

By: Senator(s) Michel, Tate, Barrett,
Thomas, Brumfield, McCaughn, Branning,
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To: Finance

SENATE BILL NO. 2481

1 AN ACT TO AMEND SECTION 27-7-22.15, MISSISSIPPI CODE OF 1972,
2 TO INCREASE THE AMOUNT OF THE INCOME TAX CREDIT AUTHORIZED FOR
3 APPROVED REFORESTATION PRACTICES; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 27-7-22.15, Mississippi Code of 1972, is
6 amended as follows:

7 27-7-22.15. (1) As used in this section, the following
8 words and phrases shall have the meanings ascribed to herein
9 unless the context clearly indicates otherwise:

10 (a) "Approved reforestation practices" means the
11 following practices for establishing a crop of trees suitable for
12 manufacturing into forest products:

13 (i) "Pine and hardwood tree planting practices"
14 including the cost of seedlings, planting by hand or machine, and
15 site preparation.

16 (ii) "Mixed-stand regeneration practices" to
17 establish a mixed-crop of pine and hardwood trees by planting or



18 direct seeding, or both, including the cost of seedlings,
19 seed/acorns, planting, seeding and site preparation.

20 (iii) "Direct seeding practices" to establish a
21 crop of pine or oak trees by directly applying seed/acorns to the
22 site, including the cost of seed/acorns, seeding and site
23 preparation.

24 (iv) "Post-planting site preparation practices" to
25 reduce or control undesirable competition within the first growing
26 season of an established crop of trees.

27 Approved reforestation practices shall not include the
28 establishment of orchards, Christmas trees or ornamental trees.

29 (b) "Eligible tree species" means pine and hardwood
30 commercial tree species suitable for manufacturing into forest
31 products.

32 (c) "Cost-share assistance" means partial financial
33 payment for approved reforestation practices from the state
34 government as authorized under Sections 49-19-201 through
35 49-19-227, or the federal government.

36 (d) "Eligible owner" means a private individual, group
37 or association, but the term shall not mean private corporations
38 which manufacture products or provide public utility services of
39 any type or any subsidiary of such corporations.

40 (e) "Eligible lands" means nonindustrial private lands
41 owned by a private individual, group or association, but shall not
42 mean lands owned by private corporations which manufacture



43 products or provide public utility services of any type or any
44 subsidiary of such corporations.

45 (f) "Reforestation prescription or plan" means a
46 written description of the approved reforestation practices that
47 the eligible owner plans to use and includes a legal description
48 and map of the area to be reforested, a list of the tree seedling
49 or seed species to be used in the reforestation and the site
50 preparation practices that will be utilized.

51 (2) Subject to the limitations provided in subsection (3) of
52 this section, upon submission to the * * * department of the
53 written verification provided for in subsection (5) of this
54 section and such other documentation as the * * * department may
55 require, any eligible owner who incurs costs for approved
56 reforestation practices for eligible tree species on eligible
57 lands shall be allowed a credit, in an amount equal to the lesser
58 of * * * the actual costs of the approved reforestation practices
59 or * * * the average cost of approved practices as established by
60 the Mississippi Forestry Commission under Section 49-19-219,
61 against the taxes imposed pursuant to this chapter for the tax
62 year in which the costs are incurred.

63 (3) The maximum amount of the credit provided for in
64 subsection (2) of this section that may be utilized in any one (1)
65 taxable year shall not exceed the lesser of * * * Twenty Thousand
66 Dollars (\$20,000.00) or the amount of income tax imposed upon the
67 eligible owner for the taxable year reduced by the sum of all



68 other credits allowable to the eligible owner under this chapter,
69 except credit for tax payments made by or on behalf of the
70 eligible owner. Any unused portion of the credit may be carried
71 forward for succeeding tax years. The maximum dollar amount of
72 the credit provided for in subsection (2) of this section that an
73 eligible owner may utilize during his lifetime shall be * * * One
74 Hundred Twenty-five Thousand Dollars (\$125,000.00) in the
75 aggregate.

76 (4) If an eligible owner receives any state or federal cost
77 share assistance funds to defray the cost of an approved
78 reforestation practice, the cost of that practice on the same acre
79 or acres within the same tax year is not eligible for the credit
80 provided in this section unless the eligible owner's adjusted
81 gross income is less than the federal earned income credit level.

82 (5) To be eligible for the tax credit, an eligible owner
83 must have a reforestation prescription or plan prepared for the
84 eligible lands by a graduate forester of a college, school or
85 university accredited by the Society of American Foresters or by a
86 registered forester under the Foresters Registration Law of 1977.
87 The forester must verify in writing that the reforestation
88 practices were completed and that the reforestation prescription
89 or plan was followed.

90 **SECTION 2.** This act shall take effect and be in force from
91 and after July 1, 2024.

