

Mississippi REALTORS® Legislative Update – February 18, 2016

We are in the seventh week of the 2016 Legislative Session. Midnight on Monday, February 8, was the filing deadline for all general bills and constitutional amendments to be submitted. Attorneys for the House and Senate have already drafted over 2,500 requests. The next deadline that legislators face is February 23, when committees must report on general bills and constitutional amendments originating from their chamber. They are still drafting bills for revenue committees and Appropriations. Those bills will be subject to a March 16 deadline.

Trespasser Act Moving:

An important bill to note last week was the passage of [HB 767](#) out of House Judiciary B on Thursday. This legislation would codify the common law duty of care of a land possessor to a trespasser and licensee. There have been attempts through rewriting tort law definitions used by courts to expand the liability of a landowner to a trespasser. This bill limits liability. There is a companion bill [SB 2464](#) in the Senate.

Other Legislation to Note Moving last week:

The Senate on Thursday passed legislation to change all elected superintendents to appointed superintendents effective January 1, 2019. [SB 2438](#) by Senate Education Chairman Gray Tollison, R-Oxford, which passed 43-9, moves to the House for consideration. The bill does not prohibit local boards from appointing current superintendents.

Legislation to allow the Department of Revenue to compromise on tax disputes with taxpayers has passed the House Ways & Means Committee. [HB 391](#) gives the DOR authority similar to what the U.S. Internal Revenue Service has to settle taxpayer disputes.

[HB 425](#), which would will allow online sales of land for taxes, has passed the House and will now be transmitted to the Senate. The sales are currently advertised in the newspaper and the land on which taxes are past due is sold on the courthouse steps. This would give county tax collectors the option of having an online auction as long as it is advertised in the newspaper with instructions for how to bid electronically.

[HB 461](#) has passed the House and would change the dates for filing corporate income tax returns to match the dates of corresponding federal returns.

Below you will find MAR's current legislative priorities, where they are in the process as well as links to the legislation.

Tax equity for Mississippi's Self-Employed - The goal is for Tax equity for Mississippi's Self-Employed by allowing a self-employment tax deduction on the Mississippi State income tax return, similar to the current adjustment allowed on the federal return; and as similarly allowed for corporations on the Mississippi State return for the employer-paid portion of federal Medicare and FICA taxes. The state's self-employed deserve equal tax treatment with corporations in being able to deduct for state income tax purposes one-half of their self-employment tax in figuring one's adjusted gross income, being the employer-equivalent portion of one's self-employment tax, and also the same as allowed on the federal return for the employer portion of Medicare and Social Security tax payments paid by a corporation. This is a very important job-creating and tax-equity issue and deserves to be passed and these first-line entrepreneurs need to be given the same state tax rights as other businesses.

- [HB 412](#) - House Ways & Means Committee
- [HB 374](#) - House Ways & Means Committee

Eliminating the Franchise Tax - Eliminating the Franchise Tax will make MS more attractive for businesses to relocate to MS or encourage existing businesses to expand. The franchise tax hits companies in the state for capital or property at a rate of \$2.50 per \$1,000 of capital or property, whichever is greater. The state's franchise tax rate is sixth-highest in the nation and is one of the few without limits on the maximum payment. Mississippi is one of 18 states with a franchise tax. Eliminating the franchise tax could help Mississippi's tax climate for business. The franchise tax is paired with a corporate income tax, making it more onerous. Unlike in New York, Rhode Island and Connecticut, where a company pays only the higher charge of the two taxes, Mississippi whacks companies with both taxes every year.

- [HB 414](#) – House Ways & Means Committee
- [SB 2066](#) – Senate Finance Committee

Trespassing Act – MAR supports legislation stating that a landowner does not owe any responsibility to a trespasser who is injured on their property. This legislation would help codify the case law concerning land possessors' duty of care regarding trespassers. Homeowners, companies, factories, and farmers may all be at risk of liability for activities inherently out of their control.

- [HB 767](#) – Passed House Judiciary B Committee
- [SB 2464](#) – Senate Judiciary A Committee

Premise Liability Legislation – MAR supports legislation setting guidelines for court cases where a third party causes injury to someone at a business.

- **No bills to report on**

Creating the Mississippi Main Street Investment Act – MAR supports legislation to create the Mississippi main street investment act. This act would create the Mississippi main street investment loan fund and require the Mississippi Development Authority to establish a program to make loans to municipalities to assist with maintaining and improving the viability of revitalization zones; to require a municipality desiring a loan under this act to submit an application to the Mississippi development authority; to authorize the issuance of state general obligation bonds and provide that the proceeds of such bonds shall be deposited into the Mississippi main street investment loan fund.

- **No bills to report on yet / not subject to the February 23rd Deadline**

First-Time Home Buyer Savings Account – MAR supports legislation establishing first-time home buyer savings accounts that can be used for saving funds for the purchase of homes by first-time home buyers. Moneys in the account are required to be used solely for the down payment and closing costs for the purchase of a home by a first-time home buyer. Being unable to come up with a hefty down payment is often a major hurdle for first-time home buyers, particularly young people who are grappling with massive student loan debt. The issue has become a critical concern for members of the real estate community, who have noticed a steady decline in the number of first-time and young home buyers in the market.

- **No bills to report on yet / not subject to the February 23rd Deadline**

Tax Credits for Historic Structures - MAR Supports legislation authorizing an income tax credit for costs and expenses incurred for the rehabilitation of certain historic structures.

- [SB 2065](#) – Senate Finance Committee
- [HB 192](#) – House Revenue & Expenditure General Bills

Background checks on Real Estate Licensees – MAR Supports legislation amending Mississippi license law to require fingerprinting and background checks on new real estate licensee applicants and real estate license renewals.

- [SB 2725](#) – Passed the Senate Business & Financial Institutions Committee
- [HB 1239](#) – House Judiciary A Committee