

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 509

1 AN ACT TO AMEND SECTION 71-5-506, MISSISSIPPI CODE OF 1972,  
2 TO ALLOW WITHHOLDING FROM UNEMPLOYMENT COMPENSATION FOR STATE  
3 INCOME TAXES; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 71-5-506, Mississippi Code of 1972, is  
6 amended as follows:

7 71-5-506. (1) An individual filing a new claim for  
8 unemployment compensation shall, at the time of filing such claim,  
9 be advised that:

10 (a) Unemployment compensation is subject to federal,  
11 state and local income tax;

12 (b) Requirements exist pertaining to estimated tax  
13 payments;

14 (c) The individual may elect to have federal and state  
15 income tax deducted and withheld from the individual's payment of  
16 unemployment compensation at the amount specified in the Federal  
17 Internal Revenue Code and Chapter 7, Title 27, Mississippi Code of  
18 1972;



19 (d) The individual shall be permitted to change a  
20 previously elected withholding status.

21 (2) Amounts deducted and withheld from unemployment  
22 compensation shall remain in the unemployment fund until  
23 transferred to the federal or state taxing authority as a payment  
24 of income tax.

25 (3) The commission shall follow all procedures specified by  
26 the United States Department of Labor \* \* \*, the Federal Internal  
27 Revenue Service and the Mississippi Department of Revenue  
28 pertaining to the deducting and withholding of income tax.

29 (4) Amounts shall be deducted and withheld in accordance  
30 with the priorities established in regulations developed by the  
31 commission.

32 **SECTION 2.** This act shall take effect and be in force from  
33 and after July 1, 2021.

