

By: Representative Fleming

To: Ways and Means

## HOUSE BILL NO. 1566

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) 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 shall be allowed a refundable credit against the taxes imposed  
10 under this chapter in the manner prescribed in this section,  
11 regardless of whether the taxpayer claimed the federal credit.  
12 The amount of the credit shall be as follows:

13 (a) One hundred percent (100%) of the allowable federal  
14 credit if the taxpayer's state adjusted gross income is less than  
15 Twenty-five Thousand Dollars (\$25,000.00);

16 (b) Eighty percent (80%) of the allowable federal  
17 credit if the taxpayer's state adjusted gross income is at least  
18 Twenty-five Thousand Dollars (\$25,000.00) but less than  
19 Thirty-five Thousand Dollars (\$35,000.00);

20 (c) Sixty percent (60%) of the allowable federal credit  
21 if the taxpayer's state adjusted gross income is at least  
22 Thirty-five Thousand Dollars (\$35,000.00) but less than Forty-five  
23 Thousand Dollars (\$45,000.00);

24 (d) Forty percent (40%) of the allowable federal credit  
25 if the taxpayer's state adjusted gross income is at least  
26 Forty-five Thousand Dollars (\$45,000.00) but less than Fifty-five  
27 Thousand Dollars (\$55,000.00);

28           (e) Twenty percent (20%) of the allowable federal  
29 credit if the taxpayer's state adjusted gross income is at least  
30 Fifty-five Thousand Dollars (\$55,000.00) but less than Sixty-five  
31 Thousand Dollars (\$65,000.00).

32           (2) If the amount of credit claimed by a taxpayer exceeds  
33 the amount of income tax imposed upon the taxpayer for the taxable  
34 year reduced by the sum of all other credits allowable to the  
35 taxpayer under the state income tax laws, except credit for tax  
36 payments made by or on behalf of the taxpayer, then the taxpayer  
37 shall receive a refund from the State Tax Commission for the  
38 amount of such excess.

39           **SECTION 2.** Section 1 of this act shall be codified as a  
40 separate code section in Chapter 7, Title 27, Mississippi Code of  
41 1972.

42           **SECTION 3.** Nothing in this act shall affect or defeat any  
43 claim, assessment, appeal, suit, right or cause of action for  
44 taxes due or accrued under the income tax laws before the date on  
45 which this act becomes effective, whether such claims,  
46 assessments, appeals, suits or actions have been begun before the  
47 date on which this act becomes effective or are begun thereafter;  
48 and the provisions of the income tax laws are expressly continued  
49 in full force, effect and operation for the purpose of the  
50 assessment, collection and enrollment of liens for any taxes due  
51 or accrued and the execution of any warrant under such laws before  
52 the date on which this act becomes effective, and for the  
53 imposition of any penalties, forfeitures or claims for failure to  
54 comply with such laws.

55           **SECTION 4.** This act shall take effect and be in force from  
56 and after January 1, 2007.