

By: Representative Anderson

To: Ways and Means

HOUSE BILL NO. 1272

1 AN ACT TO BE KNOWN AS THE MISSISSIPPI CRITICAL NEEDS SCHOOL
2 DISTRICT TAX CREDIT ACT OF 2018; TO DEFINE CERTAIN TERMS; TO
3 ESTABLISH THE MISSISSIPPI CRITICAL NEEDS SCHOOL DISTRICT TAX
4 CREDIT PROGRAM TO ATTRACT FIRST-YEAR TEACHERS TO GEOGRAPHICAL
5 AREAS OF THE STATE WHERE THERE EXISTS A CRITICAL NEED IN PRIMARY
6 AND SECONDARY EDUCATION INSTRUCTION, AND TO RETAIN THOSE
7 FIRST-YEAR TEACHERS AND VETERAN TEACHERS WHO SERVE AS LICENSED
8 TEACHERS IN CRITICAL NEEDS SCHOOL DISTRICTS BY MAKING TAX
9 INCENTIVES AVAILABLE TO THEM; TO PROVIDE THAT THE PROGRAM SHALL BE
10 AVAILABLE TO FIRST-YEAR TEACHERS LICENSED BY THE STATE DEPARTMENT
11 OF EDUCATION WHO ENTER INTO A CONTRACT FOR EMPLOYMENT IN A
12 CRITICAL NEEDS SCHOOL DISTRICT AND COMMIT TO PROVIDE FOUR YEARS OF
13 SERVICE AS A TEACHER IN THAT SCHOOL DISTRICT; TO PROVIDE THAT A
14 FIRST-YEAR TEACHER IN THE PROGRAM IS ELIGIBLE FOR AN INCOME TAX
15 CREDIT IN AN AMOUNT NOT EXCEEDING ONE THOUSAND TWO HUNDRED DOLLARS
16 FOR EACH YEAR OF SERVICE RENDERED IN THE CRITICAL NEEDS SCHOOL
17 DISTRICT DURING THE FOUR-YEAR PERIOD, AND IF THE TEACHER CONTINUES
18 TEACHING IN THAT CRITICAL NEEDS SCHOOL DISTRICT AFTER THE
19 FOUR-YEAR PERIOD, FOR EACH OF THE NEXT FOUR YEARS OF SERVICE
20 RENDERED IN THAT SCHOOL DISTRICT; TO PROVIDE THAT A FIRST-YEAR
21 TEACHER MUST COMPLETE ONE FULL ACADEMIC AND CONTRACTUAL YEAR OF
22 SERVICE AS A LICENSED TEACHER IN A CRITICAL NEEDS SCHOOL DISTRICT
23 IN ORDER TO BE ELIGIBLE FOR THE TAX CREDIT; TO PROVIDE THAT IF A
24 TEACHER WHO IS ELIGIBLE FOR THE TAX CREDIT LEAVES THE CRITICAL
25 NEEDS SCHOOL DISTRICT IN WHICH THE TEACHER WAS EMPLOYED WHEN THE
26 TAX CREDIT WAS INITIALLY GRANTED BEFORE THE END OF THE FOUR-YEAR
27 PERIOD, THE TEACHER SHALL NOT BE ELIGIBLE FOR THE TAX CREDIT FOR
28 THE REMAINDER OF THE FOUR-YEAR PERIOD; TO PROVIDE THAT AFTER A
29 TEACHER COMPLETES FOUR YEARS OF SERVICE IN A CRITICAL NEEDS SCHOOL
30 DISTRICT, THE TEACHER MAY TRANSFER TO ANOTHER CRITICAL NEEDS
31 SCHOOL DISTRICT AND COMMIT TO PROVIDE FOUR YEARS OF SERVICE AS A
32 TEACHER IN THAT SCHOOL DISTRICT, AND WILL BE ELIGIBLE TO RECEIVE
33 THE TAX CREDIT FOR EACH YEAR OF SERVICE RENDERED IN THAT SCHOOL
34 DISTRICT DURING THE FOUR-YEAR PERIOD; TO PROVIDE THAT A FIRST-YEAR



35 TEACHER SHALL BE ELIGIBLE TO RECEIVE THE TAX CREDIT AUTHORIZED IN
36 THE PROGRAM FOR A MAXIMUM OF TEN YEARS DURING WHICH THE TEACHER IS
37 PARTICIPATING IN THE PROGRAM, EXCEPT THAT IF A TEACHER LEAVES THE
38 CRITICAL NEEDS SCHOOL DISTRICT IN WHICH THE TEACHER WAS EMPLOYED
39 WHEN THE TAX CREDIT WAS INITIALLY GRANTED BEFORE THE END OF THE
40 FOUR-YEAR PERIOD, THE MAXIMUM NUMBER OF YEARS FOR WHICH THE
41 TEACHER IS ELIGIBLE TO RECEIVE THE TAX CREDIT SHALL BE REDUCED BY
42 THE NUMBER OF YEARS REMAINING IN THE FOUR-YEAR PERIOD; TO PROVIDE
43 THAT THE PROGRAM SHALL BE AVAILABLE TO VETERAN TEACHERS LICENSED
44 BY THE STATE DEPARTMENT OF EDUCATION WHO ARE SERVING AS A TEACHER
45 IN A CRITICAL NEEDS SCHOOL DISTRICT; TO PROVIDE THAT A VETERAN
46 TEACHER IN THE PROGRAM IS ELIGIBLE FOR AN INCOME TAX CREDIT IN AN
47 AMOUNT NOT EXCEEDING ONE THOUSAND TWO HUNDRED DOLLARS FOR EACH
48 YEAR OF SERVICE RENDERED IN THE CRITICAL NEEDS SCHOOL DISTRICT
49 THROUGH THE END OF THE TENTH YEAR OF SERVICE AS A TEACHER IN THAT
50 SCHOOL DISTRICT; TO PROVIDE THAT A VETERAN TEACHER SHALL BE
51 ELIGIBLE TO RECEIVE THE TAX CREDIT AUTHORIZED IN THE PROGRAM FOR A
52 MAXIMUM OF TEN YEARS DURING WHICH THE TEACHER IS PARTICIPATING IN
53 THE PROGRAM, REDUCED BY THE NUMBER OF YEARS THAT THE TEACHER
54 RENDERED SERVICE AS A TEACHER IN THE CRITICAL NEEDS SCHOOL
55 DISTRICT BEFORE THE 2017-2018 SCHOOL YEAR; TO CREATE NEW SECTION
56 27-7-22.39, MISSISSIPPI CODE OF 1972, TO ALLOW A CREDIT AGAINST A
57 TAXPAYER'S INCOME TAX LIABILITY FOR SERVICE RENDERED AS A TEACHER
58 IN A CRITICAL NEEDS SCHOOL DISTRICT IN AN AMOUNT NOT TO EXCEED ONE
59 THOUSAND TWO HUNDRED DOLLARS FOR EACH YEAR OF SERVICE RENDERED;
60 AND FOR RELATED PURPOSES.

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

62 **SECTION 1.** This act shall be known and may be cited as the
63 "Mississippi Critical Needs School District Tax Credit Act of
64 2018."

65 **SECTION 2.** As used in this act, the following words and
66 phrases have the meanings as defined in this section unless the
67 context clearly indicates otherwise:

68 (a) "Critical needs school district" means a school
69 district that meets all of the criteria in subparagraphs (i)
70 through (iv) and at least one (1) of the criteria in subparagraphs
71 (v) through (vii), as determined by the State Department of
72 Education:



73 (i) A graduation rate of less than five percent
74 (5%) of the statewide average, or less than the fifteenth
75 percentile graduation rate of all school districts in the same
76 congressional district;

77 (ii) An increased transient student rate for
78 students who transfer out of the resident school district of
79 initial enrollment to another school district;

80 (iii) A high teacher turnover rate;

81 (iv) A demographic composition with sixty-five
82 percent (65%) or more of low-income students enrolled;

83 (v) A number of English language learners and
84 special education students in a district that exceeds the
85 statewide district average for those students;

86 (vi) A shortage of teachers in the critical
87 subject areas of special education, mathematics, science (biology,
88 chemistry and physics) and foreign language (French, German and
89 Spanish);

90 (vii) Fewer than four (4) National Board Certified
91 or masters degree teachers employed as classroom teachers in the
92 school district.

93 (b) "First-year teacher" means a licensed teacher who
94 is employed by and teaching in a particular critical needs school
95 district for the first time and has not been previously employed
96 by that school district.



97 (c) "High teacher turnover rate" means the rate at
98 which personnel, whose primary function is classroom teaching,
99 leave or separate from the school district, or change from their
100 classroom teaching to another position from one (1) school year to
101 another, in excess of ten percent (10%). This rate is determined
102 by comparing the classroom teachers reported in the current year
103 against those reported five (5) years before the current year's
104 count.

105 (d) "Low-income student" means a definite number of
106 students in a school district that is calculated solely by
107 multiplying the most recent estimate of the school-age poverty
108 rate, as published annually as a percentage for that school
109 district by the United States Census Bureau in the Small Area
110 Income and Poverty Estimates (SAIPE), times the average daily
111 membership (ADM) of the school district. In determining the total
112 number of low-income students, the economic status of any
113 individual student or group of students may not be considered.

114 (e) "Transient student rate" means the rate at which
115 students change from the resident school district of enrollment to
116 another school district for any reason other than an
117 end-of-the-year promotion.

118 (f) "Veteran teacher" means a licensed teacher who is
119 employed by and teaching in a particular critical needs school
120 district who was employed by that critical needs school district
121 during the 2017-2018 school year.



122 **SECTION 3.** There is established the Mississippi Critical
123 Needs School District Tax Credit Program. The purposes of the
124 program are to attract first-year teachers to geographical areas
125 of the state where there exists a critical need in primary and
126 secondary education instruction, and to retain those first-year
127 teachers and veteran teachers who serve as licensed teachers in
128 critical needs school districts by making tax incentives available
129 to them as provided in this act.

130 **SECTION 4.** (1) The Mississippi Critical Needs School
131 District Tax Credit Program shall be available to first-year
132 teachers licensed by the State Department of Education who enter
133 into a contract for employment in a critical needs school district
134 and commit to provide four (4) years of service as a teacher in
135 that school district. A first-year teacher participating in the
136 program is eligible for an income tax credit, as provided in
137 Section 27-7-22.39, in an amount not exceeding One Thousand Two
138 Hundred Dollars (\$1,200.00) for each full academic and contractual
139 year of service, as defined by the State Department of Education,
140 rendered in the critical needs school district during the
141 four-year period for which the teacher made a commitment, and if
142 the teacher continues teaching in that critical needs school
143 district after the four-year period, for each of the next four (4)
144 years of service rendered in that school district.

145 (2) A first-year teacher in the program must complete one
146 (1) full academic and contractual year of service as a licensed



147 teacher in a critical needs school district in order to be
148 eligible for the tax credit authorized in the program. The tax
149 credit may be claimed by the teacher in the taxable year in which
150 the full academic and contractual year of service is completed.
151 In order to remain eligible for the tax credit for four (4) years,
152 a teacher must continue teaching at schools in the same critical
153 needs school district, and may transfer only to other schools in
154 that school district during the four-year period. If a teacher
155 who is eligible for the tax credit leaves the critical needs
156 school district in which the teacher was employed when the tax
157 credit was initially granted before the end of the four-year
158 period, the teacher shall not be eligible for the tax credit for
159 the remainder of the four-year period.

160 (3) After a first-year teacher completes four (4) years of
161 service in a critical needs school district:

162 (a) If the teacher continues teaching in that critical
163 needs school district, the teacher will continue to be eligible to
164 receive the tax credit for each of the next (4) years of service
165 rendered in that school district; or

166 (b) The teacher may transfer to another critical needs
167 school district and commit to provide four (4) years of service as
168 a teacher in that critical needs school district, and will be
169 eligible to receive the tax credit for each year of service
170 rendered in that school district during the four-year period.



171 (4) A first-year teacher shall be eligible to receive the
172 tax credit authorized in the program for a maximum of ten (10)
173 years during which the teacher is participating in the program.
174 However, if a teacher leaves the critical needs school district in
175 which the teacher was employed when the tax credit was initially
176 granted before the end of the four-year period, the maximum number
177 of years for which the teacher is eligible to receive the tax
178 credit shall be reduced by the number of years remaining in the
179 four-year period, unless the teacher is employed by a school
180 district other than a critical needs school district during those
181 remaining years.

182 **SECTION 5.** (1) The Mississippi Critical Needs School
183 District Tax Credit Program shall be available to veteran teachers
184 licensed by the State Department of Education who are serving as a
185 teacher in a critical needs school district. A veteran teacher in
186 the program is eligible for an income tax credit, as provided in
187 Section 27-7-22.39, in an amount not exceeding One Thousand Two
188 Hundred Dollars (\$1,200.00) for each full academic and contractual
189 year of service, as defined by the State Department of Education,
190 rendered in the critical needs school district through the end of
191 the tenth year of service as a teacher in that school district.
192 The tax credit may be claimed by the teacher in the taxable year
193 in which the full academic and contractual year of service is
194 completed.



195 (2) A veteran teacher shall be eligible to receive the tax
196 credit authorized in the program for a maximum of ten (10) years
197 during which the teacher is participating in the program, reduced
198 by the number of years that the teacher rendered service as a
199 teacher in the critical needs school district before the 2017-2018
200 school year.

201 **SECTION 6.** The following shall be codified as Section
202 27-7-22.39, Mississippi Code of 1972:

203 27-7-22.39. A taxpayer shall be allowed a credit against the
204 income taxes imposed under this chapter for service rendered as a
205 teacher in a critical needs school district under the provisions
206 of the Mississippi Critical Needs School District Tax Deduction
207 Act of 2018, in an amount not to exceed One Thousand Two Hundred
208 Dollars (\$1,200.00) for each full academic and contractual year of
209 service rendered. The tax credit shall not exceed the amount of
210 tax imposed upon the taxpayer for the taxable year, and any unused
211 tax credit shall not be allowed to be carried forward to be
212 applied to the taxpayer's tax liability in succeeding taxable
213 years.

214 **SECTION 7.** This act shall take effect and be in force from
215 and after July 1, 2018.

