

By: Senator(s) Hewes

To: Finance

SENATE BILL NO. 3037

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

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

10 **SECTION 1.** (1) As used in this section, the term "airport"
11 means an airport established pursuant to Chapters 3 and 5, Title
12 21, Mississippi Code of 1972.

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

26 (3) (a) Except as otherwise provided by subsection (4) of
27 this section, the amount of the credit allowed pursuant to this
28 section shall be the total of the following charges on import of
29 cargo paid by the corporation:

30 (i) Receiving into the airport;

31 (ii) Aircraft marshalling or handling fees; and

32 (iii) Aircraft landing fees.

33 (b) The credit allowed pursuant to this section shall
34 not include charges paid by a corporation on the import of forest
35 products.

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 **SECTION 2.** The Mississippi Development Authority shall
62 report annually to the Legislature regarding the impact of the
63 credit granted in Section 1 of this act on shipping and economic

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

81 **SECTION 3.** The provisions of this act shall be codified in
82 Chapter 7, Title 27, Mississippi Code of 1972.

83 **SECTION 4.** This act shall take effect and be in force from
84 and after January 1, 2005.