

By: Representative McCoy

To: Ways and Means

HOUSE BILL NO. 1526

1 AN ACT TO AMEND SECTION 27-31-37, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE PARTIAL EXEMPTION FROM THE ASSESSED VALUE OF
3 NEWLY ACQUIRED RAILROAD PROPERTY FOR AD VALOREM TAX PURPOSES SHALL
4 NOT APPLY TO RAILROAD PROPERTY SOLD AFTER JANUARY 1, 2001; AND FOR
5 RELATED PURPOSES.

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

7 SECTION 1. Section 27-31-37, Mississippi Code of 1972, is
8 amended as follows:

9 27-31-37. (1) Except as otherwise provided in Section
10 27-31-38, whenever during any calendar year existing railroad
11 property subject to assessment by the State Tax Commission
12 pursuant to Section 27-35-301, Mississippi Code of 1972, is
13 acquired by a new owner that is not an affiliate of the previous
14 owner, such newly acquired railroad property shall be assessed for
15 ad valorem taxation by the state or by any county, municipality,
16 school district or other taxing district for a period of ten (10)
17 tax years following the calendar year of such acquisition by the
18 new owner, as follows:

19 (a) During the first tax year of new ownership, that
20 portion of the assessed value of such newly acquired railroad
21 property, as determined by the State Tax Commission pursuant to
22 Section 27-35-301, Mississippi Code of 1972, that exceeds the
23 assessed value of such newly acquired railroad property to the
24 former owner for the last tax year that the former owner owned
25 such property (hereinafter referred to as the "base year"), shall
26 be totally exempt from ad valorem taxation.

27 (b) During the second tax year of new ownership, that
28 portion of the assessed value of such newly acquired railroad

29 property, as determined by the State Tax Commission pursuant to
30 Section 27-35-301, Mississippi Code of 1972, that exceeds one
31 hundred ten percent (110%) of the assessed value of such newly
32 acquired railroad property to the former owner for the base year
33 shall be totally exempt from ad valorem taxation.

34 (c) During the third tax year of new ownership, that
35 portion of the assessed value of such newly acquired railroad
36 property, as determined by the State Tax Commission pursuant to
37 Section 27-35-301, Mississippi Code of 1972, that exceeds one
38 hundred twenty percent (120%) of the assessed value of such newly
39 acquired railroad property to the former owner for the base year
40 shall be totally exempt from ad valorem taxation.

41 (d) During the fourth tax year of new ownership, that
42 portion of the assessed value of such newly acquired railroad
43 property, as determined by the State Tax Commission pursuant to
44 Section 27-35-301, Mississippi Code of 1972, that exceeds one
45 hundred thirty percent (130%) of the assessed value of such newly
46 acquired railroad property to the former owner for the base year
47 shall be totally exempt from ad valorem taxation.

48 (e) During the fifth tax year of new ownership, that
49 portion of the assessed value of such newly acquired railroad
50 property, as determined by the State Tax Commission pursuant to
51 Section 27-35-301, Mississippi Code of 1972, that exceeds one
52 hundred forty percent (140%) of the assessed value of such newly
53 acquired railroad property to the former owner for the base year
54 shall be totally exempt from ad valorem taxation.

55 (f) During the sixth tax year of new ownership, that
56 portion of the assessed value of such newly acquired railroad
57 property, as determined by the State Tax Commission pursuant to
58 Section 27-35-301, Mississippi Code of 1972, that exceeds one
59 hundred fifty percent (150%) of the assessed value of such newly
60 acquired railroad property to the former owner for the base year
61 shall be totally exempt from ad valorem taxation.

62 (g) During the seventh tax year of new ownership, that
63 portion of the assessed value of such newly acquired railroad
64 property, as determined by the State Tax Commission pursuant to
65 Section 27-35-301, Mississippi Code of 1972, that exceeds one
66 hundred sixty percent (160%) of the assessed value of such newly
67 acquired railroad property to the former owner for the base year
68 shall be totally exempt from ad valorem taxation.

69 (h) During the eighth tax year of new ownership, that
70 portion of the assessed value of such newly acquired railroad
71 property, as determined by the State Tax Commission pursuant to
72 Section 27-35-301, Mississippi Code of 1972, that exceeds one
73 hundred seventy percent (170%) of the assessed value of such newly
74 acquired railroad property to the former owner for the base year
75 shall be totally exempt from ad valorem taxation.

76 (i) During the ninth tax year of new ownership, that
77 portion of the assessed value of such newly acquired railroad
78 property, as determined by the State Tax Commission pursuant to
79 Section 27-35-301, Mississippi Code of 1972, that exceeds one
80 hundred eighty percent (180%) of the assessed value of such newly
81 acquired railroad property to the former owner for the base year
82 shall be totally exempt from ad valorem taxation.

83 (j) During the tenth tax year of new ownership, that
84 portion of the assessed value of such newly acquired railroad
85 property, as determined by the State Tax Commission pursuant to
86 Section 27-35-301, Mississippi Code of 1972, that exceeds one
87 hundred ninety percent (190%) of the assessed value of such newly
88 acquired railroad property to the former owner for the base year
89 shall be totally exempt from ad valorem taxation.

90 (2) The owner of any newly acquired railroad property shall
91 claim the exemption provided by this section by notifying the
92 State Tax Commission in writing within ninety (90) days after the
93 effective day of this act or within twelve (12) months from the

94 date of acquisition of such newly acquired railroad property,
95 whichever is later.

96 (3) For the purposes of this act, the phrase "first tax year
97 of new ownership" shall be deemed to mean the 1988 tax year if the
98 actual first tax year of new ownership occurred prior to the 1988
99 tax year, and in such cases the partial exemption from ad valorem
100 taxes provided for in subsection (1) of this section shall
101 commence with the 1988 tax year. No new owner shall be entitled
102 to the exemption for any tax year with respect to which an
103 assessment has been made final without protest.

104 (4) For each tax year with respect to which a new owner is
105 entitled to a partial exemption from the assessed value of newly
106 acquired railroad property, the State Tax Commission shall exclude
107 the exempt portion of such assessment in making the assessment
108 rolls and in the apportionment of assessed value pursuant to
109 Section 27-35-309, Mississippi Code of 1972.

110 (5) The partial exemption from the assessed value of newly
111 acquired railroad property authorized by this section shall not
112 apply to railroad property sold on or after January 1, 2001.

113 SECTION 2. This act shall take effect and be in force from
114 and after its passage.