

By: Representatives Formby, Broomfield,
Dedeaux, Ellington, Fredericks, Frierson,
Hamilton (109th), Janus, Palazzo, Parker,
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To: Ways and Means

HOUSE BILL NO. 1602

1 AN ACT TO PROVIDE AN ANNUAL CREDIT AGAINST STATE INCOME TAXES
2 TO CERTAIN TAXPAYERS IN THE AMOUNT OF THE INCREASED PREMIUMS PAID
3 BY SUCH TAXPAYERS ANNUALLY TO THE MISSISSIPPI WINDSTORM
4 UNDERWRITING ASSOCIATION; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) There shall be allowed as a credit against
7 the tax imposed by this chapter an amount equal to the applicable
8 percentage of the excess of the annual premiums paid for policies
9 issued or renewed on or after October 1, 2006, by or on behalf of
10 a taxpayer for "essential property insurance," as defined in
11 Section 83-34-1(a), in any "Coast area," as defined in Section
12 83-34-1(f), to the Mississippi Windstorm Underwriting Association
13 over the amount of annual premiums that would have been paid to
14 the Mississippi Windstorm Underwriting Association if such policy
15 had been issued immediately prior to October 1, 2006. The amount
16 of such increase shall be determined by the Department of
17 Insurance and the State Tax Commission and published annually.
18 The applicable percentage shall be one hundred percent (100%) for
19 2007 and 2008 if no premium was paid between October 1 and
20 December 31, 2006, and shall decrease by twenty percent (20%) for
21 each year thereafter such that no taxpayer may claim a credit for
22 more than five (5) years.

23 (2) Premiums paid after October 1, 2006, and before January
24 1, 2007, shall be claimed and allowed on the first income tax
25 return that is due on or after January 1, 2007.

26 (3) Premiums paid on or after January 1, 2007, shall be
27 claimed and allowed on the first income tax return that is due in
28 the year after the payment.

29 (4) Any tax credit claimed under this section but not used
30 in any taxable year may be carried forward for three (3)
31 consecutive years from the close of the tax year in which the
32 credit was earned. The credit that may be utilized in any one (1)
33 tax year shall be limited to an amount not greater than the total
34 state income tax liability of the taxpayer for that year reduced
35 by the sum of all other income tax credits allowable to the
36 taxpayer, except credit for tax payments made by or on behalf of
37 the taxpayer.

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

40 **SECTION 3.** This act shall take effect and be in force from
41 and after January 1, 2007.