

By: Representatives Lamar, White, Sykes

To: Ways and Means

HOUSE BILL NO. 1550  
(As Passed the House)

1 AN ACT TO PROVIDE THAT THE GROSS INCOME OF RECENT GRADUATES  
2 OF FOUR-YEAR COLLEGES AND UNIVERSITIES IN MISSISSIPPI AND OUTSIDE  
3 MISSISSIPPI WHICH IS DERIVED FROM EMPLOYMENT IN A QUALIFYING JOB  
4 IN THIS STATE SHALL BE ALLOWED AS A DEDUCTION FROM GROSS INCOME  
5 UNDER THE STATE INCOME TAX LAW; TO DEFINE CERTAIN TERMS USED IN  
6 THE ACT; TO PROVIDE THAT THE DEDUCTION FROM GROSS INCOME  
7 AUTHORIZED BY THIS ACT MAY BE UTILIZED BY A RECENT GRADUATE FOR  
8 THREE CONSECUTIVE YEARS IF THE RECENT GRADUATE REMAINS A RESIDENT  
9 OF MISSISSIPPI AND EMPLOYED IN A QUALIFYING JOB FOR THAT PERIOD OF  
10 TIME; TO PROVIDE THAT A RECENT GRADUATE MAY UTILIZE THE DEDUCTION  
11 FROM GROSS INCOME FOR AN ADDITIONAL TWO YEARS IF THE RECENT  
12 GRADUATE PURCHASES PROPERTY IN THIS STATE FOR RESIDENTIAL OR  
13 COMMERCIAL USE BY THE RECENT GRADUATE, ESTABLISHES A BUSINESS IN  
14 THIS STATE THAT IS REGISTERED WITH THE SECRETARY OF STATE AND HAS  
15 AT LEAST ONE EMPLOYEE, OTHER THAN THE RECENT GRADUATE, WHOSE WAGES  
16 ARE SUBJECT TO INCOME TAX WITHHOLDING UNDER THE STATE INCOME TAX  
17 LAW, OR SERVES IN AN INSTRUCTIONAL CAPACITY AS A LICENSED TEACHER  
18 IN A PUBLIC SCHOOL OR NONPUBLIC SCHOOL; TO AMEND SECTION 27-7-18,  
19 MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS  
20 ACT; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** (1) As used in this section, the following words  
23 and phrases have the meanings ascribed in this section unless the  
24 context clearly indicates otherwise:

25 (a) "College or university" means (i) any of the state  
26 institutions of higher learning listed in Section 37-101-1, (ii)  
27 any regionally accredited, nonprofit four-year college or



28 university located in the State of Mississippi, or (iii) any such  
29 institution of learning or regionally accredited four-year college  
30 or university located outside the State of Mississippi.

31 (b) "Qualifying job" means employment in the State of  
32 Mississippi.

33 (c) "Recent graduate" means a resident of the State of  
34 Mississippi who has been awarded a baccalaureate degree and/or  
35 post graduate degree from a college or university no more than one  
36 (1) year preceding January 1 of the first calendar year for which  
37 the recent graduate claims a deduction under this section.

38 (2) A recent graduate may deduct from his or her gross  
39 income the gross income of the recent graduate derived from  
40 employment in a qualifying job. Except as otherwise provided in  
41 this section, the deduction from gross income authorized by this  
42 section may be utilized by a recent graduate for three (3)  
43 consecutive years if the recent graduate remains a resident of  
44 this state and employed in a qualifying job for that period of  
45 time. However, the deduction from gross income may be utilized by  
46 the recent graduate for an additional two (2) years if, in  
47 addition to remaining a resident of this state and employed in a  
48 qualifying job for that period of time, the recent graduate (a)  
49 purchases property in this state for residential or commercial use  
50 by the recent graduate, (b) establishes a business in this state  
51 that is registered with the Secretary of State and has at least  
52 one (1) employee, other than the recent graduate, whose wages are



subject to the Mississippi Income Tax Withholding Law of 1968 and/or (c) serves in an instructional capacity as a licensed teacher in a public school or nonpublic school as defined in Section 37-13-91. The maximum aggregate amount of deductions that may be claimed by all taxpayers claiming a deduction under this section in a taxable year shall not exceed One Hundred Million Dollars (\$100,000,000.00).

(3) The Department of Revenue shall have all powers necessary to implement and administer the provisions of this section, and the department shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, necessary for the implementation of this section.

**SECTION 2.** Section 27-7-18, Mississippi Code of 1972, is amended as follows:

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

(2) Unreimbursed moving expenses incurred after December 31, 1994, are deductible as an adjustment to gross income in accordance with provisions of the United States Internal Revenue Code, and rules, regulations and revenue procedures thereunder



77 relating to moving expenses, not in direct conflict with the  
78 provisions of the Mississippi Income Tax Law.

79 (3) Amounts paid after December 31, 1998, by a self-employed  
80 individual for insurance which constitute medical care for the  
81 taxpayer, his spouse and dependents, are deductible as an  
82 adjustment to gross income in accordance with provisions of the  
83 United States Internal Revenue Code, and rules, regulations and  
84 revenue procedures thereunder relating to such payments, not in  
85 direct conflict with the provisions of the Mississippi Income Tax  
86 Law.

87 (4) Contributions or payments to a Mississippi Affordable  
88 College Savings (MACS) Program account are deductible from gross  
89 income as provided in Section 37-155-113. Payments made under a  
90 prepaid tuition contract entered into under the Mississippi  
91 Prepaid Affordable College Tuition Program are deductible as  
92 provided in Section 37-155-17.

93 (5) (a) Unreimbursed travel expenses, lodging expenses and  
94 lost wages an individual incurred as a result of, and related to,  
95 the donation, while living, of one or more of his or her organs  
96 for human organ transplantation, are deductible from gross income.  
97 The deduction from gross income authorized by this subsection may  
98 be claimed for only once and may not exceed Ten Thousand Dollars  
99 (\$10,000.00).

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



(6) In the case of a self-employed individual, there shall be allowed as a deduction from gross income an amount equal to:

(a) Seventeen percent (17%) of the federal self-employment taxes imposed on such individual for taxable years ending in calendar year 2017;

(b) Thirty-four percent (34%) of the federal self-employment taxes imposed on such individual for taxable years ending in calendar year 2018; and

(c) Fifty percent (50%) of the federal self-employment taxes imposed on such individual for taxable years ending in calendar year 2019 and thereafter.

(7) Contributions or payments to a Mississippi Achieving a Better Life Experience (ABLE) Program account are deductible from gross income as provided in Section 43-28-13.

(8) Gross income of a recent graduate derived from employment in a qualifying job is deductible from gross income as provided in Section 1 of this act. For the purposes of this subsection (8), the terms "recent graduate" and "qualifying job" mean and have the same definitions as such terms have in Section 1 of this act.

**SECTION 3.** A college or university described in Section 1(1)(a)(i) or (ii) of this act must develop a policy and procedure for making information available to students regarding the availability of the income tax deduction provided in Section 1 of this act.



127           **SECTION 4.** Section 1 of this act shall be codified as a new  
128 section in Chapter 7, Title 27, Mississippi Code of 1972.

129           **SECTION 5.** This act shall take effect and be in force from  
130 and after July 1, 2018, and shall stand repealed on June 30, 2018.

