

By: Senator(s) Pickering

To: Finance

SENATE BILL NO. 2896

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR CONTRIBUTIONS
2 MADE BY A CORPORATION TO SCHOLARSHIP FUNDS BY SCHOOLS 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 purposes of this section:

6 (a) "School" means a public or private school teaching
7 children in the primary or secondary grades that is accredited by
8 the State Department of Education.

9 (b) "Institution of higher education" means a public or
10 private university, college or community/junior college that
11 provides an education beyond the high school level accredited by
12 an accrediting body recognized by the U.S. Department of
13 Education.

14 (2) Except as otherwise provided in this section, there
15 shall be allowed as a credit against the taxes imposed by this
16 chapter, an amount equal to the monetary contributions made by a
17 corporation to scholarship funds established by a school or
18 institution of higher education, no part of the net earnings of
19 which inure to the benefit of any private stockholder or
20 individual.

21 (3) The income tax credit authorized by this section shall
22 not exceed the amount of income tax due the State of Mississippi
23 from the taxpayer for the taxable year reduced by the sum of all
24 other credits allowable to such taxpayer under the state income
25 tax laws, except credit for tax payments made by or on behalf of
26 the taxpayer. Any unused portion of the credit may be carried
27 forward for the next five (5) succeeding tax years.

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

31 **SECTION 2.** Section 1 of this act shall be codified in
32 Chapter 7, Title 27, Mississippi Code of 1972.

33 **SECTION 3.** This act shall take effect and be in force from
34 and after July 1, 2007.