

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 3111

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

14 SECTION 1. (1) A taxpayer in the business of distributing
15 motor fuel shall be allowed a credit against the taxes imposed by
16 this chapter in the amount of twenty-five percent (25%) of the
17 expenses that he incurred for the cost of nonmovable equipment
18 that he purchased for the distribution of biodiesel or ethanol and
19 for the cost of installation of such equipment. The credit may
20 not be claimed until the nonmovable equipment has been utilized
21 exclusively for the distribution of biodiesel or ethanol for not
22 less than twelve (12) consecutive months. The credit may be
23 claimed for the taxable year in which the twelfth consecutive
24 month of use of the equipment for the distribution of biodiesel or
25 ethanol occurs.

26 (2) Any tax credit claimed under this section but not used
27 in any taxable year may be carried forward for five (5)
28 consecutive years from the close of the tax year in which the
29 credits were earned. The credit that may be utilized each year
30 shall be limited to an amount not greater than the total state
31 income tax liability of the taxpayer.

32 (3) As used in this section:

33 (a) "Biodiesel" means:

34 (i) A fuel composed of mono-alkyl esters of
35 long-chain fatty acids generally derived from vegetable oils,
36 animal fats or biomass designated B100, and meeting the
37 requirements of American Society of Testing Materials (ASTM)
38 designation D-6751; or

39 (ii) A fuel which meets the registration
40 requirements for fuels and fuel additives established under 40 CFR
41 part 79, is not a mono-alkyl ester, is intended for use in engines
42 that are designed to run on conventional petroleum derived diesel
43 fuel and is derived or refined in a unit that normally processes
44 gasoline or diesel from crude oil from nonpetroleum renewable
45 resources, including, but not limited to, biomass, animal wastes,
46 including poultry fats and poultry wastes, and other waste
47 materials, or municipal solid waste and sludges and oils derived
48 from wastewater and the treatment of wastewater.

49 (b) "Biomass" means:

50 (i) Any organic material grown for the purpose of
51 being converted to energy;

52 (ii) Any organic byproduct of agriculture
53 (including wastes from food production and processing) that can be
54 converted into energy; or

55 (iii) Any material that can be converted to energy
56 and is derived from:

57 1. Any of the following forest-related
58 resources: mill residues, precommercial or commercial thinnings,
59 slash, brush, or otherwise nonmerchantable or merchantable
60 material; or

61 2. Wood waste materials, including waste
62 pallets, crates, dunnage, manufacturing and construction wood
63 wastes (other than pressure-treated, chemically treated, or
64 painted wood wastes), and landscape or right-of-way tree

65 trimmings, but not including municipal solid waste, gas derived
66 from the biodegradation of municipal solid waste or paper that is
67 commonly recycled.

68 **SECTION 2.** The provisions of Section 1 of this act shall be
69 codified in Chapter 7, Title 27, Mississippi Code of 1972.

70 **SECTION 3.** This act shall take effect and be in force from
71 and after January 1, 2008, and shall stand repealed from and after
72 December 31, 2007.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR TAXPAYERS IN THE
2 BUSINESS OF DISTRIBUTING MOTOR FUEL IN THE AMOUNT OF 25% OF THE
3 COST OF NONMOVABLE EQUIPMENT FOR THE DISTRIBUTION OF BIODIESEL OR
4 ETHANOL AND THE COST OF INSTALLATION OF SUCH EQUIPMENT; TO REQUIRE
5 THAT THE CREDIT MAY NOT BE CLAIMED UNTIL THE NONMOVABLE EQUIPMENT
6 HAS BEEN UTILIZED EXCLUSIVELY FOR THE DISTRIBUTION OF BIODIESEL OR
7 ETHANOL FOR NOT LESS THAN 12 CONSECUTIVE MONTHS; TO PROVIDE THAT
8 ANY TAX CREDIT CLAIMED UNDER THIS ACT BUT NOT USED MAY BE CARRIED
9 FORWARD FOR FIVE CONSECUTIVE TAXABLE YEARS; TO PROVIDE THAT THE
10 CREDIT UTILIZED IN ANY YEAR SHALL BE LIMITED TO AN AMOUNT NOT
11 GREATER THAN THE TOTAL STATE INCOME TAX LIABILITY OF THE TAXPAYER;
12 AND FOR RELATED PURPOSES.