

By: Representatives McNeal, Sykes, Barnett

To: Ways and Means

HOUSE BILL NO. 1566

1 AN ACT TO AUTHORIZE SEPARATE INCOME TAX CREDITS FOR VOLUNTARY  
2 CASH CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND  
3 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS; TO LIMIT THE  
4 AMOUNT OF SUCH CREDITS; TO ALLOW EXCESS AMOUNTS OF THE CREDIT TO  
5 BE CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS; TO PROVIDE THAT THE  
6 CREDITS AUTHORIZED BY THIS ACT ARE IN LIEU OF CHARITABLE  
7 DEDUCTIONS TAKEN UNDER TO THE INTERNAL REVENUE CODE AND UTILIZED  
8 FOR STATE TAX PURPOSES; TO PROVIDE THE CRITERIA THAT A CHARITABLE  
9 ORGANIZATION MUST MEET IN ORDER FOR A CONTRIBUTION TO THE  
10 ORGANIZATION TO QUALIFY FOR THE CREDIT; TO AMEND SECTION  
11 27-7-22.32, MISSISSIPPI CODE OF 1972, TO REVISE THE AMOUNT OF THE  
12 TAX CREDIT AUTHORIZED FOR EXPENSES INCURRED FOR THE ADOPTION OF A  
13 CHILD AND TO REVISE THE NUMBER OF YEARS THAT THE UNUSED PORTION OF  
14 THE TAX CREDIT MAY BE CARRIED FORWARD; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** (1) As used in this section:

17 (a) "Low-income residents" means persons whose  
18 household income is less than one hundred fifty percent (150%) of  
19 the federal poverty level.

20 (b) "Qualifying charitable organization" means a  
21 charitable organization that is exempt from federal income  
22 taxation under Section 501(c)(3) of the Internal Revenue Code or  
23 is a designated community action agency that receives community  
24 services block grant program monies pursuant to 42 USC 9901. The



25 organization must spend at least fifty percent (50%) of its budget  
26 on services to residents of this state who receive temporary  
27 assistance for needy families benefits or low-income residents of  
28 this state and their households or to children who have a chronic  
29 illness or physical, intellectual, developmental or emotional  
30 disability who are residents of this state. Taxpayers choosing to  
31 make donations through an umbrella charitable organization that  
32 collects donations on behalf of member charities shall designate  
33 that the donation be directed to a member charitable organization  
34 that would qualify under this section on a stand-alone basis.  
35 Qualifying charitable organization does not include any entity  
36 that provides, pays for or provides coverage of abortions or that  
37 financially supports any other entity that provides, pays for or  
38 provides coverage of abortions.

39 (c) "Qualifying foster care charitable organization"  
40 means a qualifying charitable organization that each operating  
41 year provides services to at least one hundred (100) qualified  
42 individuals in this state and spends at least fifty percent (50%)  
43 of its budget on services to qualified individuals in this state.  
44 For the purposes of this paragraph, "qualified individual" means a  
45 child in a foster care placement program established by the  
46 Department of Child Protection Services.

47 (d) "Services" means cash assistance, medical care,  
48 child care, food, clothing, shelter, job placement, and  
49 job-training services or any other assistance that is reasonably



50 necessary to meet immediate basic needs and that is provided and  
51 used in this state.

52 (2) Except as provided in subsections (3) and (4) of this  
53 section, a credit is allowed against the taxes imposed by this  
54 chapter for voluntary cash contributions by the taxpayer during  
55 the taxable year to a qualifying charitable organization, other  
56 than a qualifying foster care charitable organization, not to  
57 exceed:

58 (a) Four Hundred Dollars (\$400.00) in any taxable year  
59 for a single individual or a head of household.

60 (b) Eight Hundred Dollars (\$800.00) in any taxable year  
61 for a married couple filing a joint return.

62 (3) A separate credit is allowed against the taxes imposed  
63 by this chapter for voluntary cash contributions during the  
64 taxable year to a qualifying foster care charitable organization.  
65 A contribution to a qualifying foster care charitable organization  
66 does not qualify for, and shall not be included in, any credit  
67 amount under subsection (2) of this section. If the voluntary  
68 cash contribution by the taxpayer is to a qualifying foster care  
69 charitable organization, the credit shall not exceed:

70 (a) Five Hundred Dollars (\$500.00) in any taxable year  
71 for a single individual or a head of household.

72 (b) One Thousand Dollars (\$1,000.00) in any taxable  
73 year for a married couple filing a joint return.



74           (4) Subsections (2) and (3) of this section provide separate  
75 credits against taxes imposed by this chapter depending on the  
76 recipients of the contributions. A taxpayer, including a married  
77 couple filing a joint return, in the same taxable year, may either  
78 or both:

79                   (a) Contribute to a qualifying charitable organization,  
80 other than a qualifying foster care charitable organization, and  
81 claim a credit under subsection (2) of this section.

82                   (b) Contribute to a qualifying foster care charitable  
83 organization and claim a credit under subsection (3) of this  
84 section.

85           (5) A husband and wife who file separate returns for a  
86 taxable year in which they could have filed a joint return may  
87 each claim only one-half (1/2) of the tax credit that would have  
88 been allowed for a joint return.

89           (6) If the allowable tax credit exceeds the taxes otherwise  
90 due under this chapter on the claimant's income, or if there are  
91 no taxes due under this chapter, the taxpayer may carry forward  
92 the amount of the claim not used to offset the taxes under this  
93 chapter for not more than five (5) consecutive taxable years'  
94 income tax liability.

95           (7) The credit allowed by this section is in lieu of a  
96 deduction pursuant to Section 170 of the Internal Revenue Code and  
97 taken for state tax purposes.



98           (8) Taxpayers taking a credit authorized by this section  
99 shall provide the name of the qualifying charitable organization  
100 and the amount of the contribution to the department on forms  
101 provided by the department.

102           (9) A qualifying charitable organization shall provide the  
103 department with a written certification that it meets all criteria  
104 to be considered a qualifying charitable organization. The  
105 organization shall also notify the department of any changes that  
106 may affect the qualifications under this section.

107           (10) The charitable organization's written certification  
108 must be signed by an officer of the organization under penalty of  
109 perjury. The written certification shall include the following:

110                   (a) Verification of the organization's status under  
111 Section 501(c)(3) of the Internal Revenue Code or verification  
112 that the organization is a designated community action agency that  
113 receives community services block grant program monies pursuant to  
114 42 USC 9901.

115                   (b) Financial data indicating the organization's budget  
116 for the organization's prior operating year and the amount of that  
117 budget spent on services to residents of this state who either:

118                           (i) Receive temporary assistance for needy  
119 families benefits;

120                           (ii) Are low-income residents of this state;

121                           (iii) Are children who have a chronic illness or  
122 physical, intellectual, developmental or emotional disability; or



123                   (iv) Are children in a foster care placement  
124 program established by the Department of Child Protection  
125 Services.

126                   (c) A statement that the organization plans to continue  
127 spending at least fifty percent (50%) of its budget on services to  
128 residents of this state who receive temporary assistance for needy  
129 families benefits, who are low-income residents of this state, who  
130 are children who have a chronic illness or physical, intellectual,  
131 developmental or emotional disability or who are children in a  
132 foster care placement program established by the Department of  
133 Child Protection Services.

134                   (d) In the case of a foster care charitable  
135 organization, a statement that each operating year it provides  
136 services to at least one hundred (100) qualified individuals in  
137 this state.

138                   (e) A statement that the organization does not provide,  
139 pay for or provide coverage of abortions and does not financially  
140 support any other entity that provides, pays for or provides  
141 coverage of abortions.

142                   (f) Any other information that the department requires  
143 to administer this section.

144                   (11) The department shall review each written certification  
145 and determine whether the organization meets all the criteria to  
146 be considered a qualifying charitable organization and notify the  
147 organization of its determination. The department may also



148 periodically request recertification from the organization. The  
149 department shall compile and make available to the public a list  
150 of the qualifying charitable organizations.

151 **SECTION 2.** Section 27-7-22.32, Mississippi Code of 1972, is  
152 amended as follows:

153 27-7-22.32. (1) (a) There shall be allowed as a credit  
154 against the tax imposed by this chapter the amount of the  
155 qualified adoption expenses paid or incurred, not to exceed Two  
156 Thousand Five Hundred Dollars (\$2,500.00), for each dependent  
157 child legally adopted by a taxpayer under the laws of this state  
158 during calendar year 2006 or during any calendar year thereafter  
159 through calendar year 2017, and not to exceed Five Thousand  
160 Dollars (\$5,000.00) for each dependent child legally adopted by a  
161 taxpayer under the laws of this state during any calendar year  
162 thereafter. A taxpayer claiming a credit under this paragraph (a)  
163 may not claim a credit under paragraph (b) of this subsection for  
164 the adoption of the same child.

165 (b) There shall be allowed as a credit against the tax  
166 imposed by this chapter the amount of Five Thousand Dollars  
167 (\$5,000.00) for each dependent child legally adopted by a taxpayer  
168 under the laws of this state through the Mississippi Department of  
169 Child Protection Services during calendar year 2018 or during any  
170 calendar year thereafter. A taxpayer claiming a credit under this  
171 paragraph (b) may not claim a credit under paragraph (a) of this  
172 subsection for the adoption of the same child.



173       (2) The tax credit under this section may be claimed for the  
174 taxable year in which the adoption becomes final under the laws of  
175 this state. Any tax credit claimed under this section but not  
176 used in any taxable year may be carried forward for the \* \* \* five  
177 (5) succeeding tax years. A tax credit is allowed under this  
178 section for any child for which an exemption is claimed during the  
179 same taxable year under Section 27-7-21(e). For the purposes of  
180 this section, the term "qualified adoption expenses" means and has  
181 the same definition as that term has in 26 USCS 36C.

182       **SECTION 3.** Section 1 of this act shall be codified as a new  
183 section in Chapter 7, Title 27, Mississippi Code of 1972.

184       **SECTION 4.** Nothing in this act shall affect or defeat any  
185 claim, assessment, appeal, suit, right or cause of action for  
186 taxes due or accrued under the income tax laws before the date on  
187 which this act becomes effective, whether such claims,  
188 assessments, appeals, suits or actions have been begun before the  
189 date on which this act becomes effective or are begun thereafter;  
190 and the provisions of the income tax laws are expressly continued  
191 in full force, effect and operation for the purpose of the  
192 assessment, collection and enrollment of liens for any taxes due  
193 or accrued and the execution of any warrant under such laws before  
194 the date on which this act becomes effective, and for the  
195 imposition of any penalties, forfeitures or claims for failure to  
196 comply with such laws.





197           **SECTION 5.** This act shall take effect and be in force from  
198 and after January 1, 2018.

