

By: Representative Dortch

To: Ways and Means

HOUSE BILL NO. 38

1 AN ACT TO CREATE THE SMALL TOWN TEACHER TAX CREDIT ACT; TO  
 2 AUTHORIZE A REFUNDABLE INCOME TAX CREDIT FOR LICENSED TEACHERS WHO  
 3 ARE EMPLOYED BY A SCHOOL DISTRICT IN GEOGRAPHIC LOCATION DEFINED  
 4 AS A "SMALL TOWN"; TO PROVIDE THE AMOUNT OF THE TAX CREDIT FOR  
 5 LICENSED TEACHERS WITH AT LEAST THREE YEARS OF CONSECUTIVE SERVICE  
 6 WITH THE SCHOOL DISTRICT; TO PROVIDE THAT IF THE AMOUNT OF TAX  
 7 CREDIT CLAIMED BY A TAXPAYER EXCEEDS THE AMOUNT OF INCOME TAX  
 8 IMPOSED UPON THE TAXPAYER FOR THE TAXABLE YEAR, THEN THE TAXPAYER  
 9 SHALL RECEIVE A REFUND FROM THE DEPARTMENT OF REVENUE FOR THE  
 10 AMOUNT OF SUCH EXCESS; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** This act shall be known and may be cited as the  
 13 "Small Town Teacher Tax Credit Act."

14 **SECTION 2.** (1) As used in this section, the following terms  
 15 shall have the meanings ascribed in this section, unless the  
 16 context of the terms' use clearly requires otherwise:

17 (a) "Small town" means any city, town or village with a  
 18 population of five thousand (5,000) or fewer persons according to  
 19 the most recent federal decennial census.

20 (b) "Teacher" means any individual licensed by the  
 21 State Department of Education in accordance with the provisions of  
 22 Section 37-3-2 and employed in a small town by a public school



23 district in an instructional capacity in accordance with Chapter 9  
24 Title 37, Mississippi Code of 1972.

25 (2) Subject to the provisions of this section, a taxpayer  
26 shall be allowed a refundable credit against the income taxes  
27 imposed under this chapter for the taxable year in which the  
28 taxpayer served as a licensed teacher employed by a public school  
29 district in a small town. The amount of the credit allowed for  
30 teachers who have three (3) to five (5) years of service as a  
31 licensed teacher in a small town shall be Two Thousand Five  
32 Hundred Dollars (\$2,500.00). The amount of the credit allowed for  
33 teachers who have more than five (5) years of service as a  
34 licensed teacher in a small town shall be Five Thousand Dollars  
35 (\$5,000.00). If the amount of credit claimed by a taxpayer  
36 exceeds the amount of income tax imposed upon the taxpayer for the  
37 taxable year reduced by the sum of all other credits allowable to  
38 the taxpayer under this chapter, except credit for tax payments  
39 made by or on behalf of the taxpayer, then the taxpayer shall  
40 receive a refund from the Department of Revenue for the amount of  
41 such excess.

42 (3) In order to receive the tax credit authorized in this  
43 section, a taxpayer must provide documentation on a form prepared  
44 by the Department of Revenue and verified by the appropriate  
45 school district superintendent that the taxpayer is actively  
46 serving as a licensed teacher and has continuously served in such  
47 capacity for at least three (3) consecutive years. The State



48 Superintendent of Public Education shall promulgate rules and  
49 regulations to assist local school district superintendents in  
50 defining and prescribing those persons who may qualify for the tax  
51 credit authorized under this section as active licensed teachers.

52         **SECTION 3.** Sections 1 and 2 of this act shall be codified as  
53 a new section in Chapter 7, Title 27, Mississippi Code of 1972.

54         **SECTION 4.** This act shall take effect and be in force from  
55 and after January 1, 2018.

