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Chapter No. 523
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SENATE BILL NO. 2934

Originated in Senate

Tracy Welch

Secretary

SENATE BILL NO. 2934

AN ACT TO AMEND SECTION 27-7-22.5, MISSISSIPPI CODE OF 1972, TO INCREASE THE INCOME TAX CREDIT FOR AD VALOREM TAXES PAID BY TAXPAYERS ON CERTAIN INVENTORY; TO INCLUDE RAW MATERIALS OR WORKS-IN-PROCESS IN THE TYPE OF INVENTORY COVERED BY THE CREDIT; TO AUTHORIZE ANY TAX CREDIT CLAIMED UNDER THIS SECTION BUT NOT USED IN ANY TAXABLE YEAR TO BE CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS FROM THE CLOSE OF THE TAX YEAR IN WHICH THE CREDIT WAS EARNED; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-7-22.5, Mississippi Code of 1972, is amended as follows:

27-7-22.5. (1) For any manufacturer, distributor, wholesale or retail merchant who pays to a county, municipality, school district, levee district or any other taxing authority of the state or a political subdivision thereof, ad valorem taxes imposed on commodities, raw materials, works-in-process, products, goods, wares and merchandise held for resale, a credit against the income taxes imposed under this chapter shall be allowed for the portion of the ad valorem taxes so paid in the amounts prescribed in subsection (2).

(2) The tax credit allowed by this section shall not exceed the amounts set forth in paragraphs (a) through (g) of this subsection; * * * and may be claimed for each location where such commodities, raw material, works-in-process, products, goods, wares and merchandise are found and upon which the ad valorem taxes have been paid. Any tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credit was earned.

(a) For the 1994 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Two Thousand Dollars (\$2,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(b) For the 1995 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Three Thousand Dollars (\$3,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(c) For the 1996 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Four Thousand Dollars (\$4,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(d) For the 1997 taxable year and each taxable year thereafter through taxable year 2013, the tax credit for each location of the taxpayer shall not exceed the lesser of Five Thousand Dollars (\$5,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(e) For the 2014 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Ten Thousand Dollars (\$10,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

(f) For the 2015 taxable year, the tax credit for each location of the taxpayer shall not exceed the lesser of Fifteen Thousand Dollars (\$15,000.00) or the amount of income taxes due the State of Mississippi that are attributable to such location.

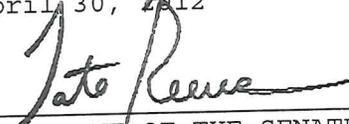
(g) For the 2016 taxable year and each taxable year thereafter, the tax credit of the taxpayer shall be the lesser of the amount of the ad valorem taxes described in subsection (1) paid or the amount of income taxes due the State of Mississippi that are attributable to such location.

(3) Any amount of ad valorem taxes paid by a taxpayer that is applied toward the tax credit allowed in this section may not be used as a deduction by the taxpayer for state income tax

purposes. In the case of a taxpayer that is a partnership, limited liability company or S corporation, the credit may be applied only to the tax attributable to partnership, limited liability company or S corporation income derived from the taxpayer.

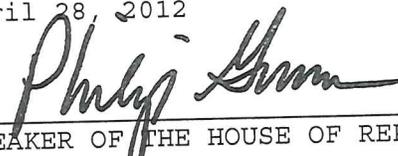
SECTION 2. This act shall take effect and be in force from and after July 1, 2012.

PASSED BY THE SENATE
April 30, 2012



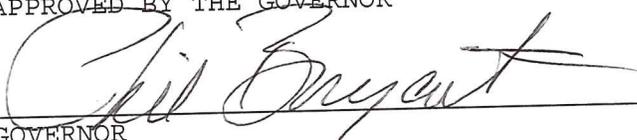
PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
April 28, 2012



SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR



GOVERNOR
9/14/12 11:45 AM