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Chapter No. 427

11/SS26/R803

JA / AS / SG

SENATE BILL NO. 2922

Originated in Senate *Jenna W. O'Connell* Secretary

SENATE BILL NO. 2922

AN ACT TO AMEND SECTIONS 27-7-22.23 AND 27-7-22.24, MISSISSIPPI CODE OF 1972, TO DELETE THE JULY 1, 2011, REPEAL DATE ON THE INCOME TAX CREDIT AUTHORIZED FOR CERTAIN TAXPAYERS THAT INCUR CERTAIN CHARGES AT STATE, COUNTY AND MUNICIPAL PORTS ON THE IMPORT OF CARGO AND ON THE PROVISION THAT REQUIRES THE MISSISSIPPI DEVELOPMENT AUTHORITY TO REPORT ANNUALLY TO THE LEGISLATURE REGARDING THE IMPACT OF THE TAX CREDIT; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-7-22.23, Mississippi Code of 1972, is amended as follows:

27-7-22.23. (1) As used in this section, the term "port" means a state, county or municipal port or harbor established pursuant to Sections 59-5-1 through 59-5-69, Sections 59-7-1 through 59-7-519, Sections 59-9-1 through 59-9-85 or Sections 59-11-1 through 59-11-7.

(2) Subject to the provisions of this section, for any income taxpayer utilizing the port facilities at any port for the import of cargo that is unloaded from a carrier calling at any such port, a credit against the taxes imposed pursuant to this chapter shall be allowed in the amounts provided in this section. In order to be eligible for the credit authorized under this section, a taxpayer must locate its United States headquarters in Mississippi on or after July 1, 2004, employ at least five (5) permanent full-time employees who actually work at such headquarters and have a minimum capital investment of Two Million Dollars (\$2,000,000.00) in Mississippi. For the purposes of this section, "full-time employee" shall mean an employee who works at least thirty-five (35) hours per week.

(3) (a) Except as otherwise provided by subsection (4) of this section, the amount of the credit allowed pursuant to this section shall be the total of the following charges on import of cargo paid by the corporation:

- (i) Receiving into the port;
- (ii) Handling from a vessel; and
- (iii) Wharfage.

(b) The credit allowed pursuant to this section shall not include charges paid by a corporation on the import of forest products.

(4) The credit provided for in this section shall not exceed fifty percent (50%) of the amount of tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to such taxpayer under this chapter, except credit for tax payments made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five (5) years. The maximum cumulative credit that may be claimed by a taxpayer under this section is limited to One Million Dollars (\$1,000,000.00) if the taxpayer employs at least five (5), but not more than twenty-five (25) permanent full-time employees at its headquarters in Mississippi; Two Million Dollars (\$2,000,000.00) if the taxpayer employs more than twenty-five (25), but not more than one hundred (100) permanent full-time employees at its headquarters in Mississippi; Three Million Dollars (\$3,000,000.00) if the taxpayer employs more than one hundred (100), but not more than two hundred (200) permanent full-time employees at its headquarters in Mississippi; and Four Million Dollars (\$4,000,000.00) if the taxpayer employs more than two hundred (200) permanent full-time employees at its headquarters in Mississippi.

(5) To obtain the credit provided for in this section, a taxpayer must provide to the Department of Revenue a statement

from the governing authority of the port certifying the amount of charges paid by the taxpayer for which a credit is claimed and any other information required by the Department of Revenue.

* * *

SECTION 2. Section 27-7-22.24, Mississippi Code of 1972, is amended as follows:

27-7-22.24. * * * The Mississippi Development Authority shall report annually to the Legislature regarding the impact of the credit granted in Section 27-7-22.23 on shipping and economic growth. Each report shall show the overall annual increase in shipping at each port for the most recent year for which data is available and for each of the previous five (5) years. Each report shall estimate the number of jobs created or retained at each port and in businesses related to port activity at each port since January 1, 2005, as compared to the number of similar jobs created during the ten (10) years preceding January 1, 2005. Each report shall state the net economic impact on the state as a result of the tax credit provided for in Section 27-7-22.23. The Mississippi Development Authority shall file a copy of the report with the Governor, the Secretary of the Senate, the Clerk of the House of Representatives and the Chairmen of the House Ways and Means Committee and the Senate Finance Committee of the Legislature on May 1 of each year. The Department of Revenue and all state, county and municipal ports shall cooperate with the Mississippi Development Authority in providing the information required in the annual reports.

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SECTION 3. This act shall take effect and be in force from and after July 1, 2011.

PASSED BY THE SENATE
February 9, 2011



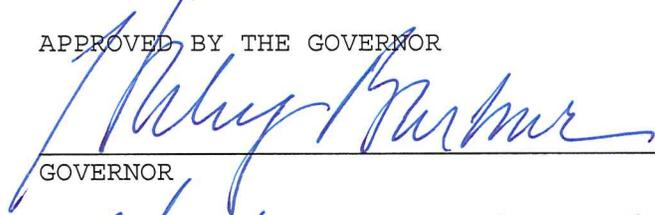
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 3, 2011



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR

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