

By: Representative Broomfield

To: Ways and Means

HOUSE BILL NO. 1599
(As Passed the House)

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS
2 THAT UTILIZE THE AIRPORT FACILITIES AT PUBLIC AIRPORTS EQUAL TO
3 CERTAIN CHARGES PAID BY THE TAXPAYER ON THE EXPORT OR IMPORT OF
4 CARGO; TO LIMIT THE CHARGES THAT MAY BE USED FOR THE CREDIT; TO
5 LIMIT THE MAXIMUM AMOUNT OF SUCH CREDIT; TO PROVIDE THAT A
6 TAXPAYER MUST PROVIDE CERTAIN INFORMATION TO THE STATE TAX
7 COMMISSION TO RECEIVE SUCH CREDIT; TO REQUIRE THE MISSISSIPPI
8 DEVELOPMENT AUTHORITY TO REPORT ANNUALLY REGARDING THE IMPACT OF
9 SUCH CREDIT; TO PROVIDE FOR THE JULY 1, 2007, REPEAL OF THIS ACT;
10 AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** (1) As used in this section, the term "airport"
13 means an airport established pursuant to Chapters 3 and 5, Title
14 61, Mississippi Code of 1972.

15 (2) Subject to the provisions of this section, for any
16 income taxpayer utilizing the facilities at any airport for the
17 export or import of cargo that is unloaded from a carrier at any
18 such airport, a credit against the taxes imposed pursuant to this
19 chapter shall be allowed in the amounts provided in this section.
20 In order to be eligible for the credit authorized under this
21 section, a taxpayer must locate its United States headquarters in
22 Mississippi on or after July 1, 2005, employ at least five (5) new
23 permanent full-time employees who actually work at such
24 headquarters and, after July 1, 2005, invest a minimum of Five
25 Million Dollars (\$5,000,000.00), in the aggregate, in real
26 property and/or personal property in Mississippi. For the
27 purposes of this section, "full-time employee" shall mean an
28 employee who works at least thirty-five (35) hours per week.

29 (3) Except as otherwise provided by subsection (4) of this
30 section, the amount of the credit allowed pursuant to this section

31 shall be the total of the following charges on import or export of
32 cargo paid by the corporation:

- 33 (a) Receiving into the airport;
- 34 (b) Aircraft marshalling or handling fees; and
- 35 (c) Aircraft landing fees.

36 (4) The credit provided for in this section shall not exceed
37 fifty percent (50%) of the amount of tax imposed upon the taxpayer
38 for the taxable year reduced by the sum of all other credits
39 allowable to such taxpayer under this chapter, except credit for
40 tax payments made by or on behalf of the taxpayer. Any unused
41 portion of the credit may be carried forward for the succeeding
42 five (5) years. The maximum cumulative credit that may be claimed
43 by a taxpayer under this section is limited to One Million Dollars
44 (\$1,000,000.00) if the taxpayer employs at least five (5), but not
45 more than twenty-five (25) permanent full-time employees at its
46 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)
47 if the taxpayer employs more than twenty-five (25), but not more
48 than one hundred (100) permanent full-time employees at its
49 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)
50 if the taxpayer employs more than one hundred (100), but not more
51 than two hundred (200) permanent full-time employees at its
52 headquarters in Mississippi; and Four Million Dollars
53 (\$4,000,000.00) if the taxpayer employs more than two hundred
54 (200) permanent full-time employees at its headquarters in
55 Mississippi.

56 (5) To obtain the credit provided for in this section, a
57 taxpayer must provide to the State Tax Commission a statement from
58 the governing authority of the airport certifying the amount of
59 charges paid by the taxpayer for which a credit is claimed and any
60 other information required by the State Tax Commission.

61 (6) Any taxpayer who is eligible, before July 1, 2007, for
62 the credit provided for in this section, shall remain eligible for

63 such credit after July 1, 2007, notwithstanding the repeal of this
64 section.

65 **SECTION 2.** The Mississippi Development Authority shall
66 report annually to the Legislature regarding the impact of the
67 credit granted in Section 1 of this act on shipping and economic
68 growth. Each report shall show the overall annual increase in
69 shipping at each airport for the most recent year for which data
70 is available and for each of the previous five (5) years. Each
71 report shall estimate the number of jobs created or retained at
72 each airport and in businesses related to airport activity at each
73 airport since January 1, 2006, as compared to the number of
74 similar jobs created during the ten (10) years preceding January
75 1, 2006. Each report shall state the net economic impact on the
76 state as a result of the tax credit provided for in Section 1 of
77 this act. The Mississippi Development Authority shall file a copy
78 of the report with the Governor, the Secretary of the Senate, the
79 Clerk of the House of Representatives and the Chairmen of the
80 House Ways and Means Committee and the Senate Finance Committee of
81 the Legislature on May 1 of each year. The State Tax Commission
82 and all state, regional, county and municipal airports shall
83 cooperate with the Mississippi Development Authority in providing
84 the information required in the annual reports.

85 **SECTION 3.** Sections 1 and 2 of this act shall stand repealed
86 from and after July 1, 2007.

87 **SECTION 4.** The provisions of this act shall be codified in
88 Chapter 7, Title 27, Mississippi Code of 1972.

89 **SECTION 5.** Nothing in this act shall affect or defeat any
90 claim, assessment, appeal, suit, right or cause of action for
91 taxes due or accrued under the income tax laws before the date on
92 which this act becomes effective, whether such claims,
93 assessments, appeals, suits or actions have been begun before the
94 date on which this act becomes effective or are begun thereafter;
95 and the provisions of the income tax laws are expressly continued

96 in full force, effect and operation for the purpose of the
97 assessment, collection and enrollment of liens for any taxes due
98 or accrued and the execution of any warrant under such laws before
99 the date on which this act becomes effective, and for the
100 imposition of any penalties, forfeitures or claims for failure to
101 comply with such laws.

102 **SECTION 6.** This act shall take effect and be in force from
103 and after January 1, 2005.