

By: Senator(s) Hewes

To: Finance

## SENATE BILL NO. 3107

1 AN ACT TO PROVIDE FOR A TAX CREDIT FOR BUSINESS TAXPAYERS IN  
2 THE AMOUNT OF 50% OF ANY CONTRIBUTION MADE TO ANY PROJECT DESIGNED  
3 TO CONSTRUCT OR REHABILITATE LOW-INCOME IN A BLIGHTED AREA THAT IS  
4 CONDUCTED BY CERTAIN ELIGIBLE SPONSORS; TO PROVIDE THAT THE  
5 MAXIMUM AMOUNT OF SUCH CREDIT; TO PROVIDE THAT SPONSORS AND  
6 PERSONS DESIRING TO UTILIZE SUCH CREDIT SHALL MAKE APPLICATION TO  
7 THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT; TO REQUIRE  
8 THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT TO MAKE  
9 CERTAIN ELIGIBILITY DETERMINATIONS REGARDING SUCH CREDIT; TO LIMIT  
10 THE MAXIMUM DOLLAR AMOUNT OF THE CREDIT THAT MAY BE GRANTED IN ANY  
11 ONE STATE FISCAL YEAR; AND FOR RELATED PURPOSES. BE IT ENACTED BY  
12 THE LEGISLATURE OF THE STATE OF MISSISSIPPI:  
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14 SECTION 1. (1) As used in this section:

15 (a) "Blighted area" shall have the meaning ascribed to  
16 such term in Section 43-35-3;

17 (b) "Department" means the Department of Economic and  
18 Community Development;

19 (c) "Eligible sponsor" means:

20 (i) A community action program;

21 (ii) A community development corporation;

22 (iii) A local housing authority;

23 (iv) A local redevelopment authority;

24 (v) A historic preservation district agency or  
25 organization; or

26 (vi) Any other entity designated as an eligible  
27 sponsor by the Department of Economic and Community Development;

28 (d) "Project" means any project designed to construct  
29 or rehabilitate low-income housing.

30 (2) Subject to the provisions of this section, there shall  
31 be allowed for any taxpayer as a credit against the tax imposed by

32 this chapter, an amount equal to fifty percent (50%) of any  
33 contribution made for use in a project in a blighted area that is  
34 conducted by an eligible sponsor; provided, however, that no  
35 taxpayer shall receive a tax credit in any one (1) taxable year of  
36 more than Two Hundred Thousand Dollars (\$200,000.00) and the  
37 aggregate amount of the tax credit allowed for all approved  
38 programs shall not exceed Two Million Dollars (\$2,000,000.00) in  
39 any state fiscal year.

40 (3) An eligible sponsor desiring contributions received by  
41 it from a taxpayer to be eligible for the credit authorized in  
42 this section shall submit a proposal to the department setting  
43 forth the sponsor, the project, the area in which the project is  
44 located and such other information as the department may require.

45 The proposal shall also contain a resolution from the local  
46 government in which the project is located that states that the  
47 project is consistent with local plans and regulations.

48 (4) Any taxpayer desiring to claim the credit authorized in  
49 this section shall submit an application for tax credit to the  
50 department which shall include the name of the eligible sponsor  
51 and the type, value and purpose of the contribution and such other  
52 information as the department shall require. The eligible sponsor  
53 shall verify in writing the terms of the application and its  
54 willingness to receive the contribution. Such written  
55 verification shall accompany the application. A separate  
56 application shall be required for each project to which a taxpayer  
57 makes a contribution.

58 (5) The department shall examine all proposals and  
59 applications to determine whether they meet the requirements of  
60 this section. The department shall determine the amount of the  
61 contribution that is eligible as a credit; provided, however, that  
62 in no case shall the aggregate amount of the credits authorized by  
63 this section in any state fiscal year exceed Two Million Dollars  
64 (\$2,000,000.00). The department shall cease granting the tax  
65 credit once the aggregate amount of credits granted in a state  
66 fiscal year reaches Two Million Dollars (\$2,000,000.00). All  
67 determinations made by the department pursuant to this subsection  
68 shall be in writing and a copy of the determinations shall be

69 transmitted to the State Tax Commission. The department shall  
70 periodically monitor all projects to ensure compliance with this  
71 section.

72 (6) Any amount of contribution made by a taxpayer that is  
73 applied toward the tax credit allowed in this section may not be  
74 used as a deduction by the taxpayer for state income tax purposes.

75 Any amount of the tax credit authorized by this section that  
76 exceeds the amount of the taxes due the State of Mississippi in  
77 the year taken, may be carried forward for five (5) years.

78 SECTION 2. Section 1 of this act shall be codified in  
79 Chapter 7, Title 27, Mississippi Code of 1972.

80 SECTION 3. This act shall take effect and be in force from  
81 and after January 1, 2000.