

By: Senator(s) Ross

To: Finance

SENATE BILL NO. 2399

1 AN ACT TO REQUIRE EMPLOYERS TO WITHHOLD 5% OF THE AMOUNT PAID
 2 TO AN INDIVIDUAL IF THE COMPENSATION IS REPORTED ON FORM 1099 AND
 3 THE INDIVIDUAL HAS FAILED TO PROVIDE A TAXPAYER IDENTIFICATION
 4 NUMBER, FAILED TO PROVIDE A CORRECT TAXPAYER IDENTIFICATION NUMBER
 5 OR PROVIDED AN INTERNAL REVENUE SERVICE ISSUED TAXPAYER
 6 IDENTIFICATION NUMBER ISSUED FOR NONRESIDENT ALIENS; TO PROVIDE
 7 THAT EMPLOYER WHO FAIL TO COMPLY WITH THIS PROVISION SHALL BE
 8 LIABLE FOR THE AMOUNT REQUIRED TO BE WITHHELD; AND FOR RELATED
 9 PURPOSES.

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

11 **SECTION 1.** (1) An employer shall be required to withhold
 12 five percent (5%) of the amount of compensation paid to an
 13 individual to be credited against the tax liability of the
 14 individual if the compensation is reported on Internal Revenue
 15 Service Form 1099 and with respect to which the individual has:
 16 (a) Failed to provide a taxpayer identification number;
 17 (b) Failed to provide a correct taxpayer identification
 18 number; or
 19 (c) Provided an Internal Revenue Service issued
 20 taxpayer identification number issued for nonresident aliens.

21 (2) Any employer who fails to comply with the requirements
 22 of this section shall be liable for the amount required to be
 23 withheld unless the employer is exempt from federal withholding
 24 with respect to such individual pursuant to a properly filed
 25 Internal Revenue Service Form 8233 and has provided a copy of this
 26 form to the commissioner.

27 **SECTION 2.** Section 1 of this act shall be codified in
 28 Article 3, Chapter 7, Title 27, Mississippi Code of 1972.

29 **SECTION 3.** This act shall take effect and be in force from
 30 and after January 1, 2008.