

By: Senator(s) Cuevas

To: Finance

SENATE BILL NO. 2879

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.** From and after January 1, 2003, all commodities,  
8 goods, wares and merchandise held for resale by any manufacturer,  
9 distributor or wholesale or retail merchant shall be exempt from  
10 ad valorem taxation.

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

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

21 (2) The tax credit allowed by this section shall not exceed  
22 the amounts set forth in paragraphs (a) through (d) of this  
23 subsection; may be claimed only in the year in which the ad  
24 valorem taxes are paid; and may be claimed for each location where  
25 such commodities, products, goods, wares and merchandise are found  
26 and upon which the ad valorem taxes have been paid.

27 (a) For the 1994 taxable year, the tax credit for each  
28 location of the taxpayer shall not exceed the lesser of Two



29 Thousand Dollars (\$2,000.00) or the amount of income taxes due the  
30 State of Mississippi that are attributable to such location.

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

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

39 (d) For the 1997 \* \* \* and each taxable year thereafter  
40 through the 2002 taxable year, the tax credit for each location of  
41 the taxpayer shall not exceed the lesser of Five Thousand Dollars  
42 (\$5,000.00) or the amount of income taxes due the State of  
43 Mississippi that are attributable to such location.

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

51 **SECTION 3.** This act shall take effect and be in force from  
52 and after July 1, 2003.

