

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 260

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, 2006.