

By: Cuevas

To: Finance

SENATE BILL NO. 2244

1 AN ACT TO EXEMPT FROM AD VALOREM TAXATION ALL COMMODITIES,
2 GOODS, WARES AND MERCHANDISE HELD FOR RESALE BY ANY MANUFACTURER,
3 DISTRIBUTOR OR WHOLESALE OR RETAIL MERCHANT; TO AMEND SECTION
4 27-7-22.5, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
5 FOR RELATED PURPOSES.

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

7 SECTION 1. All commodities, goods, wares and merchandise
8 held for resale by any manufacturer, distributor or wholesale or
9 retail merchant shall be exempt from ad valorem taxation.

10 SECTION 2. Section 27-7-22.5, Mississippi Code of 1972, is
11 amended as follows:

12 27-7-22.5. (1) For any manufacturer, distributor, wholesale
13 or retail merchant who pays to a county, municipality, school
14 district, levee district or any other taxing authority of the
15 state or a political subdivision thereof, ad valorem taxes imposed
16 on commodities, products, goods, wares and merchandise held for
17 resale, a credit against the income taxes imposed under this
18 chapter shall be allowed for the portion of the ad valorem taxes
19 so paid in the amounts prescribed in subsection (2).

20 (2) The tax credit allowed by this section shall not exceed
21 the amounts set forth in paragraphs (a) through (d) of this
22 subsection; may be claimed only in the year in which the ad

23 valorem taxes are paid; and may be claimed for each location where
24 such commodities, products, goods, wares and merchandise are found
25 and upon which the ad valorem taxes have been paid.

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

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

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

38 (d) For the 1997, 1998 and 1999 taxable years * * *,
39 the tax credit for each location of the taxpayer shall not exceed
40 the lesser of Five Thousand Dollars (\$5,000.00) or the amount of
41 income taxes due the State of Mississippi that are attributable to
42 such location.

43 (3) Any amount of ad valorem taxes paid by a taxpayer that
44 is applied toward the tax credit allowed in this section may not
45 be used as a deduction by the taxpayer for state income tax
46 purposes. In the case of a taxpayer that is a partnership or S
47 corporation, the credit may be applied only to the tax
48 attributable to partnership or S corporation income derived from
49 the taxpayer.

50 SECTION 3. This act shall take effect and be in force from
51 and after October 1, 2000.