

By: Senator(s) Pickering

To: Finance

SENATE BILL NO. 2775

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR TAXPAYERS WHO PAY
2 TUITION TO A NONPUBLIC PRIMARY OR SECONDARY SCHOOL AND
3 INSTITUTIONS OF HIGHER EDUCATION; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** (1) For any taxpayer who pays tuition to a
6 nonpublic school, a credit against the taxes imposed by this
7 chapter shall be allowed in the amount provided in subsection (2)
8 of this section. For the purposes of this section:

9 (a) "Tuition" means the monthly, semester, annual or
10 other term charge and all required fees imposed as a condition of
11 enrollment in a primary or secondary nonpublic school; and

12 (b) "Nonpublic school" means an institution for the
13 teaching of children in the primary or secondary, or both, grades,
14 consisting of a physical plant (whether owned or leased),
15 instructional staff and students, and which is in session each
16 school year and maintains educational standards equivalent to the
17 standards established by the State Department of Education for the
18 state schools as outlined in the Approval Requirements of the
19 State Board of Education for Nonpublic Schools. The term
20 "nonpublic school" includes, but is not necessarily limited to,
21 private, church and parochial schools.

22 (2) The income tax credit provided in subsection (1) of this
23 section shall be equal to one-half (1/2) of the amount of the
24 tuition paid to a nonpublic school during the taxable year, not to
25 exceed the amount of income tax due the State of Mississippi from
26 the taxpayer for the taxable year reduced by the sum of all other
27 credits allowable to such taxpayer under the state income tax

28 laws, except credit for tax payments made by or on behalf of the
29 taxpayer. In the case of married individuals filing separate
30 returns, each person may claim an amount not to exceed one-half
31 (1/2) of the tax credit which would have been allowed for a joint
32 return. Any unused portion of the credit may be carried forward
33 for the next five (5) succeeding tax years.

34 (3) Any amount of tuition payments made by a taxpayer which
35 is applied toward the credit provided in this section may not be
36 used as a deduction by the taxpayer for state income tax purposes.

37 **SECTION 2.** (1) For any taxpayer who pays tuition to an
38 institution of higher education, a credit against the taxes
39 imposed by this chapter shall be allowed in the amount provided in
40 subsection (2) of this section. For the purposes of this section:

41 (a) "Tuition" means the monthly, semester, annual or
42 other term charge and all required fees imposed as a condition of
43 enrollment in a institution of higher education; and

44 (b) "Institution of higher education" means a public or
45 private university, college or community/junior college that
46 provides an education beyond the high school level accredited by
47 an accrediting body recognized by the U.S. Department of
48 Education.

49 (2) The income tax credit provided in subsection (1) of this
50 section shall be equal to one-half (1/2) of the amount of the
51 tuition paid to a institution of higher education during the
52 taxable year, not to exceed the amount of income tax due the State
53 of Mississippi from the taxpayer for the taxable year reduced by
54 the sum of all other credits allowable to such taxpayer under the
55 state income tax laws, except credit for tax payments made by or
56 on behalf of the taxpayer. The taxpayer may not receive a credit
57 for more than the tuition that is paid by him for eight (8)
58 semesters at an institution of higher education. In the case of
59 married individuals filing separate returns, each person may claim
60 an amount not to exceed one-half (1/2) of the tax credit which

61 would have been allowed for a joint return. Any unused portion of
62 the credit may be carried forward for the next five (5) succeeding
63 tax years.

64 (3) Any amount of tuition payments made by a taxpayer which
65 is applied toward the credit provided in this section may not be
66 used as a deduction by the taxpayer for state income tax purposes.

67 **SECTION 3.** Sections 1 and 2 of this act shall be codified as
68 a separate section in Chapter 7, Title 27, Mississippi Code of
69 1972.

70 **SECTION 4.** This act shall take effect and be in force from
71 and after July 1, 2007.