

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 199

1 AN ACT TO PROVIDE A STATE INCOME TAX CREDIT FOR CERTAIN
2 HOUSEHOLD AND DEPENDENT CARE SERVICE EXPENSES NECESSARY FOR
3 EMPLOYMENT WHICH ARE CLAIMED BY A TAXPAYER AS A FEDERAL DEPENDENT
4 CARE INCOME TAX CREDIT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) For any taxpayer allowed to claim a federal
7 income tax credit under 26 USCS Section 21 for household and
8 dependent care service expenses necessary for gainful employment,
9 a credit shall be allowed against the taxes imposed under this
10 chapter in the manner prescribed in this section. The amount of
11 the credit shall be equal to the lesser of the amount of the
12 federal credit allowed under 26 USCS Section 21 claimed for such
13 expenses by the taxpayer on the taxpayer's federal income tax
14 return or the amount of income tax imposed upon the taxpayer for
15 the taxable year reduced by the sum of all other credits allowable
16 to such taxpayer under this chapter, except credit for tax
17 payments made by or on behalf of the taxpayer. In the case of
18 married individuals filing separate returns, each person may claim
19 an amount not to exceed one-half (1/2) of the tax credit that
20 would have been allowed for a joint return.

21 (2) To obtain the credit provided for in this section, a
22 taxpayer must claim the federal credit allowed under 26 USCS
23 Section 21 on the taxpayer's federal income tax return and must
24 provide a copy of such return and any other information required
25 by the State Tax Commission.

26 **SECTION 2.** Section 1 of this act shall be codified as a
27 separate code section in Chapter 7, Title 27, Mississippi Code of
28 1972.

29 **SECTION 3.** Nothing in this act shall affect or defeat any
30 claim, assessment, appeal, suit, right or cause of action for
31 taxes due or accrued under the income tax laws before the date on
32 which this act becomes effective, whether such claims,
33 assessments, appeals, suits or actions have been begun before the
34 date on which this act becomes effective or are begun thereafter;
35 and the provisions of the income tax laws are expressly continued
36 in full force, effect and operation for the purpose of the
37 assessment, collection and enrollment of liens for any taxes due
38 or accrued and the execution of any warrant under such laws before
39 the date on which this act becomes effective, and for the
40 imposition of any penalties, forfeitures or claims for failure to
41 comply with such laws.

42 **SECTION 4.** This act shall take effect and be in force from
43 and after January 1, 2005.