

By: Representative Warren

To: Ways and Means

## HOUSE BILL NO. 744

1 AN ACT TO AMEND SECTION 27-7-22.23, MISSISSIPPI CODE OF 1972,  
2 WHICH PROVIDES FOR AN INCOME TAX CREDIT FOR PORT FACILITIES AT  
3 STATE, COUNTY AND MUNICIPAL PORTS FOR IMPORT OF CARGO, TO ADD A  
4 DATE OF REPEAL ON THAT SECTION; TO AMEND SECTION 27-7-22.24,  
5 MISSISSIPPI CODE OF 1972, WHICH REQUIRES THE MISSISSIPPI  
6 DEVELOPMENT AUTHORITY TO MAKE ANNUAL INCOME TAX CREDIT IMPACT  
7 REPORTS, TO ADD A DATE OF REPEAL ON THAT SECTION; TO REPEAL  
8 SECTION 3, CHAPTER 530, LAWS OF 2004, WHICH PROVIDES FOR THE  
9 REPEAL OF THOSE SECTIONS; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 27-7-22.23, Mississippi Code of 1972, is  
12 amended as follows:

13 27-7-22.23. (1) As used in this section, the term "port"  
14 means a state, county or municipal port or harbor established  
15 pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1  
16 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections  
17 59-11-1 through 59-11-7.

18 (2) Subject to the provisions of this section, for any  
19 income taxpayer utilizing the port facilities at any port for the  
20 import of cargo that is unloaded from a carrier calling at any  
21 such port, a credit against the taxes imposed pursuant to this  
22 chapter shall be allowed in the amounts provided in this section.  
23 In order to be eligible for the credit authorized under this  
24 section, a taxpayer must locate its United States headquarters in  
25 Mississippi on or after July 1, 2004, employ at least five (5)  
26 permanent full-time employees who actually work at such  
27 headquarters and have a minimum capital investment of Five Million  
28 Dollars (\$5,000,000.00) in Mississippi. For the purposes of this  
29 section, "full-time employee" shall mean an employee who works at  
30 least thirty-five (35) hours per week.

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

- 35                   (i) Receiving into the port;
- 36                   (ii) Handling from a vessel; and
- 37                   (iii) Wharfage.

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

41           (4) The credit provided for in this section shall not exceed  
42 fifty percent (50%) of the amount of tax imposed upon the taxpayer  
43 for the taxable year reduced by the sum of all other credits  
44 allowable to such taxpayer under this chapter, except credit for  
45 tax payments made by or on behalf of the taxpayer. Any unused  
46 portion of the credit may be carried forward for the succeeding  
47 five (5) years. The maximum cumulative credit that may be claimed  
48 by a taxpayer under this section is limited to One Million Dollars  
49 (\$1,000,000.00) if the taxpayer employs at least five (5), but not  
50 more than twenty-five (25) permanent full-time employees at its  
51 headquarters in Mississippi; Two Million Dollars (\$2,000,000.00)  
52 if the taxpayer employs more than twenty-five (25), but not more  
53 than one hundred (100) permanent full-time employees at its  
54 headquarters in Mississippi; Three Million Dollars (\$3,000,000.00)  
55 if the taxpayer employs more than one hundred (100), but not more  
56 than two hundred (200) permanent full-time employees at its  
57 headquarters in Mississippi; and Four Million Dollars  
58 (\$4,000,000.00) if the taxpayer employs more than two hundred  
59 (200) permanent full-time employees at its headquarters in  
60 Mississippi.

61           (5) To obtain the credit provided for in this section, a  
62 taxpayer must provide to the State Tax Commission a statement from  
63 the governing authority of the port certifying the amount of

charges paid by the taxpayer for which a credit is claimed and any other information required by the State Tax Commission.

(6) Any taxpayer who is eligible, before July 1, 2008, for the credit provided for in this section, shall remain eligible for such credit after July 1, 2008, notwithstanding the repeal of this section.

(7) This section shall stand repealed on July 1, 2008.

**SECTION 2.** Section 27-7-22.24, Mississippi Code of 1972, is amended as follows:

27-7-22.24. (1) The Mississippi Development Authority shall report annually to the Legislature regarding the impact of the credit granted in Section 27-7-22.23 on shipping and economic growth. Each report shall show the overall annual increase in shipping at each port for the most recent year for which data is available and for each of the previous five (5) years. Each report shall estimate the number of jobs created or retained at each port and in businesses related to port activity at each port since January 1, 2005, as compared to the number of similar jobs created during the ten (10) years preceding January 1, 2005. Each report shall state the net economic impact on the state as a result of the tax credit provided for in Section 27-7-22.23. The Mississippi Development Authority shall file a copy of the report with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee of the Legislature on May 1 of each year. The State Tax Commission and all state, county and municipal ports shall cooperate with the Mississippi Development Authority in providing the information required in the annual reports.

(2) This section shall stand repealed on July 1, 2008.

**SECTION 3.** Section 3, Chapter 530, Laws of 2004, which provides for the repeal of Sections 27-7-22.23 and 27-7-22.24, Mississippi Code of 1972, is repealed.

97           **SECTION 4.** This act shall take effect and be in force from  
98 and after July 1, 2006.