements with no specific
97 term;

98 2. Under at-will or open-ended agreements; or

99 3. Under rental agreements with terms

100 ordinarily of less than three hundred sixty-five (365) days; and

101 4. Is not subject to privilege taxes imposed
102 in Chapter 19, Title 27, Mississippi Code of 1972.

103 (c) The tax credit allowed by this section may not be
104 claimed by a taxpayer that is a medical cannabis establishment as
105 defined in the Mississippi Medical Cannabis Act.

106 (2) The tax credit allowed by this section shall not exceed
107 the amounts set forth in paragraphs (a) through (g) of this
108 subsection; and may be claimed for each location where such



109 commodities, raw material, works-in-process, products, goods,
110 wares, merchandise and/or rental equipment are found and upon
111 which the ad valorem taxes have been paid. Any tax credit claimed
112 under this section but not used in any taxable year may be carried
113 forward for five (5) consecutive years from the close of the tax
114 year in which the credit was earned.

115 (a) For the 1994 taxable year, the tax credit for each
116 location of the taxpayer shall not exceed the lesser of Two
117 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
118 State of Mississippi that are attributable to such location.

119 (b) For the 1995 taxable year, the tax credit for each
120 location of the taxpayer shall not exceed the lesser of Three
121 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
122 State of Mississippi that are attributable to such location.

123 (c) For the 1996 taxable year, the tax credit for each
124 location of the taxpayer shall not exceed the lesser of Four
125 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
126 State of Mississippi that are attributable to such location.

127 (d) For the 1997 taxable year and each taxable year
128 thereafter through taxable year 2013, the tax credit for each
129 location of the taxpayer shall not exceed the lesser of Five
130 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
131 State of Mississippi that are attributable to such location.

132 (e) For the 2014 taxable year, the tax credit for each
133 location of the taxpayer shall not exceed the lesser of Ten



134 Thousand Dollars (\$10,000.00) or the amount of income taxes due
135 the State of Mississippi that are attributable to such location.

136 (f) For the 2015 taxable year, the tax credit for each
137 location of the taxpayer shall not exceed the lesser of Fifteen
138 Thousand Dollars (\$15,000.00) or the amount of income taxes due
139 the State of Mississippi that are attributable to such location.

140 (g) For the 2016 taxable year and each taxable year
141 thereafter, the tax credit of the taxpayer shall be the lesser of
142 the amount of the ad valorem taxes described in subsection (1)
143 paid or the amount of income taxes due the State of Mississippi
144 that are attributable to such location.

145 (3) Any amount of ad valorem taxes paid by a taxpayer that
146 is applied toward the tax credit allowed in this section may not
147 be used as a deduction by the taxpayer for state income tax
148 purposes. In the case of a taxpayer that is a partnership,
149 limited liability company or S corporation, the credit may be
150 applied only to the tax attributable to partnership, limited
151 liability company or S corporation income derived from the
152 taxpayer.

153 (4) Any amount of ad valorem taxes applied and used as a tax
154 credit under Section 1 of this act may not be applied and used as
155 a tax credit under this section.

156 **SECTION 3.** Section 27-31-19, Mississippi Code of 1972, is
157 brought forward as follows:



158 27-31-19. There shall be exempt from all ad valorem taxes
159 now levied or hereafter levied by the State of Mississippi, or any
160 county, municipality, levee district, school, or any other taxing
161 district within the state, all oil, gas, and petroleum products,
162 whether produced within or without the state, which oil, gas or
163 petroleum products are owned by a person, firm, or corporation
164 operating a refinery for the refining of oil, gas or petroleum
165 products in the state, and either (1) are in transit to or
166 situated at such a refinery for refining thereat; (2) are in the
167 process of being refined at such a refinery; or (3) have been
168 refined at such refinery and are still owned by or in the hands of
169 the refiner. Such exemption shall also extend to such oil, gas and
170 petroleum products owned by any corporation controlled by, under
171 common control with, or controlling such a refiner; provided,
172 however, that the exemption afforded by this section shall not
173 extend to those finished petroleum products incident to regular,
174 normal, and customary marketing operations held in marketing bulk
175 plants or retail service stations.

176 **SECTION 4.** This act shall take effect and be in force from
177 and after July 1, 2024.

