

By: Senator(s) Ross

To: Finance

SENATE BILL NO. 2399
(As Passed the Senate)

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 OR PROVIDED AN INTERNAL REVENUE SERVICE ISSUED TAXPAYER
5 IDENTIFICATION NUMBER ISSUED FOR NONRESIDENT ALIENS; TO PROVIDE
6 THAT EMPLOYERS WHO FAIL TO COMPLY WITH THIS PROVISION SHALL BE
7 LIABLE FOR THE AMOUNT REQUIRED TO BE WITHHELD; AND FOR RELATED
8 PURPOSES.

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

10 **SECTION 1.** (1) An employer shall be required to withhold
11 five percent (5%) of the amount of compensation paid to an
12 individual to be credited against the tax liability of the
13 individual if the compensation is reported on Internal Revenue
14 Service Form 1099 and with respect to which the individual has:

15 (a) Failed to provide a taxpayer identification number;

16 (b) Provided an Internal Revenue Service issued
17 taxpayer identification number issued for nonresident aliens.

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

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

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