

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1566

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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) A qualifying charitable organization shall provide the
99 department with a written certification that it meets all criteria
100 to be considered a qualifying charitable organization. The
101 organization shall also notify the department of any changes that
102 may affect the qualifications under this section.

103 (9) The charitable organization's written certification must
104 be signed by an officer of the organization under penalty of
105 perjury. The written certification shall include the following:

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

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

114 (i) Receive temporary assistance for needy
115 families benefits;

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

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

119 (iv) Are children in a foster care placement
120 program established by the Department of Child Protection
121 Services.



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

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

134 (e) A statement that the organization does not provide,
135 pay for or provide coverage of abortions and does not financially
136 support any other entity that provides, pays for or provides
137 coverage of abortions.

138 (f) Any other information that the department requires
139 to administer this section.

140 (10) The department shall review each written certification
141 and determine whether the organization meets all the criteria to
142 be considered a qualifying charitable organization and notify the
143 organization of its determination. The department may also
144 periodically request recertification from the organization. The
145 department shall compile and make available to the public a list
146 of the qualifying charitable organizations.



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

149 27-7-22.32. (1) (a) There shall be allowed as a credit
150 against the tax imposed by this chapter the amount of the
151 qualified adoption expenses paid or incurred, not to exceed Two
152 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
153 child legally adopted by a taxpayer under the laws of this state
154 during calendar year 2006 or during any calendar year thereafter
155 through calendar year 2017, and not to exceed Five Thousand
156 Dollars (\$5,000.00) for each dependent child legally adopted by a
157 taxpayer under the laws of this state during any calendar year
158 thereafter. A taxpayer claiming a credit under this paragraph (a)
159 may not claim a credit under paragraph (b) of this subsection for
160 the adoption of the same child.

161 (b) There shall be allowed as a credit against the tax
162 imposed by this chapter the amount of Five Thousand Dollars
163 (\$5,000.00) for each dependent child legally adopted by a taxpayer
164 under the laws of this state through the Mississippi Department of
165 Child Protection Services during calendar year 2018 or during any
166 calendar year thereafter. A taxpayer claiming a credit under this
167 paragraph (b) may not claim a credit under paragraph (a) of this
168 subsection for the adoption of the same child.

169 (2) The tax credit under this section may be claimed for the
170 taxable year in which the adoption becomes final under the laws of
171 this state. Any tax credit claimed under this section but not



172 used in any taxable year may be carried forward for the * * * five
173 (5) succeeding tax years. A tax credit is allowed under this
174 section for any child for which an exemption is claimed during the
175 same taxable year under Section 27-7-21(e). For the purposes of
176 this section, the term "qualified adoption expenses" means and has
177 the same definition as that term has in 26 USCS 36C.

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

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

193 **SECTION 5.** This act shall take effect and be in force from
194 and after January 1, 2018, and shall be repealed from and after
195 December 31, 2018.



Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

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.

