

## Senate Amendments to House Bill No. 531

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

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

40           **SECTION 1.** This act shall be known and may be cited as the  
41 Tax Relief Act of 2022.

42           **SECTION 2.** Section 27-7-5, Mississippi Code of 1972, is  
43 amended as follows:

44           27-7-5. (1) There is hereby assessed and levied, to be  
45 collected and paid as hereinafter provided, for the calendar year  
46 1983 and fiscal years ending during the calendar year 1983 and all  
47 taxable years thereafter, upon the entire net income of every  
48 resident individual, corporation, association, trust or estate, in  
49 excess of the credits provided, a tax at the following rates:

50                   (a) (i) Through calendar year 2017, on the first Five  
51 Thousand Dollars (\$5,000.00) of taxable income, or any part  
52 thereof, the rate shall be three percent (3%);

53                   (ii) For calendar year 2018, on the first One  
54 Thousand Dollars (\$1,000.00) of taxable income there shall be no  
55 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of

56 taxable income, or any part thereof, the rate shall be three  
57 percent (3%);

58 (iii) For calendar year 2019, on the first Two  
59 Thousand Dollars (\$2,000.00) of taxable income there shall be no  
60 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of  
61 taxable income, or any part thereof, the rate shall be three  
62 percent (3%);

63 (iv) For calendar year 2020, on the first Three  
64 Thousand Dollars (\$3,000.00) of taxable income there shall be no  
65 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of  
66 taxable income, or any part thereof, the rate shall be three  
67 percent (3%);

68 (v) For calendar year 2021, on the first Four  
69 Thousand Dollars (\$4,000.00) of taxable income there shall be no  
70 tax levied, and on the next One Thousand Dollars (\$1,000.00) of  
71 taxable income, or any part thereof, the rate shall be three  
72 percent (3%);

73 (vi) For calendar year 2022 and all taxable years  
74 thereafter, there shall be no tax levied on the first Five  
75 Thousand Dollars (\$5,000.00) of taxable income;

76 (b) On taxable income in excess of Five Thousand  
77 Dollars (\$5,000.00) up to and including Ten Thousand Dollars  
78 (\$10,000.00), or any part thereof, the rate shall be:

79 (i) Through calendar year 2026, four percent (4%);

80 (ii) For calendar year 2027, three percent (3%);

81 (iii) For calendar year 2028, two percent (2%);

82 (iv) For calendar year 2029, one percent (1%);

83 (v) For calendar year 2030 and all taxable years  
84 thereafter, there shall be no tax levied on taxable income in  
85 excess of Five Thousand Dollars (\$5,000.00) up to and including  
86 Ten Thousand Dollars (\$10,000.00), or any part thereof; and

87 (c) On all taxable income in excess of Ten Thousand  
88 Dollars (\$10,000.00), the rate shall be:

89 (i) Through calendar year 2022, five percent  
90 (5%) \* \* \*;

91 (ii) For calendar year 2023, four and nine-tenths  
92 percent (4.9%);

93 (iii) For calendar year 2024, four and  
94 eight-tenths percent (4.8%);

95 (iv) For calendar year 2025, four and seven-tenths  
96 percent (4.7%);

97 (v) For calendar year 2026 and all taxable years  
98 thereafter, four and six-tenths percent (4.6%).

99 (2) An S corporation, as defined in Section 27-8-3(1)(g),  
100 shall not be subject to the income tax imposed under this section.

101 (3) A like tax is hereby imposed to be assessed, collected  
102 and paid annually, except as hereinafter provided, at the rate  
103 specified in this section and as hereinafter provided, upon and  
104 with respect to the entire net income, from all property owned or  
105 sold, and from every business, trade or occupation carried on in  
106 this state by individuals, corporations, partnerships, trusts or  
107 estates, not residents of the State of Mississippi.

108           (4) In the case of taxpayers having a fiscal year beginning  
109 in a calendar year with a rate in effect that is different than  
110 the rate in effect for the next calendar year and ending in the  
111 next calendar year, the tax due for that taxable year shall be  
112 determined by:

113                 (a) Computing for the full fiscal year the amount of  
114 tax that would be due under the rates in effect for the calendar  
115 year in which the fiscal year begins; and

116                 (b) Computing for the full fiscal year the amount of  
117 tax that would be due under the rates in effect for the calendar  
118 year in which the fiscal year ends; and

119                 (c) Applying to the tax computed under paragraph (a)  
120 the ratio which the number of months falling within the earlier  
121 calendar year bears to the total number of months in the fiscal  
122 year; and

123                 (d) Applying to the tax computed under paragraph (b)  
124 the ratio which the number of months falling within the later  
125 calendar year bears to the total number of months within the  
126 fiscal year; and

127                 (e) Adding to the tax determined under paragraph (c)  
128 the tax determined under paragraph (d) the sum of which shall be  
129 the amount of tax due for the fiscal year.

130           **SECTION 3.** Section 27-65-17, Mississippi Code of 1972, is  
131 amended as follows:

132           27-65-17. (1) (a) Except as otherwise provided in this  
133 section, upon every person engaging or continuing within this

134 state in the business of selling any tangible personal property  
135 whatsoever there is hereby levied, assessed and shall be collected  
136 a tax equal to seven percent (7%) of the gross proceeds of the  
137 retail sales of the business.

138 (b) Retail sales of farm tractors and parts and labor  
139 used to maintain and/or repair such tractors shall be taxed at the  
140 rate of one and one-half percent (1-1/2%) when made to farmers for  
141 agricultural purposes.

142 (c) (i) Retail sales of farm implements sold to  
143 farmers and used directly in the production of poultry, ratite,  
144 domesticated fish as defined in Section 69-7-501, livestock,  
145 livestock products, agricultural crops or ornamental plant crops  
146 or used for other agricultural purposes, and parts and labor used  
147 to maintain and/or repair such implements, shall be taxed at the  
148 rate of one and one-half percent (1-1/2%) when used on the farm.

149 (ii) The one and one-half percent (1-1/2%) rate  
150 shall also apply to all equipment used in logging, pulpwood  
151 operations or tree farming, and parts and labor used to maintain  
152 and/or repair such equipment, which is either:

- 153 1. Self-propelled, or
- 154 2. Mounted so that it is permanently attached  
155 to other equipment which is self-propelled or attached to other  
156 equipment drawn by a vehicle which is self-propelled.

157 In order to be eligible for the rate of tax provided for in  
158 this subparagraph (ii), such sales must be made to a professional  
159 logger. For the purposes of this subparagraph (ii), a

160 "professional logger" is a person, corporation, limited liability  
161 company or other entity, or an agent thereof, who possesses a  
162 professional logger's permit issued by the Department of Revenue  
163 and who presents the permit to the seller at the time of purchase.  
164 The department shall establish an application process for a  
165 professional logger's permit to be issued, which shall include a  
166 requirement that the applicant submit a copy of documentation  
167 verifying that the applicant is certified according to Sustainable  
168 Forestry Initiative guidelines. Upon a determination that an  
169 applicant is a professional logger, the department shall issue the  
170 applicant a numbered professional logger's permit.

171 (d) Except as otherwise provided in subsection (3) of  
172 this section, retail sales of aircraft, automobiles, trucks,  
173 truck-tractors, semitrailers and manufactured or mobile homes  
174 shall be taxed at the rate of three percent (3%).

175 (e) Sales of manufacturing machinery or manufacturing  
176 machine parts when made to a manufacturer or custom processor for  
177 plant use only when the machinery and machine parts will be used  
178 exclusively and directly within this state in manufacturing a  
179 commodity for sale, rental or in processing for a fee shall be  
180 taxed at the rate of one and one-half percent (1-1/2%).

181 (f) Sales of machinery and machine parts when made to a  
182 technology intensive enterprise for plant use only when the  
183 machinery and machine parts will be used exclusively and directly  
184 within this state for industrial purposes, including, but not  
185 limited to, manufacturing or research and development activities,

186 shall be taxed at the rate of one and one-half percent (1-1/2%).  
187 In order to be considered a technology intensive enterprise for  
188 purposes of this paragraph:

189 (i) The enterprise shall meet minimum criteria  
190 established by the Mississippi Development Authority;

191 (ii) The enterprise shall employ at least ten (10)  
192 persons in full-time jobs;

193 (iii) At least ten percent (10%) of the workforce  
194 in the facility operated by the enterprise shall be scientists,  
195 engineers or computer specialists;

196 (iv) The enterprise shall manufacture plastics,  
197 chemicals, automobiles, aircraft, computers or electronics; or  
198 shall be a research and development facility, a computer design or  
199 related facility, or a software publishing facility or other  
200 technology intensive facility or enterprise as determined by the  
201 Mississippi Development Authority;

202 (v) The average wage of all workers employed by  
203 the enterprise at the facility shall be at least one hundred fifty  
204 percent (150%) of the state average annual wage; and

205 (vi) The enterprise must provide a basic health  
206 care plan to all employees at the facility.

207 (g) Sales of materials for use in track and track  
208 structures to a railroad whose rates are fixed by the Interstate  
209 Commerce Commission or the Mississippi Public Service Commission  
210 shall be taxed at the rate of three percent (3%).

211           (h) Sales of tangible personal property to electric  
212 power associations for use in the ordinary and necessary operation  
213 of their generating or distribution systems shall be taxed at the  
214 rate of one percent (1%).

215           (i) Wholesale sales of beer shall be taxed at the rate  
216 of seven percent (7%), and the retailer shall file a return and  
217 compute the retail tax on retail sales but may take credit for the  
218 amount of the tax paid to the wholesaler on said return covering  
219 the subsequent sales of same property, provided adequate invoices  
220 and records are maintained to substantiate the credit.

221           (j) Wholesale sales of food and drink for human  
222 consumption to full-service vending machine operators to be sold  
223 through vending machines located apart from and not connected with  
224 other taxable businesses shall be taxed at the rate of eight  
225 percent (8%).

226           (k) Sales of equipment used or designed for the purpose  
227 of assisting disabled persons, such as wheelchair equipment and  
228 lifts, that is mounted or attached to or installed on a private  
229 carrier of passengers or light carrier of property, as defined in  
230 Section 27-51-101, at the time when the private carrier of  
231 passengers or light carrier of property is sold shall be taxed at  
232 the same rate as the sale of such vehicles under this section.

233           (l) Sales of the factory-built components of modular  
234 homes, panelized homes and precut homes, and panel constructed  
235 homes consisting of structural insulated panels, shall be taxed at  
236 the rate of three percent (3%).



237 (m) Sales of materials used in the repair, renovation,  
238 addition to, expansion and/or improvement of buildings and related  
239 facilities used by a dairy producer shall be taxed at the rate of  
240 three and one-half percent (3-1/2%). For the purposes of this  
241 paragraph (m), "dairy producer" means any person engaged in the  
242 production of milk for commercial use.

243 (n) Retail sales of food or drink for human consumption  
244 eligible for purchase with food stamps issued by the United States  
245 Department of Agriculture or other federal agency shall be taxed  
246 at the rate of five percent (5%). This paragraph shall not affect  
247 the sales tax exemption provided in Section 27-65-111(o).

248 (2) From and after January 1, 1995, retail sales of private  
249 carriers of passengers and light carriers of property, as defined  
250 in Section 27-51-101, shall be taxed an additional two percent  
251 (2%).

252 (3) A manufacturer selling at retail in this state shall be  
253 required to make returns of the gross proceeds of such sales and  
254 pay the tax imposed in this section.

255 **SECTION 4.** Section 27-65-75, Mississippi Code of 1972, is  
256 amended as follows:

257 27-65-75. On or before the fifteenth day of each month, the  
258 revenue collected under the provisions of this chapter during the  
259 preceding month shall be paid and distributed as follows:

260 (1) (a) On or before August 15, 1992, and each succeeding  
261 month thereafter through July 15, 1993, eighteen percent (18%) of  
262 the total sales tax revenue collected during the preceding month

263 under the provisions of this chapter, except that collected under  
264 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on  
265 business activities within a municipal corporation shall be  
266 allocated for distribution to the municipality and paid to the  
267 municipal corporation. Except as otherwise provided in this  
268 paragraph (a), on or before August 15, 1993, and each succeeding  
269 month thereafter through August 15, 2022, eighteen and one-half  
270 percent (18-1/2%) of the total sales tax revenue collected during  
271 the preceding month under the provisions of this chapter, except  
272 that collected under the provisions of Sections 27-65-15,  
273 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
274 a municipal corporation shall be allocated for distribution to the  
275 municipality and paid to the municipal corporation. On or before  
276 September 15, 2022, and each succeeding month thereafter, eighteen  
277 and one-half percent (18-1/2%) of the total sales tax revenue  
278 collected during the preceding month under the provisions of this  
279 chapter, except that collected under the provisions of Sections  
280 27-65-15, 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on  
281 business activities within a municipal corporation shall be  
282 allocated for distribution to the municipality and paid to the  
283 municipal corporation, and twenty-five and ninety one-hundredths  
284 percent (25-90/100%) of the total sales tax revenue collected  
285 during the preceding month under the provisions of Section  
286 27-65-17(1) (n) on business activities within a municipal  
287 corporation shall be allocated for distribution to the  
288 municipality and paid to the municipal corporation. However, in

289 the event the State Auditor issues a certificate of noncompliance  
290 pursuant to Section 21-35-31, the Department of Revenue shall  
291 withhold ten percent (10%) of the allocations and payments to the  
292 municipality that would otherwise be payable to the municipality  
293 under this paragraph (a) until such time that the department  
294 receives written notice of the cancellation of a certificate of  
295 noncompliance from the State Auditor.

296 A municipal corporation, for the purpose of distributing the  
297 tax under this subsection, shall mean and include all incorporated  
298 cities, towns and villages.

299 Monies allocated for distribution and credited to a municipal  
300 corporation under this paragraph may be pledged as security for a  
301 loan if the distribution received by the municipal corporation is  
302 otherwise authorized or required by law to be pledged as security  
303 for such a loan.

304 In any county having a county seat that is not an  
305 incorporated municipality, the distribution provided under this  
306 subsection shall be made as though the county seat was an  
307 incorporated municipality; however, the distribution to the  
308 municipality shall be paid to the county treasury in which the  
309 municipality is located, and those funds shall be used for road,  
310 bridge and street construction or maintenance in the county.

311 (b) On or before August 15, 2006, and each succeeding  
312 month thereafter through August 15, 2022, eighteen and one-half  
313 percent (18-1/2%) of the total sales tax revenue collected during  
314 the preceding month under the provisions of this chapter, except

315 that collected under the provisions of Sections 27-65-15,  
316 27-65-19(3) and 27-65-21, on business activities on the campus of  
317 a state institution of higher learning or community or junior  
318 college whose campus is not located within the corporate limits of  
319 a municipality, shall be allocated for distribution to the state  
320 institution of higher learning or community or junior college and  
321 paid to the state institution of higher learning or community or  
322 junior college. On or before September 15, 2022, and each  
323 succeeding month thereafter, eighteen and one-half percent  
324 (18-1/2%) of the total sales tax revenue collected during the  
325 preceding month under the provisions of this chapter, except that  
326 collected under the provisions of Sections 27-65-15,  
327 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities  
328 on the campus of a state institution of higher learning or  
329 community or junior college whose campus is not located within the  
330 corporate limits of a municipality, shall be allocated for  
331 distribution to the state institution of higher learning or  
332 community or junior college and paid to the state institution of  
333 higher learning or community or junior college, and twenty-five  
334 and ninety one-hundredths percent (25-90/100%) of the total sales  
335 tax revenue collected during the preceding month under the  
336 provisions of Section 27-65-17(1) (n) on business activities on the  
337 campus of a state institution of higher learning or community or  
338 junior college whose campus is not located within the corporate  
339 limits of a municipality, shall be allocated for distribution to  
340 the state institution of higher learning or community or junior

341 college and paid to the state institution of higher learning or  
342 community or junior college.

343 (c) On or before August 15, 2018, and each succeeding  
344 month thereafter until August 14, 2019, two percent (2%) of the  
345 total sales tax revenue collected during the preceding month under  
346 the provisions of this chapter, except that collected under the  
347 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and  
348 27-65-24, on business activities within the corporate limits of  
349 the City of Jackson, Mississippi, shall be deposited into the  
350 Capitol Complex Improvement District Project Fund created in  
351 Section 29-5-215. On or before August 15, 2019, and each  
352 succeeding month thereafter until August 14, 2020, four percent  
353 (4%) of the total sales tax revenue collected during the preceding  
354 month under the provisions of this chapter, except that collected  
355 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
356 and 27-65-24, on business activities within the corporate limits  
357 of the City of Jackson, Mississippi, shall be deposited into the  
358 Capitol Complex Improvement District Project Fund created in  
359 Section 29-5-215. On or before August 15, 2020, and each  
360 succeeding month thereafter through August 15, 2022, six percent  
361 (6%) of the total sales tax revenue collected during the preceding  
362 month under the provisions of this chapter, except that collected  
363 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21  
364 and 27-65-24, on business activities within the corporate limits  
365 of the City of Jackson, Mississippi, shall be deposited into the  
366 Capitol Complex Improvement District Project Fund created in

367 Section 29-5-215. On or before September 15, 2022, and each  
368 succeeding month thereafter, six and twenty-two one-hundredths  
369 percent (6-22/100%) of the total sales tax revenue collected  
370 during the preceding month under the provisions of this chapter,  
371 except that collected under the provisions of Sections 27-65-15,  
372 27-65-19(3), 27-65-21 and 27-65-24, on business activities within  
373 the corporate limits of the City of Jackson, Mississippi, shall be  
374 deposited into the Capitol Complex Improvement District Project  
375 Fund created in Section 29-5-215.

376 (d) (i) On or before the fifteenth day of the month  
377 that the diversion authorized by this section begins, and each  
378 succeeding month thereafter, eighteen and one-half percent  
379 (18-1/2%) of the total sales tax revenue collected during the  
380 preceding month under the provisions of this chapter, except that  
381 collected under the provisions of Sections 27-65-15, 27-65-19(3)  
382 and 27-65-21, on business activities within a redevelopment  
383 project area developed under a redevelopment plan adopted under  
384 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be  
385 allocated for distribution to the county in which the project area  
386 is located if:

- 387 1. The county:
- 388 a. Borders on the Mississippi Sound and  
389 the State of Alabama, or
- 390 b. Is Harrison County, Mississippi, and  
391 the project area is within a radius of two (2) miles from the  
392 intersection of Interstate 10 and Menge Avenue;

393                   2. The county has issued bonds under Section  
394 21-45-9 to finance all or a portion of a redevelopment project in  
395 the redevelopment project area;

396                   3. Any debt service for the indebtedness  
397 incurred is outstanding; and

398                   4. A development with a value of Ten Million  
399 Dollars (\$10,000,000.00) or more is, or will be, located in the  
400 redevelopment area.

401                   (ii) Before any sales tax revenue may be allocated  
402 for distribution to a county under this paragraph, the county  
403 shall certify to the Department of Revenue that the requirements  
404 of this paragraph have been met, the amount of bonded indebtedness  
405 that has been incurred by the county for the redevelopment project  
406 and the expected date the indebtedness incurred by the county will  
407 be satisfied.

408                   (iii) The diversion of sales tax revenue  
409 authorized by this paragraph shall begin the month following the  
410 month in which the Department of Revenue determines that the  
411 requirements of this paragraph have been met. The diversion shall  
412 end the month the indebtedness incurred by the county is  
413 satisfied. All revenue received by the county under this  
414 paragraph shall be deposited in the fund required to be created in  
415 the tax increment financing plan under Section 21-45-11 and be  
416 utilized solely to satisfy the indebtedness incurred by the  
417 county.

418           (2) On or before September 15, 1987, and each succeeding  
419 month thereafter, from the revenue collected under this chapter  
420 during the preceding month, One Million One Hundred Twenty-five  
421 Thousand Dollars (\$1,125,000.00) shall be allocated for  
422 distribution to municipal corporations as defined under subsection  
423 (1) of this section in the proportion that the number of gallons  
424 of gasoline and diesel fuel sold by distributors to consumers and  
425 retailers in each such municipality during the preceding fiscal  
426 year bears to the total gallons of gasoline and diesel fuel sold  
427 by distributors to consumers and retailers in municipalities  
428 statewide during the preceding fiscal year. The Department of  
429 Revenue shall require all distributors of gasoline and diesel fuel  
430 to report to the department monthly the total number of gallons of  
431 gasoline and diesel fuel sold by them to consumers and retailers  
432 in each municipality during the preceding month. The Department  
433 of Revenue shall have the authority to promulgate such rules and  
434 regulations as is necessary to determine the number of gallons of  
435 gasoline and diesel fuel sold by distributors to consumers and  
436 retailers in each municipality. In determining the percentage  
437 allocation of funds under this subsection for the fiscal year  
438 beginning July 1, 1987, and ending June 30, 1988, the Department  
439 of Revenue may consider gallons of gasoline and diesel fuel sold  
440 for a period of less than one (1) fiscal year. For the purposes  
441 of this subsection, the term "fiscal year" means the fiscal year  
442 beginning July 1 of a year.



443 (3) On or before September 15, 1987, and on or before the  
444 fifteenth day of each succeeding month, until the date specified  
445 in Section 65-39-35, the proceeds derived from contractors' taxes  
446 levied under Section 27-65-21 on contracts for the construction or  
447 reconstruction of highways designated under the highway program  
448 created under Section 65-3-97 shall, except as otherwise provided  
449 in Section 31-17-127, be deposited into the State Treasury to the  
450 credit of the State Highway Fund to be used to fund that highway  
451 program. The Mississippi Department of Transportation shall  
452 provide to the Department of Revenue such information as is  
453 necessary to determine the amount of proceeds to be distributed  
454 under this subsection.

455 (4) On or before August 15, 1994, and on or before the  
456 fifteenth day of each succeeding month through July 15, 1999, from  
457 the proceeds of gasoline, diesel fuel or kerosene taxes as  
458 provided in Section 27-5-101(a)(ii)1, Four Million Dollars  
459 (\$4,000,000.00) shall be deposited in the State Treasury to the  
460 credit of a special fund designated as the "State Aid Road Fund,"  
461 created by Section 65-9-17. On or before August 15, 1999, and on  
462 or before the fifteenth day of each succeeding month, from the  
463 total amount of the proceeds of gasoline, diesel fuel or kerosene  
464 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million  
465 Dollars (\$4,000,000.00) or an amount equal to twenty-three and  
466 one-fourth percent (23-1/4%) of those funds, whichever is the  
467 greater amount, shall be deposited in the State Treasury to the  
468 credit of the "State Aid Road Fund," created by Section 65-9-17.

469 Those funds shall be pledged to pay the principal of and interest  
470 on state aid road bonds heretofore issued under Sections 19-9-51  
471 through 19-9-77, in lieu of and in substitution for the funds  
472 previously allocated to counties under this section. Those funds  
473 may not be pledged for the payment of any state aid road bonds  
474 issued after April 1, 1981; however, this prohibition against the  
475 pledging of any such funds for the payment of bonds shall not  
476 apply to any bonds for which intent to issue those bonds has been  
477 published for the first time, as provided by law before March 29,  
478 1981. From the amount of taxes paid into the special fund under  
479 this subsection and subsection (9) of this section, there shall be  
480 first deducted and paid the amount necessary to pay the expenses  
481 of the Office of State Aid Road Construction, as authorized by the  
482 Legislature for all other general and special fund agencies. The  
483 remainder of the fund shall be allocated monthly to the several  
484 counties in accordance with the following formula:

485           (a) One-third (1/3) shall be allocated to all counties  
486 in equal shares;

487           (b) One-third (1/3) shall be allocated to counties  
488 based on the proportion that the total number of rural road miles  
489 in a county bears to the total number of rural road miles in all  
490 counties of the state; and

491           (c) One-third (1/3) shall be allocated to counties  
492 based on the proportion that the rural population of the county  
493 bears to the total rural population in all counties of the state,  
494 according to the latest federal decennial census.

495 For the purposes of this subsection, the term "gasoline,  
496 diesel fuel or kerosene taxes" means such taxes as defined in  
497 paragraph (f) of Section 27-5-101.

498 The amount of funds allocated to any county under this  
499 subsection for any fiscal year after fiscal year 1994 shall not be  
500 less than the amount allocated to the county for fiscal year 1994.

501 Any reference in the general laws of this state or the  
502 Mississippi Code of 1972 to Section 27-5-105 shall mean and be  
503 construed to refer and apply to subsection (4) of Section  
504 27-65-75.

505 (5) One Million Six Hundred Sixty-six Thousand Six Hundred  
506 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into  
507 the special fund known as the "State Public School Building Fund"  
508 created and existing under the provisions of Sections 37-47-1  
509 through 37-47-67. Those payments into that fund are to be made on  
510 the last day of each succeeding month hereafter.

511 (6) An amount each month beginning August 15, 1983, through  
512 November 15, 1986, as specified in Section 6, Chapter 542, Laws of  
513 1983, shall be paid into the special fund known as the  
514 Correctional Facilities Construction Fund created in Section 6,  
515 Chapter 542, Laws of 1983.

516 (7) On or before August 15, 1992, and each succeeding month  
517 thereafter through July 15, 2000, two and two hundred sixty-six  
518 one-thousandths percent (2.266%) of the total sales tax revenue  
519 collected during the preceding month under the provisions of this  
520 chapter, except that collected under the provisions of Section

521 27-65-17(2), shall be deposited by the department into the School  
522 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On  
523 or before August 15, 2000, and each succeeding month thereafter  
524 through August 15, 2022, two and two hundred sixty-six  
525 one-thousandths percent (2.266%) of the total sales tax revenue  
526 collected during the preceding month under the provisions of this  
527 chapter, except that collected under the provisions of Section  
528 27-65-17(2), shall be deposited into the School Ad Valorem Tax  
529 Reduction Fund created under Section 37-61-35 until such time that  
530 the total amount deposited into the fund during a fiscal year  
531 equals Forty-two Million Dollars (\$42,000,000.00). Thereafter,  
532 the amounts diverted under this subsection (7) during the fiscal  
533 year in excess of Forty-two Million Dollars (\$42,000,000.00) shall  
534 be deposited into the Education Enhancement Fund created under  
535 Section 37-61-33 for appropriation by the Legislature as other  
536 education needs and shall not be subject to the percentage  
537 appropriation requirements set forth in Section 37-61-33. On or  
538 before September 15, 2022, and each succeeding month thereafter,  
539 two and two hundred sixty-six one-thousandths percent (2.266%) of  
540 the total sales tax revenue collected during the preceding month  
541 under the provisions of this chapter, except that collected under  
542 the provisions of Section 27-65-17(1)(n) and (2), and three and  
543 seventeen one-hundredths percent (3.17%) of the total sales tax  
544 revenue collected during the preceding month under the provisions  
545 of Section 27-65-17(1)(n) shall be deposited into the School Ad  
546 Valorem Tax Reduction Fund created under Section 37-61-35 until

547 such time that the total amount deposited into the fund during a  
548 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).  
549 Thereafter, the amounts diverted under this subsection (7) during  
550 the fiscal year in excess of Forty-two Million Dollars  
551 (\$42,000,000.00) shall be deposited into the Education Enhancement  
552 Fund created under Section 37-61-33 for appropriation by the  
553 Legislature as other education needs and shall not be subject to  
554 the percentage appropriation requirements set forth in Section  
555 37-61-33.

556 (8) On or before August 15, 1992, and each succeeding month  
557 thereafter through August 15, 2022, nine and seventy-three  
558 one-thousandths percent (9.073%) of the total sales tax revenue  
559 collected during the preceding month under the provisions of this  
560 chapter, except that collected under the provisions of Section  
561 27-65-17(2), shall be deposited into the Education Enhancement  
562 Fund created under Section 37-61-33. On or before September 15,  
563 2022, and each succeeding month thereafter, nine and seventy-three  
564 one-thousandths percent (9.073%) of the total sales tax revenue  
565 collected during the preceding month under the provisions of this  
566 chapter, except that collected under the provisions of Section  
567 27-65-17(1) (n) and (2), shall be deposited into the Education  
568 Enhancement Fund created under Section 37-61-33, and twelve and  
569 seventy one-hundredths percent (12.70%) of the total sales tax  
570 revenue collected during the preceding month under the provisions  
571 of Section 27-65-17(1) (n) shall be deposited into the Education  
572 Enhancement Fund created under Section 37-61-33.

573           (9) On or before August 15, 1994, and each succeeding month  
574 thereafter, from the revenue collected under this chapter during  
575 the preceding month, Two Hundred Fifty Thousand Dollars  
576 (\$250,000.00) shall be paid into the State Aid Road Fund.

577           (10) On or before August 15, 1994, and each succeeding month  
578 thereafter through August 15, 1995, from the revenue collected  
579 under this chapter during the preceding month, Two Million Dollars  
580 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad  
581 Valorem Tax Reduction Fund established in Section 27-51-105.

582           (11) Notwithstanding any other provision of this section to  
583 the contrary, on or before February 15, 1995, and each succeeding  
584 month thereafter, the sales tax revenue collected during the  
585 preceding month under the provisions of Section 27-65-17(2) and  
586 the corresponding levy in Section 27-65-23 on the rental or lease  
587 of private carriers of passengers and light carriers of property  
588 as defined in Section 27-51-101 shall be deposited, without  
589 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund  
590 established in Section 27-51-105.

591           (12) Notwithstanding any other provision of this section to  
592 the contrary, on or before August 15, 1995, and each succeeding  
593 month thereafter, the sales tax revenue collected during the  
594 preceding month under the provisions of Section 27-65-17(1) on  
595 retail sales of private carriers of passengers and light carriers  
596 of property, as defined in Section 27-51-101 and the corresponding  
597 levy in Section 27-65-23 on the rental or lease of these vehicles,

598 shall be deposited, after diversion, into the Motor Vehicle Ad  
599 Valorem Tax Reduction Fund established in Section 27-51-105.

600 (13) On or before July 15, 1994, and on or before the  
601 fifteenth day of each succeeding month thereafter, that portion of  
602 the avails of the tax imposed in Section 27-65-22 that is derived  
603 from activities held on the Mississippi State Fairgrounds Complex  
604 shall be paid into a special fund that is created in the State  
605 Treasury and shall be expended upon legislative appropriation  
606 solely to defray the costs of repairs and renovation at the Trade  
607 Mart and Coliseum.

608 (14) On or before August 15, 1998, and each succeeding month  
609 thereafter through July 15, 2005, that portion of the avails of  
610 the tax imposed in Section 27-65-23 that is derived from sales by  
611 cotton compresses or cotton warehouses and that would otherwise be  
612 paid into the General Fund shall be deposited in an amount not to  
613 exceed Two Million Dollars (\$2,000,000.00) into the special fund  
614 created under Section 69-37-39. On or before August 15, 2007, and  
615 each succeeding month thereafter through July 15, 2010, that  
616 portion of the avails of the tax imposed in Section 27-65-23 that  
617 is derived from sales by cotton compresses or cotton warehouses  
618 and that would otherwise be paid into the General Fund shall be  
619 deposited in an amount not to exceed Two Million Dollars  
620 (\$2,000,000.00) into the special fund created under Section  
621 69-37-39 until all debts or other obligations incurred by the  
622 Certified Cotton Growers Organization under the Mississippi Boll  
623 Weevil Management Act before January 1, 2007, are satisfied in

624 full. On or before August 15, 2010, and each succeeding month  
625 thereafter through July 15, 2011, fifty percent (50%) of that  
626 portion of the avails of the tax imposed in Section 27-65-23 that  
627 is derived from sales by cotton compresses or cotton warehouses  
628 and that would otherwise be paid into the General Fund shall be  
629 deposited into the special fund created under Section 69-37-39  
630 until such time that the total amount deposited into the fund  
631 during a fiscal year equals One Million Dollars (\$1,000,000.00).  
632 On or before August 15, 2011, and each succeeding month  
633 thereafter, that portion of the avails of the tax imposed in  
634 Section 27-65-23 that is derived from sales by cotton compresses  
635 or cotton warehouses and that would otherwise be paid into the  
636 General Fund shall be deposited into the special fund created  
637 under Section 69-37-39 until such time that the total amount  
638 deposited into the fund during a fiscal year equals One Million  
639 Dollars (\$1,000,000.00).

640 (15) Notwithstanding any other provision of this section to  
641 the contrary, on or before September 15, 2000, and each succeeding  
642 month thereafter, the sales tax revenue collected during the  
643 preceding month under the provisions of Section  
644 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,  
645 without diversion, into the Telecommunications Ad Valorem Tax  
646 Reduction Fund established in Section 27-38-7.

647 (16) (a) On or before August 15, 2000, and each succeeding  
648 month thereafter, the sales tax revenue collected during the  
649 preceding month under the provisions of this chapter on the gross



650 proceeds of sales of a project as defined in Section 57-30-1 shall  
651 be deposited, after all diversions except the diversion provided  
652 for in subsection (1) of this section, into the Sales Tax  
653 Incentive Fund created in Section 57-30-3.

654 (b) On or before August 15, 2007, and each succeeding  
655 month thereafter, eighty percent (80%) of the sales tax revenue  
656 collected during the preceding month under the provisions of this  
657 chapter from the operation of a tourism project under the  
658 provisions of Sections 57-26-1 through 57-26-5, shall be  
659 deposited, after the diversions required in subsections (7) and  
660 (8) of this section, into the Tourism Project Sales Tax Incentive  
661 Fund created in Section 57-26-3.

662 (17) Notwithstanding any other provision of this section to  
663 the contrary, on or before April 15, 2002, and each succeeding  
664 month thereafter, the sales tax revenue collected during the  
665 preceding month under Section 27-65-23 on sales of parking  
666 services of parking garages and lots at airports shall be  
667 deposited, without diversion, into the special fund created under  
668 Section 27-5-101(d).

669 (18) [Repealed]

670 (19) (a) On or before August 15, 2005, and each succeeding  
671 month thereafter, the sales tax revenue collected during the  
672 preceding month under the provisions of this chapter on the gross  
673 proceeds of sales of a business enterprise located within a  
674 redevelopment project area under the provisions of Sections  
675 57-91-1 through 57-91-11, and the revenue collected on the gross

676 proceeds of sales from sales made to a business enterprise located  
677 in a redevelopment project area under the provisions of Sections  
678 57-91-1 through 57-91-11 (provided that such sales made to a  
679 business enterprise are made on the premises of the business  
680 enterprise), shall, except as otherwise provided in this  
681 subsection (19), be deposited, after all diversions, into the  
682 Redevelopment Project Incentive Fund as created in Section  
683 57-91-9.

684           (b) For a municipality participating in the Economic  
685 Redevelopment Act created in Sections 57-91-1 through 57-91-11,  
686 the diversion provided for in subsection (1) of this section  
687 attributable to the gross proceeds of sales of a business  
688 enterprise located within a redevelopment project area under the  
689 provisions of Sections 57-91-1 through 57-91-11, and attributable  
690 to the gross proceeds of sales from sales made to a business  
691 enterprise located in a redevelopment project area under the  
692 provisions of Sections 57-91-1 through 57-91-11 (provided that  
693 such sales made to a business enterprise are made on the premises  
694 of the business enterprise), shall be deposited into the  
695 Redevelopment Project Incentive Fund as created in Section  
696 57-91-9, as follows:

697           (i) For the first six (6) years in which payments  
698 are made to a developer from the Redevelopment Project Incentive  
699 Fund, one hundred percent (100%) of the diversion shall be  
700 deposited into the fund;

701                   (ii) For the seventh year in which such payments  
702 are made to a developer from the Redevelopment Project Incentive  
703 Fund, eighty percent (80%) of the diversion shall be deposited  
704 into the fund;

705                   (iii) For the eighth year in which such payments  
706 are made to a developer from the Redevelopment Project Incentive  
707 Fund, seventy percent (70%) of the diversion shall be deposited  
708 into the fund;

709                   (iv) For the ninth year in which such payments are  
710 made to a developer from the Redevelopment Project Incentive Fund,  
711 sixty percent (60%) of the diversion shall be deposited into the  
712 fund; and

713                   (v) For the tenth year in which such payments are  
714 made to a developer from the Redevelopment Project Incentive Fund,  
715 fifty percent (50%) of the funds shall be deposited into the fund.

716           (20) On or before January 15, 2007, and each succeeding  
717 month thereafter, eighty percent (80%) of the sales tax revenue  
718 collected during the preceding month under the provisions of this  
719 chapter from the operation of a tourism project under the  
720 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,  
721 after the diversions required in subsections (7) and (8) of this  
722 section, into the Tourism Sales Tax Incentive Fund created in  
723 Section 57-28-3.

724           (21) (a) On or before April 15, 2007, and each succeeding  
725 month thereafter through June 15, 2013, One Hundred Fifty Thousand  
726 Dollars (\$150,000.00) of the sales tax revenue collected during

727 the preceding month under the provisions of this chapter shall be  
728 deposited into the MMEIA Tax Incentive Fund created in Section  
729 57-101-3.

730 (b) On or before July 15, 2013, and each succeeding  
731 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)  
732 of the sales tax revenue collected during the preceding month  
733 under the provisions of this chapter shall be deposited into the  
734 Mississippi Development Authority Job Training Grant Fund created  
735 in Section 57-1-451.

736 (22) Notwithstanding any other provision of this section to  
737 the contrary, on or before August 15, 2009, and each succeeding  
738 month thereafter, the sales tax revenue collected during the  
739 preceding month under the provisions of Section 27-65-201 shall be  
740 deposited, without diversion, into the Motor Vehicle Ad Valorem  
741 Tax Reduction Fund established in Section 27-51-105.

742 (23) (a) On or before August 15, 2019, and each month  
743 thereafter through July 15, 2020, one percent (1%) of the total  
744 sales tax revenue collected during the preceding month from  
745 restaurants and hotels shall be allocated for distribution to the  
746 Mississippi Development Authority Tourism Advertising Fund  
747 established under Section 57-1-64, to be used exclusively for the  
748 purpose stated therein. On or before August 15, 2020, and each  
749 month thereafter through July 15, 2021, two percent (2%) of the  
750 total sales tax revenue collected during the preceding month from  
751 restaurants and hotels shall be allocated for distribution to the  
752 Mississippi Development Authority Tourism Advertising Fund

753 established under Section 57-1-64, to be used exclusively for the  
754 purpose stated therein. On or before August 15, 2021, and each  
755 month thereafter, three percent (3%) of the total sales tax  
756 revenue collected during the preceding month from restaurants and  
757 hotels shall be allocated for distribution to the Mississippi  
758 Development Authority Tourism Advertising Fund established under  
759 Section 57-1-64, to be used exclusively for the purpose stated  
760 therein. The revenue diverted pursuant to this subsection shall  
761 not be available for expenditure until February 1, 2020.

762 (b) The Joint Legislative Committee on Performance  
763 Evaluation and Expenditure Review (PEER) must provide an annual  
764 report to the Legislature indicating the amount of funds deposited  
765 into the Mississippi Development Authority Tourism Advertising  
766 Fund established under Section 57-1-64, and a detailed record of  
767 how the funds are spent.

768 (24) The remainder of the amounts collected under the  
769 provisions of this chapter shall be paid into the State Treasury  
770 to the credit of the General Fund.

771 (25) (a) It shall be the duty of the municipal officials of  
772 any municipality that expands its limits, or of any community that  
773 incorporates as a municipality, to notify the commissioner of that  
774 action thirty (30) days before the effective date. Failure to so  
775 notify the commissioner shall cause the municipality to forfeit  
776 the revenue that it would have been entitled to receive during  
777 this period of time when the commissioner had no knowledge of the  
778 action.

779           (b) (i) Except as otherwise provided in subparagraph  
780 (ii) of this paragraph, if any funds have been erroneously  
781 disbursed to any municipality or any overpayment of tax is  
782 recovered by the taxpayer, the commissioner may make correction  
783 and adjust the error or overpayment with the municipality by  
784 withholding the necessary funds from any later payment to be made  
785 to the municipality.

786           (ii) Subject to the provisions of Sections  
787 27-65-51 and 27-65-53, if any funds have been erroneously  
788 disbursed to a municipality under subsection (1) of this section  
789 for a period of three (3) years or more, the maximum amount that  
790 may be recovered or withheld from the municipality is the total  
791 amount of funds erroneously disbursed for a period of three (3)  
792 years beginning with the date of the first erroneous disbursement.  
793 However, if during such period, a municipality provides written  
794 notice to the Department of Revenue indicating the erroneous  
795 disbursement of funds, then the maximum amount that may be  
796 recovered or withheld from the municipality is the total amount of  
797 funds erroneously disbursed for a period of one (1) year beginning  
798 with the date of the first erroneous disbursement.

799           **SECTION 5.** Section 27-67-31, Mississippi Code of 1972, is  
800 amended as follows:

801           27-67-31. All administrative provisions of the sales tax  
802 law, and amendments thereto, including those which fix damages,  
803 penalties and interest for failure to comply with the provisions  
804 of said sales tax law, and all other requirements and duties

805 imposed upon taxpayer, shall apply to all persons liable for use  
806 taxes under the provisions of this article. The commissioner  
807 shall exercise all power and authority and perform all duties with  
808 respect to taxpayers under this article as are provided in said  
809 sales tax law, except where there is conflict, then the provisions  
810 of this article shall control.

811 The commissioner may require transportation companies to  
812 permit the examination of waybills, freight bills, or other  
813 documents covering shipments of tangible personal property into  
814 this state.

815 On or before the fifteenth day of each month, the amount  
816 received from taxes, damages and interest under the provisions of  
817 this article during the preceding month shall be paid and  
818 distributed as follows:

819 (a) On or before July 15, 1994, through July 15, 2000,  
820 and each succeeding month thereafter, two and two hundred  
821 sixty-six one-thousandths percent (2.266%) of the total use tax  
822 revenue collected during the preceding month under the provisions  
823 of this article shall be deposited in the School Ad Valorem Tax  
824 Reduction Fund created pursuant to Section 37-61-35. On or before  
825 August 15, 2000, and each succeeding month thereafter through  
826 August 15, 2022, two and two hundred sixty-six one-thousandths  
827 percent (2.266%) of the total use tax revenue collected during the  
828 preceding month under the provisions of this \* \* \* article shall  
829 be deposited into the School Ad Valorem Tax Reduction Fund created  
830 under Section 37-61-35 until such time that the total amount

831 deposited into the fund during a fiscal year equals Four Million  
832 Dollars (\$4,000,000.00). Thereafter, the amounts diverted under  
833 this paragraph (a) during the fiscal year in excess of Four  
834 Million Dollars (\$4,000,000.00) shall be deposited into the  
835 Education Enhancement Fund created under Section 37-61-33 for  
836 appropriation by the Legislature as other education needs and  
837 shall not be subject to the percentage appropriation requirements  
838 set forth in Section 37-61-33. On or before September 15, 2022,  
839 and each succeeding month thereafter, two and two hundred  
840 sixty-six one-thousandths percent (2.266%) of the total use tax  
841 revenue collected during the preceding month under the provisions  
842 of this article, except that imposed and levied as a result of  
843 Section 27-65-17(1) (n), and three and seventeen one-hundredths  
844 percent (3.17%) of the total use tax revenue collected during the  
845 preceding month under the provisions of this article imposed and  
846 levied as a result of Section 27-65-17(1) (n), shall be deposited  
847 into the School Ad Valorem Tax Reduction Fund created under  
848 Section 37-61-35 until such time that the total amount deposited  
849 into the fund during a fiscal year equals Four Million Dollars  
850 (\$4,000,000.00). Thereafter, the amounts diverted under this  
851 paragraph (a) during the fiscal year in excess of Four Million  
852 Dollars (\$4,000,000.00) shall be deposited into the Education  
853 Enhancement Fund created under Section 37-61-33 for appropriation  
854 by the Legislature as other education needs and shall not be  
855 subject to the percentage appropriation requirements set forth in  
856 Section 37-61-33.



857           (b) On or before July 15, 1994, and each succeeding  
858 month thereafter through August 15, 2022, nine and seventy-three  
859 one-thousandths percent (9.073%) of the total use tax revenue  
860 collected during the preceding month under the provisions of this  
861 article shall be deposited into the Education Enhancement Fund  
862 created pursuant to Section 37-61-33. On or before September 15,  
863 2022, and each succeeding month thereafter, nine and seventy-three  
864 one-thousandths percent (9.073%) of the total use tax revenue  
865 collected during the preceding month under the provisions of this  
866 article, except that imposed and levied as a result of Section  
867 27-65-17(1) (n), and twelve and seventy one-hundredths percent  
868 (12.70%) of the total use tax revenue collected during the  
869 preceding month under the provisions of this article imposed and  
870 levied as a result of Section 27-65-17(1) (n), shall be deposited  
871 into the Education Enhancement Fund created under Section  
872 37-61-33.

873           (c) On or before July 15, 1997, and on or before the  
874 fifteenth day of each succeeding month thereafter, the revenue  
875 collected under the provisions of this article imposed and levied  
876 as a result of Section 27-65-17(2) and the corresponding levy in  
877 Section 27-65-23 on the rental or lease of private carriers of  
878 passengers and light carriers of property as defined in Section  
879 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax  
880 Reduction Fund created pursuant to Section 27-51-105.

881           (d) On or before July 15, 1997, and on or before the  
882 fifteenth day of each succeeding month thereafter and after the

883 deposits required by paragraphs (a) and (b) of this section are  
884 made, the remaining revenue collected under the provisions of this  
885 article imposed and levied as a result of Section 27-65-17(1) and  
886 the corresponding levy in Section 27-65-23 on the rental or lease  
887 of private carriers of passengers and light carriers of property  
888 as defined in Section 27-51-101 shall be deposited into the Motor  
889 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section  
890 27-51-105.

891           (e) On or before August 15, 2019, and each succeeding  
892 month thereafter through July 15, 2020, three and three-fourths  
893 percent (3-3/4%) of the total use tax revenue collected during the  
894 preceding month under the provisions of this article shall be  
895 deposited into the special fund created in Section 27-67-35(1).  
896 On or before August 15, 2020, and each succeeding month thereafter  
897 through July 15, 2021, seven and one-half percent (7-1/2%) of the  
898 total use tax revenue collected during the preceding month under  
899 the provisions of this article shall be deposited into the special  
900 fund created in Section 27-67-35(1). On or before August 15,  
901 2021, and each succeeding month thereafter through July 15, 2022,  
902 eleven and one-fourth percent (11-1/4%) of the total use tax  
903 revenue collected during the preceding month under the provisions  
904 of this article shall be deposited into the special fund created  
905 in Section 27-67-35(1). On or before August 15, 2022, \* \* \*  
906 fifteen percent (15%) of the total use tax revenue collected  
907 during the preceding month under the provisions of this article  
908 shall be deposited into the special fund created in Section

909 27-67-35(1). On or before September 15, 2022, and each succeeding  
910 month thereafter, fifteen percent (15%) of the total use tax  
911 revenue collected during the preceding month under the provisions  
912 of this article, except that imposed and levied as a result of  
913 Section 27-65-17(1)(n), and twenty-one percent (21%) of the total  
914 use tax revenue collected during the preceding month under the  
915 provisions of this article imposed and levied as a result of  
916 Section 27-65-17(1)(n), shall be deposited into the special fund  
917 created in Section 27-67-35(1).

918 (f) On or before August 15, 2019, and each succeeding  
919 month thereafter through July 15, 2020, three and three-fourths  
920 percent (3-3/4%) of the total use tax revenue collected during the  
921 preceding month under the provisions of this article shall be  
922 deposited into the special fund created in Section 27-67-35(2).  
923 On or before August 15, 2020, and each succeeding month thereafter  
924 through July 15, 2021, seven and one-half percent (7-1/2%) of the  
925 total use tax revenue collected during the preceding month under  
926 the provisions of this article shall be deposited into the special  
927 fund created in Section 27-67-35(2). On or before August 15,  
928 2021, and each succeeding month thereafter through July 15, 2022,  
929 eleven and one-fourth percent (11-1/4%) of the total use tax  
930 revenue collected during the preceding month under the provisions  
931 of this article shall be deposited into the special fund created  
932 in Section 27-67-35(2). On or before August 15, 2022, \* \* \*  
933 fifteen percent (15%) of the total use tax revenue collected  
934 during the preceding month under the provisions of this article

935 shall be deposited into the special fund created in Section  
936 27-67-35(2). On or before September 15, 2022, and each succeeding  
937 month thereafter, fifteen percent (15%) of the total use tax  
938 revenue collected during the preceding month under the provisions  
939 of this article, except that imposed and levied as a result of  
940 Section 27-65-17(1) (n), and twenty-one percent (21%) of the total  
941 use tax revenue collected during the preceding month under the  
942 provisions of this article imposed and levied as a result of  
943 Section 27-65-17(1) (n), shall be deposited into the special fund  
944 created in Section 27-67-35(2).

945 (g) On or before August 15, 2019, and each succeeding  
946 month thereafter through July 15, 2020, Four Hundred Sixteen  
947 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents  
948 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total  
949 use tax revenue collected during the preceding month under the  
950 provisions of this article, whichever is the greater amount, shall  
951 be deposited into the Local System Bridge Replacement and  
952 Rehabilitation Fund created in Section 65-37-13. On or before  
953 August 15, 2020, and each succeeding month thereafter through July  
954 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred  
955 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two  
956 and one-half percent (2-1/2%) of the total use tax revenue  
957 collected during the preceding month under the provisions of this  
958 article, whichever is the greater amount, shall be deposited into  
959 the Local System Bridge Replacement and Rehabilitation Fund  
960 created in Section 65-37-13. On or before August 15, 2021, and

961 each succeeding month thereafter through July 15, 2022, One  
962 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or  
963 three and three-fourths percent (3-3/4%) of the total use tax  
964 revenue collected during the preceding month under the provisions  
965 of this article, whichever is the greater amount, shall be  
966 deposited into the Local System Bridge Replacement and  
967 Rehabilitation Fund created in Section 65-37-13. On or before  
968 August 15, 2022, \* \* \* One Million Six Hundred Sixty-six Thousand  
969 Six Hundred Sixty-six Dollars and Sixty-seven Cents  
970 (\$1,666,666.67) or five percent (5%) of the total use tax revenue  
971 collected during the preceding month under the provisions of this  
972 article, whichever is the greater amount, shall be deposited into  
973 the Local System Bridge Replacement and Rehabilitation Fund  
974 created in Section 65-37-13. On or before September 15, 2022, and  
975 each succeeding month thereafter, five percent (5%) of the total  
976 use tax revenue collected during the preceding month under the  
977 provisions of this article, except that imposed and levied as a  
978 result of Section 27-65-17(1) (n), and seven percent (7%) of the  
979 total use tax revenue collected during the preceding month under  
980 the provisions of this article imposed and levied as a result of  
981 Section 27-65-17(1) (n), shall be deposited into the Local System  
982 Bridge Replacement and Rehabilitation Fund created in Section  
983 65-37-13; however, if in any month the total amount of the  
984 diversion calculated from the percentages in the preceding clause  
985 is less than One Million Six Hundred Sixty-six Thousand Six  
986 Hundred Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67),

987 then the amount deposited into the Local System Bridge Replacement  
988 and Rehabilitation Fund under this paragraph (g) for that month  
989 shall be One Million Six Hundred Sixty-six Thousand Six Hundred  
990 Sixty-six Dollars and Sixty-seven Cents (\$1,666,666.67).

991 (h) On or before August 15, 2020, and each succeeding  
992 month thereafter through July 15, 2022, One Million Dollars  
993 (\$1,000,000.00) of the total use tax revenue collected during the  
994 preceding month under the provisions of this article shall be  
995 deposited into the Local System Bridge Replacement and  
996 Rehabilitation Fund created in Section 65-37-13. Amounts  
997 deposited into the Local System Bridge Replacement and  
998 Rehabilitation Fund under this paragraph (h) shall be in addition  
999 to amounts deposited into the fund under paragraph (g) of this  
1000 section.

1001 (i) The remainder of the amount received from taxes,  
1002 damages and interest under the provisions of this article shall be  
1003 paid into the General Fund of the State Treasury by the  
1004 commissioner.

1005 **SECTION 6.** (1) Each taxpayer who filed a 2021 Form 80-105  
1006 Mississippi income tax return shall receive a rebate of five  
1007 percent (5%) of his 2021 tax liability; however, the rebate shall  
1008 be no less than One Hundred Dollars (\$100.00) per taxpayer and no  
1009 more than One Thousand Dollars (\$1,000.00) per tax return.

1010 (2) A special fund, to be designated the "2022 Income Tax  
1011 Rebate Fund," is created within the State Treasury. The fund  
1012 shall be maintained by the State Treasurer as a separate and

1013 special fund, separate and apart from the General Fund of the  
1014 state. Monies in this special fund shall be appropriated by the  
1015 Legislature and used by the Department of Revenue to pay taxpayers  
1016 entitled to income tax rebates under this section. Before July 1,  
1017 2024, amounts remaining in the special fund at the end of a fiscal  
1018 year shall not lapse into the State General Fund, and any interest  
1019 earned or investment earnings on amounts in the fund shall be  
1020 deposited to the credit of the fund. On July 1, 2024, any  
1021 unobligated amounts remaining in the special fund shall be  
1022 transferred to the State General Fund.

1023 (3) If the monies appropriated or transferred by the  
1024 Legislature to the 2022 Income Tax Rebate Fund are found to be  
1025 insufficient to fund the rebate authorized in this section, the  
1026 State Fiscal Officer shall transfer to the 2022 Income Tax Rebate  
1027 Fund out of the Capital Expense Fund any additional amount  
1028 necessary to fund the rebate.

1029 **SECTION 7.** Section 27-55-11, Mississippi Code of 1972, is  
1030 amended as follows:

1031 27-55-11. Any person in business as a distributor of  
1032 gasoline or who acts as a distributor of gasoline, as defined in  
1033 this article, shall pay for the privilege of engaging in such  
1034 business or acting as such distributor an excise tax equal to  
1035 Eighteen Cents (18¢) per gallon until the date specified in  
1036 Section 65-39-35, and Fourteen and Four-tenths Cents (14.4¢) per  
1037 gallon thereafter, on all gasoline and blend stock stored, sold,  
1038 distributed, manufactured, refined, distilled, blended or

1039 compounded in this state or received in this state for sale, use  
1040 on the highways, storage, distribution, or for any purpose.

1041 Any person in business as a distributor of aviation gasoline,  
1042 or who acts as a distributor of aviation gasoline, shall pay for  
1043 the privilege of engaging in such business or acting as such  
1044 distributor an excise tax equal to Six and Four-tenths Cents  
1045 (6.4¢) per gallon on all aviation gasoline stored, sold,  
1046 distributed, manufactured, refined, distilled, blended or  
1047 compounded in this state or received in this state for sale,  
1048 storage, distribution or for any purpose.

1049 The excise taxes collected under this section shall be paid  
1050 and distributed in accordance with Section 27-5-101.

1051 The tax herein imposed and assessed shall be collected and  
1052 paid to the State of Mississippi but once in respect to any  
1053 gasoline. The basis for determining the tax liability shall be  
1054 the correct invoiced gallons, adjusted to sixty (60) degrees  
1055 Fahrenheit at the refinery or point of origin of shipment when  
1056 such shipment is made by tank car or by motor carrier. The point  
1057 of origin of shipment of gasoline transported into this state by  
1058 pipelines shall be deemed to be that point in this state where  
1059 such gasoline is withdrawn from the pipeline for storage or  
1060 distribution, and adjustment to sixty (60) degrees Fahrenheit  
1061 shall there be made. The basis for determining the tax liability  
1062 on gasoline shipped into this state in barge cargoes and by  
1063 pipeline shall be the actual number of gallons adjusted to sixty  
1064 (60) degrees Fahrenheit unloaded into storage tanks or other



1065 containers in this state, such gallonage to be determined by  
1066 measurement and/or gauge of storage tank or tanks or by any other  
1067 method authorized by the commission. The tank or tanks into which  
1068 barge cargoes of gasoline are discharged, or into which gasoline  
1069 transported by pipeline is discharged, shall have correct gauge  
1070 tables listing capacity, such gauge tables to be prepared by some  
1071 recognized calibrating agency and to be approved by the  
1072 commission.

1073 The tax levied herein shall accrue at the time gasoline is  
1074 withdrawn from a refinery in this state except when withdrawal is  
1075 by pipeline, barge, ship or vessel. The refiner shall pay to the  
1076 commission the tax levied herein when gasoline is sold or  
1077 delivered to persons who do not hold gasoline distributor permits.  
1078 The refiner shall report to the commission all sales and  
1079 deliveries of gasoline to bonded distributors of gasoline. The  
1080 bonded distributor of gasoline who purchases, receives or acquires  
1081 gasoline from a refinery in this state shall report such gasoline  
1082 and pay the tax levied herein.

1083 Gasoline imported by common carrier shall be deemed to be  
1084 received by the distributor of gasoline, and the tax levied herein  
1085 shall accrue, when the car or tank truck containing such gasoline  
1086 is unloaded by the carrier.

1087 With respect to distributors or other persons who bring,  
1088 ship, have transported, or have brought into this state gasoline  
1089 by means other than through a common carrier, the tax accrues and  
1090 the tax liability attaches on the distributor or other person for

1091 each gallon of gasoline brought into the state at the time when  
1092 and at the point where such gasoline is brought into the state.

1093 The tax levied herein shall accrue on blend stock at the time  
1094 it is blended with gasoline. The blender shall pay to the  
1095 commission the tax levied herein when blend stock is sold or  
1096 delivered to persons who do not hold gasoline distributor permits.  
1097 The blender shall report to the commission all sales and  
1098 deliveries of blend stock to bonded distributors of gasoline. The  
1099 bonded distributor of gasoline who purchases, receives or acquires  
1100 blend stock from a blender in this state shall report blend stock  
1101 and pay the tax levied herein.

1102 The tax levied in this section shall be suspended for six (6)  
1103 months from the effective date of this act. A retailer of  
1104 gasoline or aviation gasoline taxed under this section may seek a  
1105 refund from the distributor for any taxes paid to the distributor  
1106 for gasoline or aviation gasoline for which the tax is suspended.  
1107 The distributor may claim a refund for such taxes from the  
1108 department pursuant to emergency regulations promulgated by the  
1109 department.

1110 **SECTION 8.** Section 27-55-519, Mississippi Code of 1972, is  
1111 amended as follows:

1112 27-55-519. (1) Any person engaged in business as a  
1113 distributor of special fuel or who acts as a distributor of  
1114 special fuel, as defined in this article, shall pay for the  
1115 privilege of engaging in such business or acting as such  
1116 distributor an excise tax on all special fuel stored, used, sold,

1117 distributed, manufactured, refined, distilled, blended or  
1118 compounded in this state or received in this state for sale,  
1119 storage, distribution or for any purpose, adjusted to sixty (60)  
1120 degrees Fahrenheit.

1121 The excise tax shall become due and payable when:

1122 (a) Special fuel is withdrawn from storage at a  
1123 refinery, marine or pipeline terminal, except when withdrawal is  
1124 by barge or pipeline.

1125 (b) Special fuel imported by a common carrier is  
1126 unloaded by that carrier unless the special fuel is unloaded  
1127 directly into the storage tanks of a refinery, marine or pipeline  
1128 terminal.

1129 (c) Special fuel imported by any person other than a  
1130 common carrier enters the State of Mississippi unless the special  
1131 fuel is unloaded directly into the storage tanks of a refinery,  
1132 marine or pipeline terminal.

1133 (d) Special fuel is blended in this state unless such  
1134 blending occurs in a refinery, marine or pipeline terminal.

1135 (e) Special fuel is acquired tax free.

1136 (2) The special fuel excise tax shall be as follows:

1137 (a) Eighteen Cents (18¢) per gallon on undyed diesel  
1138 fuel until the date specified in Section 65-39-35 and Fourteen and  
1139 Three-fourths Cents (14.75¢) per gallon thereafter;

1140 (b) Five and Three-fourths Cents (5.75¢) per gallon on  
1141 all special fuel except undyed diesel fuel and special fuel used  
1142 as fuels in aircraft; and

1143 (c) Five and One-fourth Cents (5.25¢) per gallon on  
1144 special fuel used as fuel in aircraft.

1145 (3) The tax levied in this section shall be suspended for  
1146 six (6) months from the effective date of this act. A retailer of  
1147 special fuel taxed under this section may seek a refund from the  
1148 distributor for any taxes paid to the distributor for special fuel  
1149 for which the tax is suspended. The distributor may claim a  
1150 refund for such taxes from the department pursuant to emergency  
1151 regulations promulgated by the department.

1152 **SECTION 9.** Section 27-55-521, Mississippi Code of 1972, is  
1153 amended as follows:

1154 27-55-521. (1) An excise tax at the rate of Eighteen Cents  
1155 (18¢) per gallon until the date specified in Section 65-39-35,  
1156 Mississippi Code of 1972, and Fourteen and Three-fourths Cents  
1157 (14.75¢) per gallon thereafter is levied on any person engaged in  
1158 business as a distributor of special fuel or who acts as such who  
1159 sells:

1160 (a) Special fuel for use in performing contracts for  
1161 construction, reconstruction, maintenance or repairs, where such  
1162 contracts are entered into with the State of Mississippi, any  
1163 political subdivision of the State of Mississippi, or any  
1164 department, agency, institution of the State of Mississippi or any  
1165 political subdivision thereof.

1166 (b) Dyed diesel fuel or kerosene to a state or local  
1167 governmental entity for use on the highways in a motor vehicle.

1168 (c) Special fuel for use on the highway.

1169 (2) An excise tax at the rate of Eighteen Cents (18¢) per  
1170 gallon until the date specified in Section 65-39-35, Mississippi  
1171 Code of 1972, and Fourteen and Three-fourths Cents (14.75¢) per  
1172 gallon thereafter is levied on any person who:

1173 (a) Uses dyed diesel fuel or kerosene in a motor  
1174 vehicle on the highways of this state in violation of Section  
1175 27-55-539.

1176 (b) Purchases or acquires undyed diesel fuel or  
1177 kerosene for nonhighway use and subsequently uses such diesel fuel  
1178 or kerosene in a motor vehicle on the highways of this state.

1179 (c) Purchases or acquires special fuel for use in  
1180 performing contracts as specified in this section.

1181 (3) The tax levied in this section shall be suspended  
1182 for six (6) months from the effective date of this act. A  
1183 retailer of special fuel taxed under this section may seek a  
1184 refund from the distributor for any taxes paid to the distributor  
1185 for special fuel for which the tax is suspended. The distributor  
1186 may claim a refund for such taxes from the department pursuant to  
1187 emergency regulations promulgated by the department.

1188 **SECTION 10.** Section 27-7-17, Mississippi Code of 1972, as  
1189 amended by Senate Bill No. 2095, 2022 Regular Session, and House  
1190 Bill No. 1529, 2022 Regular Session, is amended as follows:

1191 **Through February 1, 2022, this section shall read as follows:**

1192 27-7-17. In computing taxable income, there shall be allowed  
1193 as deductions:

1194 (1) **Business deductions.**

1195           (a) **Business expenses.** All the ordinary and necessary  
1196 expenses paid or incurred during the taxable year in carrying on  
1197 any trade or business, including a reasonable allowance for  
1198 salaries or other compensation for personal services actually  
1199 rendered; nonreimbursable traveling expenses incident to current  
1200 employment, including a reasonable amount expended for meals and  
1201 lodging while away from home in the pursuit of a trade or  
1202 business; and rentals or other payments required to be made as a  
1203 condition of the continued use or possession, for purposes of the  
1204 trade or business of property to which the taxpayer has not taken  
1205 or is not taking title or in which he had no equity. Expense  
1206 incurred in connection with earning and distributing nontaxable  
1207 income is not an allowable deduction. Limitations on  
1208 entertainment expenses shall conform to the provisions of the  
1209 Internal Revenue Code of 1986.

1210           (b) **Interest.** All interest paid or accrued during the  
1211 taxable year on business indebtedness, except interest upon the  
1212 indebtedness for the purchase of tax-free bonds, or any stocks,  
1213 the dividends from which are nontaxable under the provisions of  
1214 this article; provided, however, in the case of securities  
1215 dealers, interest payments or accruals on loans, the proceeds of  
1216 which are used to purchase tax-exempt securities, shall be  
1217 deductible if income from otherwise tax-free securities is  
1218 reported as income. Investment interest expense shall be limited  
1219 to investment income. Interest expense incurred for the purchase  
1220 of treasury stock, to pay dividends, or incurred as a result of an

1221 undercapitalized affiliated corporation may not be deducted unless  
1222 an ordinary and necessary business purpose can be established to  
1223 the satisfaction of the commissioner. For the purposes of this  
1224 paragraph, the phrase "interest upon the indebtedness for the  
1225 purchase of tax-free bonds" applies only to the indebtedness  
1226 incurred for the purpose of directly purchasing tax-free bonds and  
1227 does not apply to any other indebtedness incurred in the regular  
1228 course of the taxpayer's business. Any corporation, association,  
1229 organization or other entity taxable under Section 27-7-23(c)  
1230 shall allocate interest expense as provided in Section  
1231 27-7-23(c) (3) (I).

1232           (c) **Taxes.** Taxes paid or accrued within the taxable  
1233 year, except state and federal income taxes, excise taxes based on  
1234 or measured by net income, estate and inheritance taxes, gift  
1235 taxes, cigar and cigarette taxes, gasoline taxes, and sales and  
1236 use taxes unless incurred as an item of expense in a trade or  
1237 business or in the production of taxable income. In the case of  
1238 an individual, taxes permitted as an itemized deduction under the  
1239 provisions of subsection (3) (a) of this section are to be claimed  
1240 thereunder.

1241           (d) **Business losses.**

1242                   (i) Losses sustained during the taxable year not  
1243 compensated for by insurance or otherwise, if incurred in trade or  
1244 business, or nonbusiness transactions entered into for profit.

1245 (ii) Limitations on losses from passive activities  
1246 and rental real estate shall conform to the provisions of the  
1247 Internal Revenue Code of 1986.

1248 (e) **Bad debts.** Losses from debts ascertained to be  
1249 worthless and charged off during the taxable year, if sustained in  
1250 the conduct of the regular trade or business of the taxpayer;  
1251 provided, that such losses shall be allowed only when the taxpayer  
1252 has reported as income, on the accrual basis, the amount of such  
1253 debt or account.

1254 (f) **Depreciation.** A reasonable allowance for  
1255 exhaustion, wear and tear of property used in the trade or  
1256 business, or rental property, and depreciation upon buildings  
1257 based upon their reasonable value as of March 16, 1912, if  
1258 acquired prior thereto, and upon cost if acquired subsequent to  
1259 that date. In the case of new or used aircraft, equipment,  
1260 engines, or other parts and tools used for aviation, allowance for  
1261 bonus depreciation conforms with the federal bonus depreciation  
1262 rates and reasonable allowance for depreciation under this section  
1263 is no less than one hundred percent (100%).

1264 (g) **Depletion.** In the case of mines, oil and gas  
1265 wells, other natural deposits and timber, a reasonable allowance  
1266 for depletion and for depreciation of improvements, based upon  
1267 cost, including cost of development, not otherwise deducted, or  
1268 fair market value as of March 16, 1912, if acquired prior to that  
1269 date, such allowance to be made upon regulations prescribed by the  
1270 commissioner, with the approval of the Governor.



1271           (h) **Contributions or gifts.** Except as otherwise  
1272 provided in paragraph (p) of this subsection or subsection (3)(a)  
1273 of this section for individuals, contributions or gifts made by  
1274 corporations within the taxable year to corporations,  
1275 organizations, associations or institutions, including Community  
1276 Chest funds, foundations and trusts created solely and exclusively  
1277 for religious, charitable, scientific or educational purposes, or  
1278 for the prevention of cruelty to children or animals, no part of  
1279 the net earnings of which inure to the benefit of any private  
1280 stockholder or individual. This deduction shall be allowed in an  
1281 amount not to exceed twenty percent (20%) of the net income. Such  
1282 contributions or gifts shall be allowable as deductions only if  
1283 verified under rules and regulations prescribed by the  
1284 commissioner, with the approval of the Governor. Contributions  
1285 made in any form other than cash shall be allowed as a deduction,  
1286 subject to the limitations herein provided, in an amount equal to  
1287 the actual market value of the contributions at the time the  
1288 contribution is actually made and consummated.

1289           (i) **Reserve funds - insurance companies.** In the case  
1290 of insurance companies the net additions required by law to be  
1291 made within the taxable year to reserve funds when such reserve  
1292 funds are maintained for the purpose of liquidating policies at  
1293 maturity.

1294           (j) **Annuity income.** The sums, other than dividends,  
1295 paid within the taxpayer year on policy or annuity contracts when  
1296 such income has been included in gross income.

1297                   (k)   **Contributions to employee pension plans.**

1298   Contributions made by an employer to a plan or a trust forming  
1299   part of a pension plan, stock bonus plan, disability or  
1300   death-benefit plan, or profit-sharing plan of such employer for  
1301   the exclusive benefit of some or all of his, their, or its  
1302   employees, or their beneficiaries, shall be deductible from his,  
1303   their, or its income only to the extent that, and for the taxable  
1304   year in which, the contribution is deductible for federal income  
1305   tax purposes under the Internal Revenue Code of 1986 and any other  
1306   provisions of similar purport in the Internal Revenue Laws of the  
1307   United States, and the rules, regulations, rulings and  
1308   determinations promulgated thereunder, provided that:

1309                   (i)   The plan or trust be irrevocable.

1310                   (ii)   The plan or trust constitute a part of a  
1311   pension plan, stock bonus plan, disability or death-benefit plan,  
1312   or profit-sharing plan for the exclusive benefit of some or all of  
1313   the employer's employees and/or officers, or their beneficiaries,  
1314   for the purpose of distributing the corpus and income of the plan  
1315   or trust to such employees and/or officers, or their  
1316   beneficiaries.

1317                   (iii)   No part of the corpus or income of the plan  
1318   or trust can be used for purposes other than for the exclusive  
1319   benefit of employees and/or officers, or their beneficiaries.

1320           Contributions to all plans or to all trusts of real or  
1321   personal property (or real and personal property combined) or to  
1322   insured plans created under a retirement plan for which provision

1323 has been made under the laws of the United States of America,  
1324 making such contributions deductible from income for federal  
1325 income tax purposes, shall be deductible only to the same extent  
1326 under the Income Tax Laws of the State of Mississippi.

1327           (1) **Net operating loss carrybacks and carryovers.** A  
1328 net operating loss for any taxable year ending after December 31,  
1329 1993, and taxable years thereafter, shall be a net operating loss  
1330 carryback to each of the three (3) taxable years preceding the  
1331 taxable year of the loss. If the net operating loss for any  
1332 taxable year is not exhausted by carrybacks to the three (3)  
1333 taxable years preceding the taxable year of the loss, then there  
1334 shall be a net operating loss carryover to each of the fifteen  
1335 (15) taxable years following the taxable year of the loss  
1336 beginning with any taxable year after December 31, 1991.

1337           For any taxable year ending after December 31, 1997, the  
1338 period for net operating loss carrybacks and net operating loss  
1339 carryovers shall be the same as those established by the Internal  
1340 Revenue Code and the rules, regulations, rulings and  
1341 determinations promulgated thereunder as in effect at the taxable  
1342 year end or on December 31, 2000, whichever is earlier.

1343           A net operating loss for any taxable year ending after  
1344 December 31, 2001, and taxable years thereafter, shall be a net  
1345 operating loss carryback to each of the two (2) taxable years  
1346 preceding the taxable year of the loss. If the net operating loss  
1347 for any taxable year is not exhausted by carrybacks to the two (2)  
1348 taxable years preceding the taxable year of the loss, then there

1349 shall be a net operating loss carryover to each of the twenty (20)  
1350 taxable years following the taxable year of the loss beginning  
1351 with any taxable year after the taxable year of the loss.

1352 The term "net operating loss," for the purposes of this  
1353 paragraph, shall be the excess of the deductions allowed over the  
1354 gross income; provided, however, the following deductions shall  
1355 not be allowed in computing same:

1356 (i) No net operating loss deduction shall be  
1357 allowed.

1358 (ii) No personal exemption deduction shall be  
1359 allowed.

1360 (iii) Allowable deductions which are not  
1361 attributable to taxpayer's trade or business shall be allowed only  
1362 to the extent of the amount of gross income not derived from such  
1363 trade or business.

1364 Any taxpayer entitled to a carryback period as provided by  
1365 this paragraph may elect to relinquish the entire carryback period  
1366 with respect to a net operating loss for any taxable year ending  
1367 after December 31, 1991. The election shall be made in the manner  
1368 prescribed by the Department of Revenue and shall be made by the  
1369 due date, including extensions of time, for filing the taxpayer's  
1370 return for the taxable year of the net operating loss for which  
1371 the election is to be in effect. The election, once made for any  
1372 taxable year, shall be irrevocable for that taxable year.

1373 (m) **Amortization of pollution or environmental control**  
1374 **facilities.** Allowance of deduction. Every taxpayer, at his

1375 election, shall be entitled to a deduction for pollution or  
1376 environmental control facilities to the same extent as that  
1377 allowed under the Internal Revenue Code and the rules,  
1378 regulations, rulings and determinations promulgated thereunder.

1379           (n) **Dividend distributions - real estate investment**  
1380 **trusts.** "Real estate investment trust" (hereinafter referred to  
1381 as REIT) shall have the meaning ascribed to such term in Section  
1382 856 of the federal Internal Revenue Code of 1986, as amended. A  
1383 REIT is allowed a dividend distributed deduction if the dividend  
1384 distributions meet the requirements of Section 857 or are  
1385 otherwise deductible under Section 858 or 860, federal Internal  
1386 Revenue Code of 1986, as amended. In addition:

1387           (i) A dividend distributed deduction shall only be  
1388 allowed for dividends paid by a publicly traded REIT. A qualified  
1389 REIT subsidiary shall be allowed a dividend distributed deduction  
1390 if its owner is a publicly traded REIT.

1391           (ii) Income generated from real estate contributed  
1392 or sold to a REIT by a shareholder or related party shall not give  
1393 rise to a dividend distributed deduction, unless the shareholder  
1394 or related party would have received the dividend distributed  
1395 deduction under this chapter.

1396           (iii) A holding corporation receiving a dividend  
1397 from a REIT shall not be allowed the deduction in Section  
1398 27-7-15(4) (t).

1399           (iv) Any REIT not allowed the dividend distributed  
1400 deduction in the federal Internal Revenue Code of 1986, as

1401 amended, shall not be allowed a dividend distributed deduction  
1402 under this chapter.

1403 The commissioner is authorized to promulgate rules and  
1404 regulations consistent with the provisions in Section 269 of the  
1405 federal Internal Revenue Code of 1986, as amended, so as to  
1406 prevent the evasion or avoidance of state income tax.

1407 (o) **Contributions to college savings trust fund**  
1408 **accounts.** Contributions or payments to a Mississippi Affordable  
1409 College Savings Program account are deductible as provided under  
1410 Section 37-155-113. Payments made under a prepaid tuition  
1411 contract entered into under the Mississippi Prepaid Affordable  
1412 College Tuition Program are deductible as provided under Section  
1413 37-155-17.

1414 (p) **Contributions of human pharmaceutical products.** To  
1415 the extent that a "major supplier" as defined in Section  
1416 27-13-13(2) (d) contributes human pharmaceutical products in excess  
1417 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as  
1418 determined under Section 170 of the Internal Revenue Code, the  
1419 charitable contribution limitation associated with those donations  
1420 shall follow the federal limitation but cannot result in the  
1421 Mississippi net income being reduced below zero.

1422 (q) **Contributions to ABLE trust fund accounts.**  
1423 Contributions or payments to a Mississippi Achieving a Better Life  
1424 Experience (ABLE) Program account are deductible as provided under  
1425 Section 43-28-13.

1426           (2) **Restrictions on the deductibility of certain intangible**  
1427 **expenses and interest expenses with a related member.**

1428           (a) As used in this subsection (2):

1429                   (i) "Intangible expenses and costs" include:

1430                           1. Expenses, losses and costs for, related  
1431 to, or in connection directly or indirectly with the direct or  
1432 indirect acquisition, use, maintenance or management, ownership,  
1433 sale, exchange or any other disposition of intangible property to  
1434 the extent such amounts are allowed as deductions or costs in  
1435 determining taxable income under this chapter;

1436                           2. Expenses or losses related to or incurred  
1437 in connection directly or indirectly with factoring transactions  
1438 or discounting transactions;

1439                           3. Royalty, patent, technical and copyright  
1440 fees;

1441                           4. Licensing fees; and

1442                           5. Other similar expenses and costs.

1443                   (ii) "Intangible property" means patents, patent  
1444 applications, trade names, trademarks, service marks, copyrights  
1445 and similar types of intangible assets.

1446                   (iii) "Interest expenses and cost" means amounts  
1447 directly or indirectly allowed as deductions for purposes of  
1448 determining taxable income under this chapter to the extent such  
1449 interest expenses and costs are directly or indirectly for,  
1450 related to, or in connection with the direct or indirect

1451 acquisition, maintenance, management, ownership, sale, exchange or  
1452 disposition of intangible property.

1453 (iv) "Related member" means an entity or person  
1454 that, with respect to the taxpayer during all or any portion of  
1455 the taxable year, is a related entity, a component member as  
1456 defined in the Internal Revenue Code, or is an entity or a person  
1457 to or from whom there is attribution of stock ownership in  
1458 accordance with Section 1563(e) of the Internal Revenue Code.

1459 (v) "Related entity" means:

1460 1. A stockholder who is an individual or a  
1461 member of the stockholder's family, as defined in regulations  
1462 prescribed by the commissioner, if the stockholder and the members  
1463 of the stockholder's family own, directly, indirectly,  
1464 beneficially or constructively, in the aggregate, at least fifty  
1465 percent (50%) of the value of the taxpayer's outstanding stock;

1466 2. A stockholder, or a stockholder's  
1467 partnership, limited liability company, estate, trust or  
1468 corporation, if the stockholder and the stockholder's  
1469 partnerships, limited liability companies, estates, trusts and  
1470 corporations own, directly, indirectly, beneficially or  
1471 constructively, in the aggregate, at least fifty percent (50%) of  
1472 the value of the taxpayer's outstanding stock;

1473 3. A corporation, or a party related to the  
1474 corporation in a manner that would require an attribution of stock  
1475 from the corporation to the party or from the party to the  
1476 corporation, if the taxpayer owns, directly, indirectly,



1477 beneficially or constructively, at least fifty percent (50%) of  
1478 the value of the corporation's outstanding stock under regulation  
1479 prescribed by the commissioner;

1480                   4. Any entity or person which would be a  
1481 related member under this section if the taxpayer were considered  
1482 a corporation for purposes of this section.

1483                   (b) In computing net income, a taxpayer shall add back  
1484 otherwise deductible interest expenses and costs and intangible  
1485 expenses and costs directly or indirectly paid, accrued to or  
1486 incurred, in connection directly or indirectly with one or more  
1487 direct or indirect transactions with one or more related members.

1488                   (c) The adjustments required by this subsection shall  
1489 not apply to such portion of interest expenses and costs and  
1490 intangible expenses and costs that the taxpayer can establish  
1491 meets one (1) of the following:

1492                   (i) The related member directly or indirectly  
1493 paid, accrued or incurred such portion to a person during the same  
1494 income year who is not a related member; or

1495                   (ii) The transaction giving rise to the interest  
1496 expenses and costs or intangible expenses and costs between the  
1497 taxpayer and related member was done primarily for a valid  
1498 business purpose other than the avoidance of taxes, and the  
1499 related member is not primarily engaged in the acquisition, use,  
1500 maintenance or management, ownership, sale, exchange or any other  
1501 disposition of intangible property.

1502           (d) Nothing in this subsection shall require a taxpayer  
1503 to add to its net income more than once any amount of interest  
1504 expenses and costs or intangible expenses and costs that the  
1505 taxpayer pays, accrues or incurs to a related member.

1506           (e) The commissioner may prescribe such regulations as  
1507 necessary or appropriate to carry out the purposes of this  
1508 subsection, including, but not limited to, clarifying definitions  
1509 of terms, rules of stock attribution, factoring and discount  
1510 transactions.

1511           (3) **Individual nonbusiness deductions.**

1512           (a) The amount allowable for individual nonbusiness  
1513 itemized deductions for federal income tax purposes where the  
1514 individual is eligible to elect, for the taxable year, to itemize  
1515 deductions on his federal return except the following:

1516                   (i) The deduction for state income taxes paid or  
1517 other taxes allowed for federal purposes in lieu of state income  
1518 taxes paid;

1519                   (ii) The deduction for gaming losses from gaming  
1520 establishments;

1521                   (iii) The deduction for taxes collected by  
1522 licensed gaming establishments pursuant to Section 27-7-901;

1523                   (iv) The deduction for taxes collected by gaming  
1524 establishments pursuant to Section 27-7-903.

1525           (b) In lieu of the individual nonbusiness itemized  
1526 deductions authorized in paragraph (a), for all purposes other  
1527 than ordinary and necessary expenses paid or incurred during the

1528 taxable year in carrying on any trade or business, an optional  
1529 standard deduction of:

1530                   (i) Three Thousand Four Hundred Dollars  
1531     (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred  
1532 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand  
1533 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter  
1534 in the case of married individuals filing a joint or combined  
1535 return;

1536                   (ii) One Thousand Seven Hundred Dollars  
1537     (\$1,700.00) through calendar year 1997, Two Thousand One Hundred  
1538 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand  
1539 Three Hundred Dollars (\$2,300.00) for each calendar year  
1540 thereafter in the case of married individuals filing separate  
1541 returns;

1542                   (iii) Three Thousand Four Hundred Dollars  
1543     (\$3,400.00) in the case of a head of family; or

1544                   (iv) Two Thousand Three Hundred Dollars  
1545     (\$2,300.00) in the case of an individual who is not married.

1546           In the case of a husband and wife living together, having  
1547 separate incomes, and filing combined returns, the standard  
1548 deduction authorized may be divided in any manner they choose. In  
1549 the case of separate returns by a husband and wife, the standard  
1550 deduction shall not be allowed to either if the taxable income of  
1551 one of the spouses is determined without regard to the standard  
1552 deduction.

1553           (c) A nonresident individual shall be allowed the same  
1554 individual nonbusiness deductions as are authorized for resident  
1555 individuals in paragraph (a) or (b) of this subsection; however,  
1556 the nonresident individual is entitled only to that proportion of  
1557 the individual nonbusiness deductions as his net income from  
1558 sources within the State of Mississippi bears to his total or  
1559 entire net income from all sources.

1560           (4) Nothing in this section shall permit the same item to be  
1561 deducted more than once, either in fact or in effect.

1562           (5) Notwithstanding any other provision in Title 27,  
1563 Mississippi Code of 1972, there shall be allowed an income tax  
1564 deduction for otherwise deductible expenses if:

1565           (a) The payment(s) for such deductible expenses are  
1566 made with the grant or loan program of the Paycheck Protection  
1567 Program as authorized under (i) the Coronavirus Aid, Relief, and  
1568 Economic Security (CARES) Act and the Consolidated Appropriations  
1569 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan  
1570 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance  
1571 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered  
1572 Venue Operators Grant Program and Restaurant Revitalization Fund  
1573 authorized by the Economic Aid to Hard-Hit Small Businesses,  
1574 Nonprofits, and Venues Act, and amended by the federal American  
1575 Rescue Plan Act, and/or (vi) the Mississippi Agriculture  
1576 Stabilization Act; and

1577           (b) Such deductible expenses shall be allowed as  
1578 deductions for federal income tax purposes.

1579           **From and after February 2, 2022, this section shall read as**  
1580 **follows:**

1581           27-7-17. In computing taxable income, there shall be allowed  
1582 as deductions:

1583           (1) **Business deductions.**

1584           (a) **Business expenses.** All the ordinary and necessary  
1585 expenses paid or incurred during the taxable year in carrying on  
1586 any trade or business, including a reasonable allowance for  
1587 salaries or other compensation for personal services actually  
1588 rendered; nonreimbursable traveling expenses incident to current  
1589 employment, including a reasonable amount expended for meals and  
1590 lodging while away from home in the pursuit of a trade or  
1591 business; and rentals or other payments required to be made as a  
1592 condition of the continued use or possession, for purposes of the  
1593 trade or business of property to which the taxpayer has not taken  
1594 or is not taking title or in which he had no equity. Expense  
1595 incurred in connection with earning and distributing nontaxable  
1596 income is not an allowable deduction. Limitations on  
1597 entertainment expenses shall conform to the provisions of the  
1598 Internal Revenue Code of 1986. There shall also be allowed a  
1599 deduction for expenses as provided in Section 26 of Senate Bill  
1600 No. 2095, 2022 Regular Session.

1601           (b) **Interest.** All interest paid or accrued during the  
1602 taxable year on business indebtedness, except interest upon the  
1603 indebtedness for the purchase of tax-free bonds, or any stocks,  
1604 the dividends from which are nontaxable under the provisions of

1605 this article; provided, however, in the case of securities  
1606 dealers, interest payments or accruals on loans, the proceeds of  
1607 which are used to purchase tax-exempt securities, shall be  
1608 deductible if income from otherwise tax-free securities is  
1609 reported as income. Investment interest expense shall be limited  
1610 to investment income. Interest expense incurred for the purchase  
1611 of treasury stock, to pay dividends, or incurred as a result of an  
1612 undercapitalized affiliated corporation may not be deducted unless  
1613 an ordinary and necessary business purpose can be established to  
1614 the satisfaction of the commissioner. For the purposes of this  
1615 paragraph, the phrase "interest upon the indebtedness for the  
1616 purchase of tax-free bonds" applies only to the indebtedness  
1617 incurred for the purpose of directly purchasing tax-free bonds and  
1618 does not apply to any other indebtedness incurred in the regular  
1619 course of the taxpayer's business. Any corporation, association,  
1620 organization or other entity taxable under Section 27-7-23(c)  
1621 shall allocate interest expense as provided in Section  
1622 27-7-23(c) (3) (I).

1623           (c) **Taxes.** Taxes paid or accrued within the taxable  
1624 year, except state and federal income taxes, excise taxes based on  
1625 or measured by net income, estate and inheritance taxes, gift  
1626 taxes, cigar and cigarette taxes, gasoline taxes, and sales and  
1627 use taxes unless incurred as an item of expense in a trade or  
1628 business or in the production of taxable income. In the case of  
1629 an individual, taxes permitted as an itemized deduction under the

1630 provisions of subsection (3)(a) of this section are to be claimed  
1631 thereunder.

1632 (d) **Business losses.**

1633 (i) Losses sustained during the taxable year not  
1634 compensated for by insurance or otherwise, if incurred in trade or  
1635 business, or nonbusiness transactions entered into for profit.

1636 (ii) Limitations on losses from passive activities  
1637 and rental real estate shall conform to the provisions of the  
1638 Internal Revenue Code of 1986.

1639 (e) **Bad debts.** Losses from debts ascertained to be  
1640 worthless and charged off during the taxable year, if sustained in  
1641 the conduct of the regular trade or business of the taxpayer;  
1642 provided, that such losses shall be allowed only when the taxpayer  
1643 has reported as income, on the accrual basis, the amount of such  
1644 debt or account.

1645 (f) **Depreciation.** A reasonable allowance for  
1646 exhaustion, wear and tear of property used in the trade or  
1647 business, or rental property, and depreciation upon buildings  
1648 based upon their reasonable value as of March 16, 1912, if  
1649 acquired prior thereto, and upon cost if acquired subsequent to  
1650 that date. In the case of new or used aircraft, equipment,  
1651 engines, or other parts and tools used for aviation, allowance for  
1652 bonus depreciation conforms with the federal bonus depreciation  
1653 rates and reasonable allowance for depreciation under this section  
1654 is no less than one hundred percent (100%).

1655           (g) **Depletion.** In the case of mines, oil and gas  
1656 wells, other natural deposits and timber, a reasonable allowance  
1657 for depletion and for depreciation of improvements, based upon  
1658 cost, including cost of development, not otherwise deducted, or  
1659 fair market value as of March 16, 1912, if acquired prior to that  
1660 date, such allowance to be made upon regulations prescribed by the  
1661 commissioner, with the approval of the Governor.

1662           (h) **Contributions or gifts.** Except as otherwise  
1663 provided in paragraph (p) of this subsection or subsection (3) (a)  
1664 of this section for individuals, contributions or gifts made by  
1665 corporations within the taxable year to corporations,  
1666 organizations, associations or institutions, including Community  
1667 Chest funds, foundations and trusts created solely and exclusively  
1668 for religious, charitable, scientific or educational purposes, or  
1669 for the prevention of cruelty to children or animals, no part of  
1670 the net earnings of which inure to the benefit of any private  
1671 stockholder or individual. This deduction shall be allowed in an  
1672 amount not to exceed twenty percent (20%) of the net income. Such  
1673 contributions or gifts shall be allowable as deductions only if  
1674 verified under rules and regulations prescribed by the  
1675 commissioner, with the approval of the Governor. Contributions  
1676 made in any form other than cash shall be allowed as a deduction,  
1677 subject to the limitations herein provided, in an amount equal to  
1678 the actual market value of the contributions at the time the  
1679 contribution is actually made and consummated.



1680           (i) **Reserve funds - insurance companies.** In the case  
1681 of insurance companies the net additions required by law to be  
1682 made within the taxable year to reserve funds when such reserve  
1683 funds are maintained for the purpose of liquidating policies at  
1684 maturity.

1685           (j) **Annuity income.** The sums, other than dividends,  
1686 paid within the taxpayer year on policy or annuity contracts when  
1687 such income has been included in gross income.

1688           (k) **Contributions to employee pension plans.**  
1689 Contributions made by an employer to a plan or a trust forming  
1690 part of a pension plan, stock bonus plan, disability or  
1691 death-benefit plan, or profit-sharing plan of such employer for  
1692 the exclusive benefit of some or all of his, their, or its  
1693 employees, or their beneficiaries, shall be deductible from his,  
1694 their, or its income only to the extent that, and for the taxable  
1695 year in which, the contribution is deductible for federal income  
1696 tax purposes under the Internal Revenue Code of 1986 and any other  
1697 provisions of similar purport in the Internal Revenue Laws of the  
1698 United States, and the rules, regulations, rulings and  
1699 determinations promulgated thereunder, provided that:

1700                   (i) The plan or trust be irrevocable.

1701                   (ii) The plan or trust constitute a part of a  
1702 pension plan, stock bonus plan, disability or death-benefit plan,  
1703 or profit-sharing plan for the exclusive benefit of some or all of  
1704 the employer's employees and/or officers, or their beneficiaries,  
1705 for the purpose of distributing the corpus and income of the plan

1706 or trust to such employees and/or officers, or their  
1707 beneficiaries.

1708 (iii) No part of the corpus or income of the plan  
1709 or trust can be used for purposes other than for the exclusive  
1710 benefit of employees and/or officers, or their beneficiaries.

1711 Contributions to all plans or to all trusts of real or  
1712 personal property (or real and personal property combined) or to  
1713 insured plans created under a retirement plan for which provision  
1714 has been made under the laws of the United States of America,  
1715 making such contributions deductible from income for federal  
1716 income tax purposes, shall be deductible only to the same extent  
1717 under the Income Tax Laws of the State of Mississippi.

1718 (1) **Net operating loss carrybacks and carryovers.** A  
1719 net operating loss for any taxable year ending after December 31,  
1720 1993, and taxable years thereafter, shall be a net operating loss  
1721 carryback to each of the three (3) taxable years preceding the  
1722 taxable year of the loss. If the net operating loss for any  
1723 taxable year is not exhausted by carrybacks to the three (3)  
1724 taxable years preceding the taxable year of the loss, then there  
1725 shall be a net operating loss carryover to each of the fifteen  
1726 (15) taxable years following the taxable year of the loss  
1727 beginning with any taxable year after December 31, 1991.

1728 For any taxable year ending after December 31, 1997, the  
1729 period for net operating loss carrybacks and net operating loss  
1730 carryovers shall be the same as those established by the Internal  
1731 Revenue Code and the rules, regulations, rulings and

1732 determinations promulgated thereunder as in effect at the taxable  
1733 year end or on December 31, 2000, whichever is earlier.

1734 A net operating loss for any taxable year ending after  
1735 December 31, 2001, and taxable years thereafter, shall be a net  
1736 operating loss carryback to each of the two (2) taxable years  
1737 preceding the taxable year of the loss. If the net operating loss  
1738 for any taxable year is not exhausted by carrybacks to the two (2)  
1739 taxable years preceding the taxable year of the loss, then there  
1740 shall be a net operating loss carryover to each of the twenty (20)  
1741 taxable years following the taxable year of the loss beginning  
1742 with any taxable year after the taxable year of the loss.

1743 The term "net operating loss," for the purposes of this  
1744 paragraph, shall be the excess of the deductions allowed over the  
1745 gross income; provided, however, the following deductions shall  
1746 not be allowed in computing same:

1747 (i) No net operating loss deduction shall be  
1748 allowed.

1749 (ii) No personal exemption deduction shall be  
1750 allowed.

1751 (iii) Allowable deductions which are not  
1752 attributable to taxpayer's trade or business shall be allowed only  
1753 to the extent of the amount of gross income not derived from such  
1754 trade or business.

1755 Any taxpayer entitled to a carryback period as provided by  
1756 this paragraph may elect to relinquish the entire carryback period  
1757 with respect to a net operating loss for any taxable year ending

1758 after December 31, 1991. The election shall be made in the manner  
1759 prescribed by the Department of Revenue and shall be made by the  
1760 due date, including extensions of time, for filing the taxpayer's  
1761 return for the taxable year of the net operating loss for which  
1762 the election is to be in effect. The election, once made for any  
1763 taxable year, shall be irrevocable for that taxable year.

1764 (m) **Amortization of pollution or environmental control**  
1765 **facilities.** Allowance of deduction. Every taxpayer, at his  
1766 election, shall be entitled to a deduction for pollution or  
1767 environmental control facilities to the same extent as that  
1768 allowed under the Internal Revenue Code and the rules,  
1769 regulations, rulings and determinations promulgated thereunder.

1770 (n) **Dividend distributions - real estate investment**  
1771 **trusts.** "Real estate investment trust" (hereinafter referred to  
1772 as REIT) shall have the meaning ascribed to such term in Section  
1773 856 of the federal Internal Revenue Code of 1986, as amended. A  
1774 REIT is allowed a dividend distributed deduction if the dividend  
1775 distributions meet the requirements of Section 857 or are  
1776 otherwise deductible under Section 858 or 860, federal Internal  
1777 Revenue Code of 1986, as amended. In addition:

1778 (i) A dividend distributed deduction shall only be  
1779 allowed for dividends paid by a publicly traded REIT. A qualified  
1780 REIT subsidiary shall be allowed a dividend distributed deduction  
1781 if its owner is a publicly traded REIT.

1782 (ii) Income generated from real estate contributed  
1783 or sold to a REIT by a shareholder or related party shall not give

1784 rise to a dividend distributed deduction, unless the shareholder  
1785 or related party would have received the dividend distributed  
1786 deduction under this chapter.

1787 (iii) A holding corporation receiving a dividend  
1788 from a REIT shall not be allowed the deduction in Section  
1789 27-7-15(4)(t).

1790 (iv) Any REIT not allowed the dividend distributed  
1791 deduction in the federal Internal Revenue Code of 1986, as  
1792 amended, shall not be allowed a dividend distributed deduction  
1793 under this chapter.

1794 The commissioner is authorized to promulgate rules and  
1795 regulations consistent with the provisions in Section 269 of the  
1796 federal Internal Revenue Code of 1986, as amended, so as to  
1797 prevent the evasion or avoidance of state income tax.

1798 (o) **Contributions to college savings trust fund**  
1799 **accounts.** Contributions or payments to a Mississippi Affordable  
1800 College Savings Program account are deductible as provided under  
1801 Section 37-155-113. Payments made under a prepaid tuition  
1802 contract entered into under the Mississippi Prepaid Affordable  
1803 College Tuition Program are deductible as provided under Section  
1804 37-155-17.

1805 (p) **Contributions of human pharmaceutical products.** To  
1806 the extent that a "major supplier" as defined in Section  
1807 27-13-13(2)(d) contributes human pharmaceutical products in excess  
1808 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as  
1809 determined under Section 170 of the Internal Revenue Code, the

1810 charitable contribution limitation associated with those donations  
1811 shall follow the federal limitation but cannot result in the  
1812 Mississippi net income being reduced below zero.

1813 (q) **Contributions to ABLE trust fund accounts.**

1814 Contributions or payments to a Mississippi Achieving a Better Life  
1815 Experience (ABLE) Program account are deductible as provided under  
1816 Section 43-28-13.

1817 (2) **Restrictions on the deductibility of certain intangible  
1818 expenses and interest expenses with a related member.**

1819 (a) As used in this subsection (2):

1820 (i) "Intangible expenses and costs" include:

1821 1. Expenses, losses and costs for, related  
1822 to, or in connection directly or indirectly with the direct or  
1823 indirect acquisition, use, maintenance or management, ownership,  
1824 sale, exchange or any other disposition of intangible property to  
1825 the extent such amounts are allowed as deductions or costs in  
1826 determining taxable income under this chapter;

1827 2. Expenses or losses related to or incurred  
1828 in connection directly or indirectly with factoring transactions  
1829 or discounting transactions;

1830 3. Royalty, patent, technical and copyright  
1831 fees;

1832 4. Licensing fees; and

1833 5. Other similar expenses and costs.

1834 (ii) "Intangible property" means patents, patent  
1835 applications, trade names, trademarks, service marks, copyrights  
1836 and similar types of intangible assets.

1837 (iii) "Interest expenses and cost" means amounts  
1838 directly or indirectly allowed as deductions for purposes of  
1839 determining taxable income under this chapter to the extent such  
1840 interest expenses and costs are directly or indirectly for,  
1841 related to, or in connection with the direct or indirect  
1842 acquisition, maintenance, management, ownership, sale, exchange or  
1843 disposition of intangible property.

1844 (iv) "Related member" means an entity or person  
1845 that, with respect to the taxpayer during all or any portion of  
1846 the taxable year, is a related entity, a component member as  
1847 defined in the Internal Revenue Code, or is an entity or a person  
1848 to or from whom there is attribution of stock ownership in  
1849 accordance with Section 1563(e) of the Internal Revenue Code.

1850 (v) "Related entity" means:

1851 1. A stockholder who is an individual or a  
1852 member of the stockholder's family, as defined in regulations  
1853 prescribed by the commissioner, if the stockholder and the members  
1854 of the stockholder's family own, directly, indirectly,  
1855 beneficially or constructively, in the aggregate, at least fifty  
1856 percent (50%) of the value of the taxpayer's outstanding stock;

1857 2. A stockholder, or a stockholder's  
1858 partnership, limited liability company, estate, trust or  
1859 corporation, if the stockholder and the stockholder's

1860 partnerships, limited liability companies, estates, trusts and  
1861 corporations own, directly, indirectly, beneficially or  
1862 constructively, in the aggregate, at least fifty percent (50%) of  
1863 the value of the taxpayer's outstanding stock;

1864           3. A corporation, or a party related to the  
1865 corporation in a manner that would require an attribution of stock  
1866 from the corporation to the party or from the party to the  
1867 corporation, if the taxpayer owns, directly, indirectly,  
1868 beneficially or constructively, at least fifty percent (50%) of  
1869 the value of the corporation's outstanding stock under regulation  
1870 prescribed by the commissioner;

1871           4. Any entity or person which would be a  
1872 related member under this section if the taxpayer were considered  
1873 a corporation for purposes of this section.

1874           (b) In computing net income, a taxpayer shall add back  
1875 otherwise deductible interest expenses and costs and intangible  
1876 expenses and costs directly or indirectly paid, accrued to or  
1877 incurred, in connection directly or indirectly with one or more  
1878 direct or indirect transactions with one or more related members.

1879           (c) The adjustments required by this subsection shall  
1880 not apply to such portion of interest expenses and costs and  
1881 intangible expenses and costs that the taxpayer can establish  
1882 meets one (1) of the following:

1883           (i) The related member directly or indirectly  
1884 paid, accrued or incurred such portion to a person during the same  
1885 income year who is not a related member; or



1886                   (ii) The transaction giving rise to the interest  
1887 expenses and costs or intangible expenses and costs between the  
1888 taxpayer and related member was done primarily for a valid  
1889 business purpose other than the avoidance of taxes, and the  
1890 related member is not primarily engaged in the acquisition, use,  
1891 maintenance or management, ownership, sale, exchange or any other  
1892 disposition of intangible property.

1893                   (d) Nothing in this subsection shall require a taxpayer  
1894 to add to its net income more than once any amount of interest  
1895 expenses and costs or intangible expenses and costs that the  
1896 taxpayer pays, accrues or incurs to a related member.

1897                   (e) The commissioner may prescribe such regulations as  
1898 necessary or appropriate to carry out the purposes of this  
1899 subsection, including, but not limited to, clarifying definitions  
1900 of terms, rules of stock attribution, factoring and discount  
1901 transactions.

1902                   (3) **Individual nonbusiness deductions.**

1903                   (a) The amount allowable for individual nonbusiness  
1904 itemized deductions for federal income tax purposes where the  
1905 individual is eligible to elect, for the taxable year, to itemize  
1906 deductions on his federal return except the following:

1907                   (i) The deduction for state income taxes paid or  
1908 other taxes allowed for federal purposes in lieu of state income  
1909 taxes paid;

1910                   (ii) The deduction for gaming losses from gaming  
1911 establishments;

1912 (iii) The deduction for taxes collected by  
1913 licensed gaming establishments pursuant to Section 27-7-901;

1914 (iv) The deduction for taxes collected by gaming  
1915 establishments pursuant to Section 27-7-903.

1916 (b) In lieu of the individual nonbusiness itemized  
1917 deductions authorized in paragraph (a), for all purposes other  
1918 than ordinary and necessary expenses paid or incurred during the  
1919 taxable year in carrying on any trade or business, an optional  
1920 standard deduction of:

1921 (i) Three Thousand Four Hundred Dollars  
1922 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred  
1923 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand  
1924 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter  
1925 in the case of married individuals filing a joint or combined  
1926 return;

1927 (ii) One Thousand Seven Hundred Dollars  
1928 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred  
1929 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand  
1930 Three Hundred Dollars (\$2,300.00) for each calendar year  
1931 thereafter in the case of married individuals filing separate  
1932 returns;

1933 (iii) Three Thousand Four Hundred Dollars  
1934 (\$3,400.00) in the case of a head of family; or

1935 (iv) Two Thousand Three Hundred Dollars  
1936 (\$2,300.00) in the case of an individual who is not married.

1937           In the case of a husband and wife living together, having  
1938 separate incomes, and filing combined returns, the standard  
1939 deduction authorized may be divided in any manner they choose. In  
1940 the case of separate returns by a husband and wife, the standard  
1941 deduction shall not be allowed to either if the taxable income of  
1942 one of the spouses is determined without regard to the standard  
1943 deduction.

1944           (c) A nonresident individual shall be allowed the same  
1945 individual nonbusiness deductions as are authorized for resident  
1946 individuals in paragraph (a) or (b) of this subsection; however,  
1947 the nonresident individual is entitled only to that proportion of  
1948 the individual nonbusiness deductions as his net income from  
1949 sources within the State of Mississippi bears to his total or  
1950 entire net income from all sources.

1951           (4) Nothing in this section shall permit the same item to be  
1952 deducted more than once, either in fact or in effect.

1953           (5) Notwithstanding any other provision in Title 27,  
1954 Mississippi Code of 1972, there shall be allowed an income tax  
1955 deduction for otherwise deductible expenses if:

1956           (a) The payment(s) for such deductible expenses are  
1957 made with the grant or loan program of the Paycheck Protection  
1958 Program as authorized under (i) the Coronavirus Aid, Relief, and  
1959 Economic Security (CARES) Act and the Consolidated Appropriations  
1960 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan  
1961 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance  
1962 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered

1963 Venue Operators Grant Program and Restaurant Revitalization Fund  
1964 authorized by the Economic Aid to Hard-Hit Small Businesses,  
1965 Nonprofits, and Venues Act, and amended by the federal American  
1966 Rescue Plan Act, and/or (vi) the Mississippi Agriculture  
1967 Stabilization Act; and

1968 (b) Such deductible expenses shall be allowed as  
1969 deductions for federal income tax purposes.

1970 **SECTION 11.** Sections 7 through 9 of this act shall take  
1971 effect and be in force from and after its passage. Section 10 of  
1972 this act shall take effect and be in force from and after January  
1973 1, 2020. The remainder of this act shall take effect and be in  
1974 force from and after July 1, 2022, and shall stand repealed on  
1975 June 30, 2022.

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

1 AN ACT TO ENACT THE TAX RELIEF ACT OF 2022; TO AMEND SECTION  
2 27-7-5, MISSISSIPPI CODE OF 1972, TO PHASE DOWN TO 4.6%, AT A RATE  
3 OF 0.1% PER YEAR OVER A FOUR-YEAR PERIOD BEGINNING IN CALENDAR  
4 YEAR 2023, THE 5% INCOME TAX ON TAXABLE INCOME IN EXCESS OF  
5 \$10,000.00; TO PHASE OUT, AT A RATE OF 1% PER YEAR OVER A  
6 FOUR-YEAR PERIOD BEGINNING IN CALENDAR YEAR 2027, THE 4% INCOME  
7 TAX ON TAXABLE INCOME IN EXCESS OF \$5,000.00 UP TO AND INCLUDING  
8 \$10,000.00, OR ANY PART THEREOF; TO AMEND SECTION 27-65-17,  
9 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT RETAIL SALES OF FOOD OR  
10 DRINK FOR HUMAN CONSUMPTION ELIGIBLE FOR PURCHASE WITH FOOD STAMPS  
11 ISSUED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE OR OTHER  
12 FEDERAL AGENCY SHALL BE TAXED AT THE RATE OF 5%; TO AMEND SECTION  
13 27-65-75, MISSISSIPPI CODE OF 1972, TO REVISE THE DISTRIBUTION OF  
14 STATE SALES TAX REVENUE COLLECTED FROM RETAIL SALES OF FOOD FOR  
15 HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH WOULD  
16 BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO AMEND  
17 SECTION 27-67-31, MISSISSIPPI CODE OF 1972, TO REVISE THE  
18 DISTRIBUTION OF STATE USE TAX REVENUE COLLECTED FROM RETAIL SALES  
19 OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT  
20 WHICH WOULD BE EXEMPT FROM USE TAX IF PURCHASED WITH FOOD STAMPS;

21 TO PROVIDE THAT EACH TAXPAYER WHO FILED A 2021 FORM 80-105  
22 MISSISSIPPI INCOME TAX RETURN SHALL RECEIVE A REBATE OF 5% OF HIS  
23 2021 TAX LIABILITY; TO SPECIFY THAT THE REBATE SHALL BE NO LESS  
24 THAN \$100.00 PER TAXPAYER AND NO MORE THAN \$1,000.00 PER TAX  
25 RETURN; TO CREATE THE 2022 INCOME TAX REBATE FUND AS A SPECIAL  
26 FUND IN THE STATE TREASURY, TO CONTAIN MONIES APPROPRIATED BY THE  
27 LEGISLATURE, TO BE USED BY THE DEPARTMENT OF REVENUE TO PAY  
28 TAXPAYERS ENTITLED TO INCOME TAX REBATES UNDER THIS ACT; TO DIRECT  
29 THE STATE FISCAL OFFICER TO TRANSFER TO THE 2022 INCOME TAX REBATE  
30 FUND OUT OF THE CAPITAL EXPENSE FUND ANY ADDITIONAL AMOUNT OVER  
31 THE AMOUNT PROVIDED BY THE LEGISLATURE AS NECESSARY TO FUND THE  
32 REBATE; TO AMEND SECTIONS 27-55-11, 27-55-519 AND 27-55-521,  
33 MISSISSIPPI CODE OF 1972, TO PROVIDE A SIX-MONTH SUSPENSION OF THE  
34 EXCISE TAX ON GASOLINE AND SPECIAL FUEL; TO AMEND SECTION 27-7-17,  
35 MISSISSIPPI CODE OF 1972, AS AMENDED BY SENATE BILL NO. 2095, 2022  
36 REGULAR SESSION, AND HOUSE BILL NO. 1529, 2022 REGULAR SESSION, TO  
37 CONFORM TO THE AMENDMENTS MADE BY BOTH BILLS; AND FOR RELATED  
38 PURPOSES.

SS36\HB531A.2J

Eugene S. Clarke  
Secretary of the Senate