

By: Senator(s) Watson

To: Finance

SENATE BILL NO. 2852

1 AN ACT ENTITLED THE "MISSISSIPPI EDUCATION IMPROVEMENT TAX
 2 CREDIT ACT OF 2016"; TO ESTABLISH AN EDUCATIONAL IMPROVEMENT TAX
 3 CREDIT (EITC) PROGRAM ADMINISTERED BY THE MISSISSIPPI DEVELOPMENT
 4 AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO LOW- AND
 5 MIDDLE-INCOME FAMILIES SEEKING EDUCATIONAL OPTIONS FOR THEIR
 6 CHILDREN; TO AUTHORIZE THE INCOME TAX CREDIT FOR BUSINESS FIRMS
 7 MAKING CONTRIBUTIONS TO QUALIFIED EDUCATIONAL SCHOLARSHIP
 8 ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND TO
 9 PROVIDE STANDARDS AND LIMITATIONS FOR SUCH CONTRIBUTIONS; TO
 10 PROVIDE THAT THE SCHOLARSHIPS RECEIVED BY AN ELIGIBLE STUDENT FROM
 11 A SCHOLARSHIP ORGANIZATION ARE DEDUCTIBLE AS AN ADJUSTMENT TO
 12 GROSS INCOME; TO AMEND SECTION 27-7-18, MISSISSIPPI CODE OF 1972,
 13 IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

15 **SECTION 1. Short title.** Sections 1 through 8 of this act
 16 shall be known and may be cited as the "Mississippi Educational
 17 Improvement Tax Credit Act of 2016."

18 **SECTION 2. Educational improvement tax credit (EITC).** (1)

19 **Definitions.** The following words and phrases when used in this
 20 section shall have the meanings given to them in this section
 21 unless the context clearly indicates otherwise:

22 (a) "Business firm" means an entity authorized to do
 23 business in this state and subject to taxes imposed under the



24 Mississippi Income Tax Law, Section 27-7-1 et seq. The term
25 includes a pass-through entity. For purposes of this section, a
26 business firm shall be included in one (1) of the following
27 groups:

28 (i) Group 1 includes any business firm that is
29 either entering the second year of a two-year commitment or
30 applying for tax credits for a contribution to an educational
31 improvement organization that is also a school district
32 foundation, public school foundation or charter school foundation.

33 (ii) Group 2 includes any business firm other than
34 a business firm in Group 1.

35 (b) "Contribution" means a donation of cash, personal
36 property or services, the value of which is the net cost of the
37 donation to the donor or the pro rata hourly wage, including
38 benefits, of the individual performing the services.

39 (c) "Authority" means the Mississippi Development
40 Authority.

41 (d) "Educational improvement organization" means a
42 nonprofit entity which:

43 (i) Is exempt from federal taxation under Section
44 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514,
45 26 USC Section 1 et seq.); and

46 (ii) Contributes at least eighty percent (80%) of
47 its annual receipts as grants to a public school for innovative
48 educational programs.



49 For purposes of this definition, a nonprofit entity
50 "contributes" its annual cash receipts when it expends or
51 otherwise irrevocably encumbers those funds for expenditure during
52 the then-current fiscal year of the nonprofit entity or during the
53 next succeeding fiscal year of the nonprofit entity. A "nonprofit
54 entity" includes a school district foundation, public school
55 foundation or charter school foundation.

56 (e) "Eligible student" means a school-age student,
57 including an eligible student with a disability, who is enrolled
58 in a school and is a member of a household with a maximum annual
59 household income as increased by the applicable income allowance.

60 (f) "Eligible student with a disability" means a
61 school-age student who meets all of the following:

62 (i) Is either enrolled in a special education
63 school or has otherwise been identified, in accordance with
64 applicable state and federal law relating to special education
65 services and programs as a "child with a disability," as defined
66 in 34 CFR Section 300.8 (relating to a child with a disability).

67 (ii) Needs special education and related services.

68 (iii) Is enrolled in a school.

69 (iv) Is a member of a household with a household
70 income of not more than the maximum annual household income.

71 (g) "Household" means an individual living alone or
72 with the following: a spouse, parent and their unemancipated
73 minor children, other unemancipated minor children who are related



74 by blood or marriage, or other adults or unemancipated minor
75 children living in the household who are dependent upon the
76 individual.

77 (h) "Household income" means all monies or property
78 received of whatever nature and from whatever source derived. The
79 term does not include the following:

80 (i) Periodic payments for sickness and disability
81 other than regular wages received during a period of sickness or
82 disability.

83 (ii) Disability, retirement or other payments
84 arising under workers' compensation acts, occupational disease
85 acts, and similar legislation by any government.

86 (iii) Payments commonly recognized as old-age or
87 retirement benefits paid to persons retired from service after
88 reaching a specific age or after a stated period of employment.

89 (iv) Payments commonly known as public assistance
90 or unemployment compensation payments by a governmental agency.

91 (v) Payments to reimburse actual expenses.

92 (vi) Payments made by employers or labor unions
93 for programs covering hospitalization, sickness, disability or
94 death, supplemental unemployment benefits, strike benefits, social
95 security and retirement.

96 (vii) Compensation received by United States
97 servicemen serving in a combat zone.

98 (i) "Income allowance" means:



99 (i) Subject to subparagraph (ii) of this
100 paragraph, the amount of:

101 1. Before July 1, 2017, Ten Thousand Dollars
102 (\$10,000.00) for each eligible student and dependent member of a
103 household.

104 2. After June 30, 2018, Twelve Thousand
105 Dollars (\$12,000.00) for each eligible student and dependent
106 member of a household.

107 (ii) Beginning July 1, 2019, the Mississippi
108 Development Authority shall annually adjust the income allowance
109 amounts under subparagraph (i) of this paragraph to reflect any
110 upward changes in the Consumer Price Index for all consumers for
111 the Mississippi area in the preceding twelve (12) months and shall
112 immediately submit the adjusted amounts to the Secretary of State
113 for publication as a notice.

114 (j) "Innovative educational program" means an advanced
115 academic or similar program that is not part of the regular
116 academic program of a public school but that enhances the
117 curriculum or academic program of the public school.

118 (k) "Maximum annual household income" means:

119 (i) Except as stated in subparagraph (ii) of this
120 paragraph and subject to subparagraph (iii) of this paragraph, the
121 following:

122 1. Before July 1, 2016, not more than Fifty
123 Thousand Dollars (\$50,000.00).



124 2. After June 30, 2016, not more than Sixty
125 Thousand Dollars (\$60,000.00).

126 (ii) With respect to an eligible student with a
127 disability, as calculated by multiplying the sum of:

128 1. The applicable amount under subparagraph
129 (i) of this paragraph; and

130 2. The applicable income allowance; by

131 3. The applicable support level factor

132 according to the following table:

133 Support Level	Support Level Factor
134 1	1.50
135 2	2.993

136 (iii) Beginning July 1, 2017, the Mississippi
137 Development Authority shall annually adjust the income amounts
138 under subparagraphs (i) and (ii) of this paragraph to reflect any
139 upward changes in the Consumer Price Index for all consumers for
140 the Mississippi area in the preceding twelve (12) months and shall
141 immediately submit the adjusted amounts to the Secretary of State
142 for publication as a notice.

143 (l) "Pass-through entity" means a partnership or a
144 single-member limited liability company treated as a disregarded
145 entity for federal income tax purposes or a Mississippi S
146 Corporation as defined in Section 27-8-1.

147 (m) "Scholarship" means an award under a scholarship
148 program.



149 (n) "Scholarship organization" means a nonprofit entity
150 that:

151 (i) Is exempt from federal taxation under Section
152 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514,
153 26 USC Section 1 et seq.); and

154 (ii) Contributes at least eighty percent (80%) of
155 its annual cash receipts to a scholarship program. For purposes
156 of this definition, a nonprofit entity "contributes" its annual
157 cash receipts to a scholarship program when it expends or
158 otherwise irrevocably encumbers those funds for distribution
159 during the then-current fiscal year of the nonprofit entity or
160 during the next succeeding fiscal year of the nonprofit entity.

161 (o) "Scholarship program" means a program to provide
162 tuition to eligible students to attend a school located in this
163 state. A scholarship program must include an application and
164 review process for the purpose of making awards to eligible
165 students. The award of scholarships to eligible students shall be
166 made without limiting availability to only students of one (1)
167 school.

168 (p) "School" means an elementary school or secondary
169 school at which the compulsory attendance requirements of the
170 state may be met.

171 (q) "School age" means from the earliest admission age
172 to a school's kindergarten program or, when no kindergarten
173 program is provided, the school's earliest admission age for



174 students, until the end of the school year the student attains
175 twenty-one (21) years of age or graduation from high school,
176 whichever occurs first.

177 (r) "Special education school" means a school or
178 program within a school that is designated specifically and
179 exclusively for students with any of the disabilities listed in 34
180 CFR Section 300.8 (relating to a child with a disability) and
181 meets one (1) of the following:

182 (i) Is licensed;

183 (ii) Is accredited by an accrediting association
184 approved by the State Board of Education;

185 (iii) Is a school for the blind or deaf receiving
186 state appropriations; or

187 (iv) Is operated by or under the authority of a
188 bona fide religious institution or by the state or any political
189 subdivision thereof.

190 (s) "Support level" means the level of support needed
191 by an eligible student with a disability, as stated in the
192 following:

193 (i) Support level 1. The student is not enrolled
194 in a special education school.

195 (ii) Support level 2. The student is enrolled in
196 a special education school.

197 (t) "Tax credit" means the educational improvement tax
198 credit established under this section.



199 **SECTION 3. Qualification and application.** (1)

200 **Establishment.** An educational improvement tax credit program is
201 established to enhance the educational opportunities available to
202 all students in this state.

203 (2) **Information.** In order to qualify under this section, a
204 scholarship organization or an educational improvement
205 organization must submit information to the Mississippi
206 Development Authority that enables the authority to confirm that
207 the organization is exempt from taxation under Section 501(c)(3)
208 of the Internal Revenue Code of 1986.

209 (3) **Scholarship organizations.** A scholarship organization
210 must certify to the authority that the organization is eligible to
211 participate in the program established under this section and must
212 agree to annually report the following information to the
213 authority by September 1 of each year:

214 (a) (i) The number of scholarships awarded during the
215 immediately preceding school year to eligible students.

216 (ii) The total and average amounts of scholarships
217 awarded during the immediately preceding school year to eligible
218 students.

219 (iii) The number of scholarships awarded during
220 the immediately preceding school year to eligible students in
221 Kindergarten through Grade 8.



222 (iv) The total and average amounts of scholarships
223 awarded during the immediately preceding school year to eligible
224 students in Kindergarten through Grade 8.

225 (v) The number of scholarships awarded during the
226 immediately preceding school year to eligible students in Grades 9
227 through 12.

228 (vi) The total and average amounts of scholarships
229 awarded during the immediately preceding school year to eligible
230 students in Grades 9 through 12.

231 (vii) Where the scholarship organization collects
232 information on a county-by-county basis, the total number and the
233 total dollar amount of scholarships awarded during the immediately
234 preceding school year to residents of each county in which the
235 scholarship organization awarded scholarships.

236 (b) The information required under paragraph (a) of
237 this subsection shall be submitted on a form provided by the
238 authority. No later than May 1 of each year, the authority shall
239 annually distribute such sample forms, together with the forms on
240 which the reports are required to be made, to each listed
241 scholarship organization.

242 (c) The authority may not require any other information
243 to be provided by scholarship organizations, except as expressly
244 authorized in this section.

245 (4) **Educational improvement organization.** (a) An
246 application submitted by an educational improvement organization



247 must describe its proposed innovative educational program or
248 programs in a form prescribed by the authority. In prescribing
249 the form, the authority shall consult with the Department of
250 Education as necessary. The authority shall review and approve or
251 disapprove the application. In order to be eligible to
252 participate in the program established under this section, an
253 educational improvement organization must agree to annually report
254 the following information to the authority by September 1 of each
255 year:

256 (i) The name of the innovative educational program
257 or programs and the total amount of the grant or grants made to
258 those programs during the immediately preceding school year.

259 (ii) A description of how each grant was utilized
260 during the immediately preceding school year and a description of
261 any demonstrated or expected innovative educational improvements.

262 (iii) The names of the public schools and school
263 districts where innovative educational programs that received
264 grants during the immediately preceding school year were
265 implemented.

266 (iv) Where the educational improvement
267 organization collects information on a county-by-county basis, the
268 total number and the total dollar amount of grants made during the
269 immediately preceding school year for programs at public schools
270 in each county in which the educational improvement organization
271 made grants.



272 (b) The information required under paragraph (a) of
273 this subsection shall be submitted on a form provided by the
274 authority. No later than May 1 of each year, the authority shall
275 annually distribute such sample forms, together with the forms on
276 which the reports are required to be made, to each listed
277 educational improvement organization.

278 (c) The authority may not require any other information
279 to be provided by educational improvement organizations, except as
280 expressly authorized in this section.

281 (5) **Notification.** The authority shall notify the
282 scholarship organization or educational improvement organization
283 that the organization meets the requirements of this section for
284 that fiscal year no later than sixty (60) days after the
285 organization has submitted the information required under this
286 section.

287 (6) **Publication.** The authority shall annually publish a
288 list of each scholarship organization or educational improvement
289 organization qualified under this section. The list shall also be
290 posted and updated as necessary on the publicly accessible
291 Internet website of the authority.

292 **SECTION 4. Application.** (1) **Scholarship organization.** In
293 order to receive a tax credit, a business firm shall apply to the
294 authority. A business firm shall receive a tax credit if the
295 scholarship organization that receives the contribution appears on
296 the list established under Section 3 of this act.



297 (2) **Educational improvement organization.** In order to
298 receive a tax credit, a business firm shall apply to the
299 authority. A business firm shall receive a tax credit if the
300 authority has approved the program provided by the educational
301 improvement organization that receives the contribution.

302 (3) **Contributions.** A contribution by a business firm to a
303 scholarship organization or educational improvement organization
304 shall be made no later than sixty (60) days following the approval
305 of an application under subsection (1) or (2) of this section.

306 **SECTION 5. Tax credit.** (1) **Scholarship or educational**
307 **improvement organizations.** In accordance with Sections 1 through
308 8 of this act, the Mississippi Department of Revenue shall grant a
309 tax credit against any income tax due to a business firm providing
310 proof of a contribution to a scholarship organization or
311 educational improvement organization in the taxable year in which
312 the contribution is made which shall not exceed seventy-five
313 percent (75%) of the total amount contributed during the taxable
314 year by the business firm. The tax credit shall not exceed Three
315 Hundred Thousand Dollars (\$300,000.00) annually per business firm
316 for contributions made to scholarship organizations or educational
317 improvement organizations.

318 (2) **Additional amount.** The Mississippi Department of
319 Revenue shall grant a tax credit of up to eighty percent (80%) of
320 the total amount contributed during the taxable year if the
321 business firm provides a written commitment to provide the



322 scholarship organization or educational improvement organization
323 with the same amount of contribution for two (2) consecutive tax
324 years. The business firm must provide the written commitment
325 under this subsection to the authority at the time of application.

326 (3) **Combination of tax credits.** A business firm may receive
327 tax credits from the Department of Revenue in any tax year for any
328 combination of contributions under subsection (1) or (2) of this
329 section. In no case may a business firm receive tax credits in
330 any tax year in excess of Three Hundred Thousand Dollars
331 (\$300,000.00) for contributions under subsections (1) and (2) of
332 this section.

333 (4) **Pass-through entity.** (a) If a pass-through entity does
334 not intend to use all approved tax credits under this section, it
335 may elect in writing to transfer all or a portion of the tax
336 credit to shareholders, members or partners in proportion to the
337 share of the entity's distributive income to which the
338 shareholder, member or partner is entitled for use in the taxable
339 year in which the contribution is made or in the taxable year
340 immediately following the year in which the contribution is made.
341 The election shall designate the year in which the transferred tax
342 credits are to be used and shall be made according to procedures
343 established by the Department of Revenue.

344 (b) A pass-through entity and a shareholder, member or
345 partner of a pass-through entity shall not claim the tax credit
346 under this section for the same contribution.



347 (c) The shareholder, member or partner may not
348 carryforward, carryback, obtain a refund of, or sell or assign the
349 tax credit.

350 (d) The shareholder, member or partner may claim the
351 credit on a joint return, but the tax credit may not exceed the
352 separate income of that shareholder, member or partner.

353 (5) **Restriction on applicability of credits.** No tax credits
354 shall be applied against any tax withheld by an employer from an
355 employee.

356 (6) **Time of application for credits.** (a) The authority may
357 accept applications beginning on May 15 from business firms for
358 tax credits available during a fiscal year that is to begin on
359 July 1.

360 (b) If, on July 1 of a fiscal year, applications for
361 tax credits available during the fiscal year exceed the total
362 aggregate amount of tax credits available for the fiscal year, the
363 authority shall approve applications for tax credits on the
364 following basis, subject to the provisions of this section:

365 (i) Group 1 firms whose applications were received
366 by July 1 shall be accorded first priority in the approval of tax
367 credit applications. If tax credits applied for by Group 1 firms
368 exceed the total aggregate amount of tax credits available for the
369 program under Section 6 of this act, the authority shall approve
370 on a pro rata basis the applications of all Group 1 firms that
371 applied by July 1, and the applications of Group 2 and Group 3



372 firms shall be denied. Approval of a reduced tax credit under
373 this subparagraph shall not disqualify a Group 1 firm from
374 receiving an eighty percent (80%) tax credit under subsection (2)
375 of this section even if the amount of tax credit approved would
376 require the Group 1 firm to make a lower scholarship contribution
377 in the second year of a two-year commitment.

378 (ii) If tax credits remain available after credits
379 have been awarded under subparagraph (i) of this paragraph, Group
380 2 firms whose applications were received by July 1 shall be
381 accorded priority in the approval of applications for the
382 remaining tax credits. If the sum of the tax credits approved
383 under subparagraph (i) of this paragraph and the credits applied
384 for by Group 2 firms exceeds the total aggregate amount of tax
385 credits available for the program under Section 6 of this act, the
386 authority shall approve on a pro rata basis the applications for
387 the remaining tax credits submitted by all Group 2 firms that
388 applied by July 1, and the applications of Group 3 firms shall be
389 denied.

390 (iii) If tax credits remain available on July 1
391 after credits have been awarded under subparagraphs (i) and (ii)
392 of this paragraph, applications of Group 3 firms shall be
393 approved, on a pro rata basis within that group if necessary.
394 Thereafter, the authority shall approve the applications of all
395 business firms on a daily basis. If, on any day after July 1, the
396 cumulative sum of the tax credits approved and the tax credits



397 applied for on that day exceeds the total aggregate amount of tax
398 credits available for the program under Section 6 of this act, the
399 authority shall approve on a pro rata basis the applications
400 received on that day.

401 **SECTION 6. Limitations.** (1) **Amount.** (a) For the fiscal
402 years 2016-2017, 2017-2018 and 2018-2019, the total aggregate
403 amount of all tax credits approved for scholarship organizations
404 and educational improvement organizations shall not exceed
405 Ninety-two Million Dollars (\$92,000,000.00) in a fiscal year. No
406 less than seventy-five percent (75%) of the total aggregate amount
407 of all tax credits approved shall be used to provide tax credits
408 for contributions from business firms to scholarship
409 organizations. No less than twenty-five (25%) of the total
410 aggregate amount of all tax credits approved shall be used to
411 provide tax credits for contributions from business firms to
412 educational improvement organizations.

413 (i) From the tax credits for contributions by
414 business firms to educational improvement organizations, twenty
415 percent (20%) of the available amount shall initially be set aside
416 for contributions by business firms to educational improvement
417 organizations that are also school district foundations, public
418 school foundations, or charter school foundations and shall be
419 distributed in accordance with Section 5 of this act.

420 (ii) Tax credits remaining from the amount set
421 aside in subparagraph (i) of this paragraph after July 1 of each



422 year shall be made available to business firms for contributions
423 to any educational improvement organization and shall be
424 distributed in accordance with Section 5 of this act.

425 (b) (i) Subject to adjustment under subparagraph (ii)
426 of this paragraph, in the fiscal year 2018-2019 and each fiscal
427 year thereafter, the total aggregate amount of all tax credits
428 available shall equal the total aggregate amount of all tax
429 credits available in the prior fiscal year.

430 (ii) Beginning in the fiscal year 2018-2019, in
431 any fiscal year in which the total aggregate amount of all tax
432 credits approved for the prior fiscal year is equal to or greater
433 than ninety percent (90%) of the total aggregate amount of all tax
434 credits available for the prior fiscal year, the total aggregate
435 amount of all tax credits available shall increase by five percent
436 (5%). The authority shall publish on its Internet website the
437 total aggregate amount of all tax credits available when the
438 amount is increased under this paragraph.

439 (2) **Activities.** No tax credit shall be approved for
440 activities that are a part of a business firm's normal course of
441 business.

442 (3) **Tax liability.** (a) Except as provided in paragraph (b)
443 of this subsection, a tax credit granted for any one (1) taxable
444 year may not exceed the tax liability of a business firm.

445 (b) In the case of a credit granted to a pass-through
446 entity which elects to transfer the credit according to Section 5



447 of this act, a tax credit granted for any one (1) taxable year and
448 transferred to a shareholder, member or partner may not exceed the
449 tax liability of the shareholder, member or partner.

450 (4) **Use.** A tax credit not used by the applicant in the
451 taxable year the contribution was made or in the year designated
452 by the shareholder, member or partner to whom the credit was
453 transferred may not be carried forward or carried back and is not
454 refundable or transferable.

455 (5) **Nontaxable income.** A scholarship received by an
456 eligible student shall be deductible as an adjustment to gross
457 income under the Mississippi Income Tax Law as provided in Section
458 27-7-18.

459 **SECTION 7. Lists.** The Department of Revenue shall provide
460 to the Legislature, by June 30 of each year, a list of all
461 scholarship organizations and educational improvement
462 organizations that receive contributions from business firms
463 granted a tax credit.

464 **SECTION 8. Guidelines.** The Mississippi Development
465 Authority, in consultation with the Department of Education, shall
466 develop guidelines to determine the eligibility of an innovative
467 educational program.

468 **SECTION 9.** Sections 1 through 8 of this act shall be
469 codified in Chapter 7, Title 27, Mississippi Code of 1972.

470 **SECTION 10.** Section 27-7-18, Mississippi Code of 1972, is
471 amended as follows:



472 27-7-18. (1) Alimony payments. In the case of a person
473 described in Section 27-7-15(2) (e), there shall be allowed as a
474 deduction from gross income amounts paid as periodic payments to
475 the extent of such amounts as are includible in the gross income
476 of the spouse as provided in Section 27-7-15(2) (e), payment of
477 which is made within the person's taxable year.

478 (2) Unreimbursed moving expenses incurred after December 31,
479 1994, are deductible as an adjustment to gross income in
480 accordance with provisions of the United States Internal Revenue
481 Code, and rules, regulations and revenue procedures thereunder
482 relating to moving expenses, not in direct conflict with the
483 provisions of the Mississippi Income Tax Law.

484 (3) Amounts paid after December 31, 1998, by a self-employed
485 individual for insurance which constitute medical care for the
486 taxpayer, his spouse and dependents, are deductible as an
487 adjustment to gross income in accordance with provisions of the
488 United States Internal Revenue Code, and rules, regulations and
489 revenue procedures thereunder relating to such payments, not in
490 direct conflict with the provisions of the Mississippi Income Tax
491 Law.

492 (4) Contributions or payments to a Mississippi Affordable
493 College Savings (MACS) Program account are deductible from gross
494 income as provided in Section 37-155-113. Payments made under a
495 prepaid tuition contract entered into under the Mississippi



496 Prepaid Affordable College Tuition Program are deductible as
497 provided in Section 37-155-17.

498 (5) (a) Unreimbursed travel expenses, lodging expenses and
499 lost wages an individual incurred as a result of, and related to,
500 the donation, while living, of one or more of his or her organs
501 for human organ transplantation, are deductible from gross income.
502 The deduction from gross income authorized by this subsection may
503 be claimed for only once and may not exceed Ten Thousand Dollars
504 (\$10,000.00).

505 (b) As used in this subsection, "organ" means all or
506 part of a liver, pancreas, kidney, intestine, lung or bone marrow.

507 (6) Scholarships received by an eligible student from a
508 scholarship organization as defined in Section 2 of this act that
509 has qualified under Section 3 of this act are deductible as an
510 adjustment to gross income.

511 **SECTION 11.** This act shall take effect and be in force from
512 and after July 1, 2016.

