

By: Representative Fleming

To: Ways and Means

HOUSE BILL NO. 261

1 AN ACT TO PROVIDE A STATE INCOME TAX CREDIT FOR TAXPAYERS
2 CLAIMING THE FEDERAL EARNED INCOME TAX CREDIT; AND FOR RELATED
3 PURPOSES.

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

5 **SECTION 1.** (1) For any taxpayer allowed to claim a federal
6 earned income tax credit under 26 USCS Section 32, a credit shall
7 be allowed against the taxes imposed under this chapter in the
8 manner prescribed in this section. The amount of the credit shall
9 be equal to the lesser of five percent (5%) of the amount of the
10 federal credit allowed under 26 USCS Section 32 claimed by the
11 taxpayer on the taxpayer's federal income tax return or the amount
12 of income tax imposed upon the taxpayer for the taxable year
13 reduced by the sum of all other credits allowable to such taxpayer
14 under this chapter, except credit for tax payments made by or on
15 behalf of the taxpayer.

16 (2) To obtain the credit provided for in this section, a
17 taxpayer must claim the federal credit allowed under 26 USCS
18 Section 32 on the taxpayer's federal income tax return and must
19 provide a copy of such return and any other information required
20 by the State Tax Commission.

21 **SECTION 2.** Section 1 of this act shall be codified as a
22 separate code section in Chapter 7, Title 27, Mississippi Code of
23 1972.

24 **SECTION 3.** Nothing in this act shall affect or defeat any
25 claim, assessment, appeal, suit, right or cause of action for
26 taxes due or accrued under the income tax laws before the date on
27 which this act becomes effective, whether such claims,

28 assessments, appeals, suits or actions have been begun before the
29 date on which this act becomes effective or are begun thereafter;
30 and the provisions of the income tax laws are expressly continued
31 in full force, effect and operation for the purpose of the
32 assessment, collection and enrollment of liens for any taxes due
33 or accrued and the execution of any warrant under such laws before
34 the date on which this act becomes effective, and for the
35 imposition of any penalties, forfeitures or claims for failure to
36 comply with such laws.

37 **SECTION 4.** This act shall take effect and be in force from
38 and after January 1, 2006.