HOUSE BILL NO. 377

AN ACT TO AMEND SECTION 27-7-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT PREMIUMS PAID BY AN INDIVIDUAL FOR DISABILITY INCOME INSURANCE COVERING THE INDIVIDUAL OR INDIVIDUAL'S SPOUSE, OR BOTH, SHALL BE ALLOWED AS AN ADJUSTMENT TO GROSS INCOME FOR STATE INCOME TAX PURPOSES; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 27-7-18, Mississippi Code of 1972, is amended as follows:

27-7-18. (1) Alimony payments. In the case of a person described in Section 27-7-15(2)(e), there shall be allowed as a deduction from gross income amounts paid as periodic payments to the extent of such amounts as are includible in the gross income of the spouse as provided in Section 27-7-15(2)(e), payment of which is made within the person's taxable year.

(2) Unreimbursed moving expenses incurred after December 31, 1994, are deductible as an adjustment to gross income in accordance with provisions of the United States Internal Revenue Code, and rules, regulations and revenue procedures thereunder relating to moving expenses, not in direct conflict with the provisions of the Mississippi Income Tax Law.

(3) Amounts paid after December 31, 1998, by a self-employed individual for insurance which constitute medical care for the taxpayer, his spouse and dependents, are deductible as an adjustment to gross income in accordance with provisions of the United States Internal Revenue Code, and rules, regulations and revenue procedures thereunder relating to such payments, not in direct conflict with the provisions of the Mississippi Income Tax Law.
(4) Contributions or payments to a Mississippi Affordable College Savings (MACS) Program account are deductible from gross income as provided in Section 37-155-113. Payments made under a prepaid tuition contract entered into under the Mississippi Prepaid Affordable College Tuition Program are deductible as provided in Section 37-155-17.

(5) Amounts paid after December 31, 2000, by an individual as premiums for disability income insurance covering the individual or the individual’s spouse, or both, are deductible as an adjustment to gross income if those amounts are not already excluded from gross income because they are covered under a cafeteria plan as defined in the United States Internal Revenue Code and rules, regulations and procedures thereunder. For the purposes of this subsection (5) “disability income insurance” means a policy contract that pays a benefit for disability, as defined in the policy contract, due to accident or sickness.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after January 1, 2001.