

Estimated Impact of Legislation on General Fund Revenue

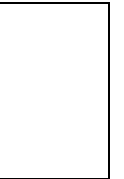
Legislation Passed 2012 RS - 2016 RS

NOTE- This sheet was prepared by the Legislative Budget Office based on information provided by the Department of Revenue (unless otherwise noted) and reflects the maximum impact with no offset for potential economic benefits of the legislation. In addition, this analysis does not factor growth into the impact. DOR is unable to provide an estimate for some of the legislation.

(NOTE- These are bills that have an estimated impact on GF Revenue and reflect the **cumulative loss to the GF**).

				Effective Date	Impact on GF					
					FY2014	FY2015	FY2016	FY2017	FY2018	
2016 Regular Legislation Session										
HB	364	Sales Tax	Sales tax; clarify that certain sales to schools under federal programs are exempt, revise exemption for durable medical equipment.	7/1/2016				11,000,000	11,000,000	
SB	2858	Franchise, Individual and Corporate	Taxpayer Pay Raise Act of 2016; phase out income taxation on first \$5,000.00 of taxable income; phase out	FY2018 Estimate per DOR- Phase-out 3% Rate Individual Income \$14,350,000 ; Phase-out 3% Rate Corporate Income; Provide Self-Employment Tax Deduction \$3,412,700	1/1/2016				18,004,030	
SB	2922	Corporate and Individual	Historic tax credit and MS Small Business Investment Act; increase amount of credits that may be allocated under	Per DOR- Increase historical building renovation rehab credit (starting in FY2017 Cost of \$12M), new tourism incentives (Grammy Museum and Arts/Entertainment) (starting in FY2017 \$3M) and Movie Rebate (FY 2017 \$7M)	7/1/2016			22,000,000	15,000,000	
TOTAL					-	-	-	33,000,000	44,004,030	
2015 Regular Legislation Session										
HB	33	Income Tax	Income tax; authorize a credit for taxpayers that employ certain veterans.	For a taxpayer that employs a person who is a veteran of the Armed Forces of the US. Was honorably discharged on or after January 1, 2010. Initially hired as an employee of the taxpayer on or after January 1, 2015. The credit of \$2,000 for each person employed. For a period of 5 years. COST- According to DOR unable to estimate as it is unknown how many will qualify.	1/1/2015		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>

HB	982	Other Than Dept. of Revenue-Highway Safety Patrol	Mississippi Motor Vehicle Safety Inspection Law; repeal.	FY2014 actual deposits to the General Fund were \$3,616,273 (source Department of Public Safety). Inspection sticker cost of \$5. \$2 is remitted to the GF and \$3 is retained by the inspection station.	7/1/2015			3,616,273	3,616,273	3,616,273
HB	1134	Income Tax	Income tax; authorize establishment of Catastrophe savings accounts and exempt contributions and distributions from tax.	\$33M decrease to the GF based on 665,000 homesteads and the \$1,000 deduction. \$33M per tax year. If 25% of the household took the credit the loss would be \$8.3M.	1/1/2015		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
SB	2207	ABC Tax	Alcoholic beverage license tax; eliminate portion retained by the state while maintaining portion paid to local governments.	This bill removes the states portion of the APF (alcohol purchase fee) but retains the local government fees. The total APF collected for FY14 was 3,521,300. The amount lost to the state general fund: \$1,760,650. When the estimated growth is built in the estimated loss to the GF is \$1,795,863 (growth calculated by LBO)	7/1/2015			1,795,863	1,795,863	1,795,863
SB	2589	Income Tax	Sale of property by nonresident; require seller to withhold for income taxes rather than the buyer.	The FY2014 actual collection per DOR were \$1,000,000.	7/1/2015			1,000,000	1,000,000	1,000,000
SB	2656	Sales Tax	Sales tax; exempt sales to UMC Research Development Foundation.	Unable to determine cost as DOR does not have their purchase information. This bill includes exemption of sales tax on the purchase of hearing aides. The Department of Revenue estimates the loss from this exemption to be \$5.8M.	7/1/2015			5,800,000	5,800,000	5,800,000
SB	2658	Income Tax	Mississippi Business Finance Corporation; extend repeal date on authority to issue bonds to finance economic development projects.	DOR is unable to provide an estimate.	7/1/2015			<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
SB	2762	Income Tax	Facilitating Business Rapid Response to State Declared Disasters Act of 2015; create.	Cost: DOR is unable to make an estimate of lost income tax revenue.	Passage		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>



SB	2832	Sales Tax	Sales tax; include costs of completing oil and gas wells in the reduced rate levied for drilling oil and gas wells.	The reduction in drilling activities in this state is limiting the loss from this law change; however, based upon prior year activity the loss is \$5 million annually.	7/1/2015			5,000,000	5,000,000	5,000,000
TOTAL						-	-	17,212,136	17,212,136	17,212,136

2014 Regular Legislation Session

HB 260	Sales Tax	Sales tax and use tax; exempt finance charges from.	Estimate provided by DOR	7/1/2014		30,000,000	30,000,000	30,000,000	30,000,000
HB 785	Corporate Tax	Income tax; authorize a credit for costs paid by a company in relocating national or regional headquarters to this state.	Authorize income tax credit for cost paid to relocate national headquarters	7/1/2014		1,000,000	1,000,000	1,000,000	1,000,000
HB 787	Sales Tax	Bonds; authorize .	Exempts sales of durable medical equipment and home medical supplies from sales tax, exempts sales to the diabetes foundation and juvenile diabetes research foundation from sales tax; exempts the sales of soil amendments sold to commercial plant nurseries from sales tax; and provides an income tax credit for ad valorem taxes paid on rental equipment.	See Text		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
HB 799	Corporate, Sales and Individual	Taxation; authorize alternate method of apportioning for income tax, revise appellate procedure for appeals.	Provides that use of an alternative apportionment formula for corporate income may only be used in limited, unique, and non-recurring circumstances. Limits the imposition of penalties and interest on taxpayers who fail to pay their tax liabilities. Corporate Income - \$25M, \$39.2M Penalties and \$38.4M in Interest by Year 5 (See tab below)	1/1/2015		6,475,167	28,407,817	72,686,261	90,529,299
HB 1165	Local Government Revenue	Homestead exemption; increase for totally disabled veterans and extend to unremarried surviving spouse of such veterans.	Increases homestead exemption for disabled veterans.	1/1/2015		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>

HB 1358	Sales Tax	Tourism project sales tax incentive program; revise definition of term project and extend (hotel incentive deleted in final version)	DOR is unable to provide an estimate.	7/1/2014		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
HB 1555	Sales Tax	Sale tax; exempt sales of aircraft used in oil or natural gas exploration or production.	Exempts aircraft used in oil or natural gas production from sales tax. DOR is unable to provide an estimate (one taxpayer).	7/1/2014					
SB 2023	Income	Job tax credit; authorize for entities that conduct certain warehousing activities.	Provides an Income Tax jobs credit for certain warehousing activities. DOR is unable to provide an estimate (one taxpayer).	1/1/2014					
SB 2065	Franchise Tax	Corporation franchise tax law; exclude deferred gains and deferred income from certain computations under.	Excludes deferred gains and deferred income from Franchise Tax. DOR- \$600,000	7/1/2014		600,000	600,000	600,000	600,000
SB 2374	Sales Tax	Mississippi Motion Picture Incentive Act; include employee benefits not subject to state income tax in rebate calculation.	Motion Picture Incentive Act emended for purposes of rebate.	1/1/2014		10,000	10,000	10,000	10,000
SB 2376	Income	Mississippi Business Finance Corporation; revise definition of "economic development project" for bonds issued prior to 7/1/94	Expands economic development project incentives.	1/1/2014					
SB 2425	Sales Tax	Sales tax; exempt sales of firearms, ammunition and hunting supplies during Mississippi Sportsman Weekend.	Exempts sales of firearms, ammunition, and hunting supplies during MS sportsman Weekend from sales tax.	7/1/2014		1,000,000	1,000,000	1,000,000	1,000,000
SB 2628	Franchise Tax	Franchise tax; exempt certain savings and loan associations.	Exempts savings and loans from franchise tax. DOR is unable to provide an estimate (three taxpayers).	Passage					

SB	2921	Sales Tax	Sales taxation; exempt sales to the Mississippi Children's Museum.	Exempts from sales tax purchases made by the Mississippi Children's Museum, sales of non-perishable food to organization, purchases made by the United Way of Pine Belt Regions; bill exempts charges for religious, charitable, educations, or civic events at the livestock facility and parking at livestock facilities.	7/1/2014		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
SB	2933	Corporate	Income tax; provide for method of apportioning income for certain major pharmaceutical suppliers.	Revises current income tax apportionment formula from pharmaceutical supplies.	1/1/2014		15,000,000	15,000,000	15,000,000	15,000,000
SB	2934	Sales Tax	Exempt from sales taxation sales of certain truck-tractors.	Exempts from sales tax sales of truck tractors.	7/1/2014		2,400,000	2,400,000	2,400,000	2,400,000
SB	2972	Sales Tax	Sales tax; exempt certain guided tour activities and certain livestock admissions and parking.	Exempts guide services from sales tax. DOR is unable to provide an estimate (one taxpayer).	7/1/2014		<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
SB	2975	Oil Severance Tax	Bonds; authorize for various purposes and revise distribution of severance tax revenue.	Phase in changes in oil severance tax distribution between General Fund and counties. Loss of GF-FY16 (\$4,412,022), FY17 (\$5,306,793), FY18 (\$6,120,973), FY19 (\$6,910,467) and FY20 (\$8,459,270)				4,412,022	5,306,793	6,120,973
TOTAL							56,485,167	82,829,839	128,003,054	146,660,272

2013 Regular Legislation Session

HB 722		Mississippi Health Care Industry Zone Act; revise requirements for certification of health care industry zones under.	Provides an income tax rebate for investors who incur qualified research costs. DOR- Unknown	7/1/2013	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>	<i>Unknown</i>
HB 826	Corporate Tax	Strengthening Mississippi Academic Research Through Business Act; create.	Provides and income tax rebate for investors who incur qualified research costs. DOR- Unknown	7/1/2013	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000

HB 841	Sales Tax	Sales tax; reduce rate on sales of power and fuel to a producer of oil and gas for use in oil recovery or sequestration of carbon dioxide.	Provides reduced sales tax rate for fuel used in enhanced oil recovery. Based upon activity, the estimate is \$3.5 million annually	7/1/2013	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
HB 844	Sales Tax	Sales taxation; exempt sales of power or fuel to certain enterprises for industrial purposes.	Provide sales tax exemptions for the sale of electricity or fuel used in industrial, agriculture, and other listed commercial operations. \$5.2M GF, \$1M cities, \$156,000 School Ad Valorem and \$626,000 EEF	7/1/2014		5,200,000	5,200,000	5,200,000	5,200,000
HB 1003	Income Tax	Historic property income tax credit; authorize the transfer, sale or assignment of the credit.	Expands the definition of historic structure with regards to claiming an income tax credit.	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
HB 1680	Sales Tax	Sales tax law; include certain recycling activities in the terms "to manufacture" and "manufacturing".	Add scrap metal recyclers to the definition of manufacturer for sales tax purposes.	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
HB 1698	Severance	Severance tax; reduce for 24 months for oil and gas produced from and after July 1, 2013, from horizontally drilled wells.	Reduces the severance tax rate on horizontally drilled wells for a 30-month period or until payout of the well cost is achieved.	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
SB 2244	Sales Tax	Sales tax; exempt sales of tangible personal property made to raise funds for schools.	Provides sales tax exemptions for producers of honey bee products, sales made for raising funds for schools, sales of certain durable medical equipment and purchases made by MS Blood Services.	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
SB 2462	Income Tax	Mississippi Motion Picture Incentive Act; increase the amount of rebates authorized under.	Amends the definition of motion picture to include a computer or video game and increases the amounts authorized for the incentive.	Passage	Unknown	Unknown	Unknown	Unknown	Unknown

SB 2463	Sales Tax	Tourism Project Sales Tax Incentive Fund; increase maximum period of time that MDA may make payments from.	Increases the time to make payments from the sales tax incentive fund to an approved participant and it added a tourism attraction located within a historic district listed in the National Register of Historic Places, where the tourism attraction is open to the public, has seating to accommodate at least 40 persons, is open at least 5 days per week from at least 6:00 p.m. until midnight, serves food and beverages, and provides live entertainment at least three (3) nights per week.	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
SB 2806	Sales Tax	Tourism; revise the definition of the term "tourism project" for purposes of the tourism project sales tax incentive fund.	Adds a cultural retail project to sales tax incentive fund and provides a tax rebate which is used to offset the developer's construction costs.	7/1/2013	6,200,000	6,200,000	6,200,000	6,200,000	6,200,000
SB 2847	Petroleum	Special fuel tax; exempt fuel used by a commercial airline on certain interstate air service.	Exempts certain aviation fuel from special tax	7/1/2013	Unknown	Unknown	Unknown	Unknown	Unknown
TOTAL					14,700,000	19,900,000	19,900,000	19,900,000	19,900,000

2012 Regular Legislation Session

HB 582	Sales Tax	Sales tax; exempt sales of utilities to churches.	DOR- Unknown	7/1/2012	Unknown	Unknown	Unknown	Unknown	Unknown
HB 1519	Individual Income Tax	Income tax; certain corporate distributions tax free if they are part of a transaction that qualifies under Section 355, Internal Rev. Code.	DOR- Unknown	1/1/2012	Unknown	Unknown	Unknown	Unknown	Unknown
HB 1537	Sales Tax	Mississippi Health Care Industry Zone Act; create and provide certain tax incentives for qualified businesses located in.	Provides tax incentives for qualified businesses within a health care industry zone.	7/1/2012	Unknown	Unknown	Unknown	Unknown	Unknown

SB 2934	Corporate Tax	Income tax; increase credit for ad valorem tax paid on inventory.	Phase in credit- FY2014 \$7M, FY2014 \$14M, FY2016 \$21M, FY2017 \$84M FY2018 \$126M (FY2017 was originally projected to be \$126M but not all of the credits are being utilized. The REG used an additional \$63M in FY2017 leaving the remaining \$42M for FY2018.	7/1/2012	7,000,000	14,000,000	21,000,000	126,000,000	126,000,000
TOTAL					7,000,000	14,000,000	21,000,000	126,000,000	126,000,000

Corporate/Franchise*	12,000,000	36,718,445	51,715,502	196,170,185	199,531,741
Sales	9,700,000	50,821,998	68,154,797	88,443,065	95,346,062
Use	-	204,926	723,130	1,427,654	1,983,003
Individual	-	2,639,798	10,524,387	27,355,358	45,382,523
ACB Tax	-	-	1,795,863	1,795,863	1,795,863
Oil Severance Tax	-	-	4,412,022	5,306,793	6,120,973
Other Than- Hwy Safety Patrol	-	-	3,616,273	3,616,273	3,616,273
TOTAL CUMULATIVE IMPACT	21,700,000	90,385,167	140,941,975	324,115,190	353,776,438

* Franchise tax is \$600,000