

By: Representative Compretta

To: Ways and Means

HOUSE BILL NO. 1544

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR TAXPAYERS WHO PAY
2 AD VALOREM TAXES ON CERTAIN PERSONAL PROPERTY; TO LIMIT THE AMOUNT
3 OF SUCH TAX CREDIT; TO PROVIDE THAT THE TAX CREDIT AUTHORIZED BY
4 THIS ACT MAY NOT BE CLAIMED FOR AD VALOREM TAXES PAID ON CERTAIN
5 TYPES OF PERSONAL PROPERTY; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** (1) Subject to the provisions of this section,
8 for any taxpayer who pays to a county, municipality, school
9 district, levee district or any other taxing authority of the
10 state or a political subdivision thereof, ad valorem taxes imposed
11 on personal property, a credit against the income taxes imposed
12 under this chapter shall be allowed in the amounts prescribed in
13 subsection (2) of this section.

14 (2) The credit provided for in this section shall not exceed
15 the lesser of Five Thousand Dollars (\$5,000.00) or the amount of
16 income tax imposed upon the taxpayer for the taxable year reduced
17 by the sum of all other credits allowable to such taxpayer under
18 this chapter, except credit for tax payments made by or on behalf
19 of the taxpayer. However, the credit provided for in this section
20 may not be claimed for ad valorem taxes paid: (a) on motor
21 vehicles, (b) on personal property included in Class IV property
22 as defined in Section 112, Mississippi Constitution of 1890, or
23 (c) which may be claimed as a credit under Section 27-7-22.5.

24 (3) Any amount of ad valorem taxes paid by a taxpayer that
25 is applied toward the tax credit allowed in this section may not
26 be used as a deduction by the taxpayer for state income tax
27 purposes. In the case of a taxpayer that is a partnership or S
28 corporation, the credit may be applied only to the tax

29 attributable to partnership or S corporation income derived from
30 the taxpayer.

31 **SECTION 2.** Section 1 of this act shall be codified in
32 Chapter 7, Title 27, Mississippi Code of 1972.

33 **SECTION 3.** Nothing in this act shall affect or defeat any
34 claim, assessment, appeal, suit, right or cause of action for
35 taxes due or accrued under the income tax laws before the date on
36 which this act becomes effective, whether such claims,
37 assessments, appeals, suits or actions have been begun before the
38 date on which this act becomes effective or are begun thereafter;
39 and the provisions of the income tax laws are expressly continued
40 in full force, effect and operation for the purpose of the
41 assessment, collection and enrollment of liens for any taxes due
42 or accrued and the execution of any warrant under such laws before
43 the date on which this act becomes effective, and for the
44 imposition of any penalties, forfeitures or claims for failure to
45 comply with such laws.

46 **SECTION 4.** This act shall take effect and be in force from
47 and after January 1, 2006.