

By: Representatives Lamar, McGee, White,
Bell (21st), Hughes, Steverson, Miles,
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To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 816

1 AN ACT TO CREATE THE MISSISSIPPI EDUCATIONAL TALENT
2 RECRUITMENT ACT; TO PROVIDE FOR A REBATE PROGRAM IN WHICH AN
3 INDIVIDUAL WHO IS A RECENT GRADUATE OF A COLLEGE OR UNIVERSITY IN
4 MISSISSIPPI OR OUTSIDE MISSISSIPPI, AND IS A RESIDENT OF THIS
5 STATE EMPLOYED IN A QUALIFYING JOB IN THIS STATE MAY PARTICIPATE
6 AND RECEIVE A REBATE IN AN AMOUNT EQUAL TO ALL OR A PORTION OF THE
7 AMOUNT OF THE INDIVIDUAL'S STATE INCOME TAX LIABILITY FOR A
8 FIVE-YEAR PERIOD IN WHICH THE INDIVIDUAL PARTICIPATES IN THE
9 PROGRAM; TO DEFINE CERTAIN TERMS USED IN THIS ACT; TO AMEND
10 SECTION 27-7-18, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT A
11 REBATE RECEIVED UNDER THIS ACT IS DEDUCTIBLE AS AN ADJUSTMENT TO
12 GROSS INCOME FOR STATE INCOME TAX PURPOSES; AND FOR RELATED
13 PURPOSES.

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

15 **SECTION 1.** This act shall be known and may be cited as the
16 Mississippi Educational Talent Recruitment Act.

17 **SECTION 2.** (1) As used in this section, the following words
18 and phrases have the meanings ascribed in this section unless the
19 context clearly indicates otherwise:

20 (a) "College or university" means (i) any of the state
21 institutions of higher learning listed in Section 37-101-1, (ii)
22 any regionally accredited, nonprofit four-year college or
23 university located in the State of Mississippi, or (iii) any such



24 institution of higher learning or regionally accredited four-year
25 college or university located outside the State of Mississippi.

26 (b) "Qualifying job" means employment in the State of
27 Mississippi.

28 (c) "Qualified individual" means an individual who is
29 designated by the department to participate in the rebate program
30 under this section.

31 (d) "Recent graduate" means a resident of the State of
32 Mississippi who has (i) been awarded a baccalaureate degree and/or
33 post graduate degree from a college or university no more than two
34 (2) years preceding January 1 of the first calendar year for which
35 the individual files an application with the department to
36 participate in the rebate program authorized in this section or
37 (ii) completed a postgraduate medical or other similar professional
38 residency or fellowship training no more than one (1) year
39 preceding January 1 of the first calendar year for which the
40 individual files an application with the department to participate
41 in the rebate program authorized in this section.

42 (2) (a) The department shall establish a program in which a
43 recent graduate who is a qualified individual may receive a rebate
44 equal to all or a portion of the amount of the qualified
45 individual's state income tax liability under this chapter for a
46 five-year period in which the individual participates in the
47 program.



48 (b) A recent graduate who desires to participate in the
49 rebate program must file an application with the department on
50 forms prepared by the department. The department shall review the
51 application and determine whether the applicant is eligible to
52 participate in the program. If the department determines that an
53 applicant is eligible to participate in the program, the
54 department shall issue a certificate designating the applicant as
55 a qualified individual. In order to remain a qualified
56 individual, an individual must remain a resident of the State of
57 Mississippi and be employed in a qualifying job. A qualified
58 individual who remains eligible and participates in the program
59 for five (5) years may, within six (6) months after completion of
60 the five-year period, file an application for a rebate under this
61 section. The department shall review the application and
62 determine whether the applicant is eligible to receive a rebate
63 under this section. If the department determines that the
64 applicant remained a qualified individual during the entire
65 five-year period, the department shall provide a rebate to the
66 individual equal to fifty percent (50%) of the amount of the
67 individual's state income tax liability under this chapter for the
68 five-year period in which the individual participated in the
69 program. However, the rebate to the individual shall be equal to
70 the full amount of the individual's state income tax liability
71 under this chapter for the five-year period if, in addition to
72 remaining a qualified individual during the five-year period, the



73 individual (i) purchased and owns property in this state for
74 residential or commercial use by the individual, (ii) established
75 a business in this state that is registered with the Secretary of
76 State and has at least one (1) employee, other than the
77 individual, whose wages are subject to the Mississippi Income Tax
78 Withholding Law of 1968 and/or (iii) serves in an instructional
79 capacity as a licensed teacher in a public school or nonpublic
80 school as defined in Section 37-13-91.

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

86 **SECTION 3.** Section 27-7-18, Mississippi Code of 1972, is
87 amended as follows:

88 27-7-18. (1) Alimony payments. In the case of a person
89 described in Section 27-7-15(2)(e), there shall be allowed as a
90 deduction from gross income amounts paid as periodic payments to
91 the extent of such amounts as are includible in the gross income
92 of the spouse as provided in Section 27-7-15(2)(e), payment of
93 which is made within the person's taxable year.

94 (2) Unreimbursed moving expenses incurred after December 31,
95 1994, are deductible as an adjustment to gross income in
96 accordance with provisions of the United States Internal Revenue
97 Code, and rules, regulations and revenue procedures thereunder



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

100 (3) Amounts paid after December 31, 1998, by a self-employed
101 individual for insurance which constitute medical care for the
102 taxpayer, his spouse and dependents, are deductible as an
103 adjustment to gross income in accordance with provisions of the
104 United States Internal Revenue Code, and rules, regulations and
105 revenue procedures thereunder relating to such payments, not in
106 direct conflict with the provisions of the Mississippi Income Tax
107 Law.

108 (4) Contributions or payments to a Mississippi Affordable
109 College Savings (MACS) Program account are deductible from gross
110 income as provided in Section 37-155-113. Payments made under a
111 prepaid tuition contract entered into under the Mississippi
112 Prepaid Affordable College Tuition Program are deductible as
113 provided in Section 37-155-17.

114 (5) (a) Unreimbursed travel expenses, lodging expenses and
115 lost wages an individual incurred as a result of, and related to,
116 the donation, while living, of one or more of his or her organs
117 for human organ transplantation, are deductible from gross income.
118 The deduction from gross income authorized by this subsection may
119 be claimed for only once and may not exceed Ten Thousand Dollars
120 (\$10,000.00).

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



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

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

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

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

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

137 (8) Amounts received by a qualified individual as a rebate
138 under the program authorized in Section 2 of this act are
139 deductible from gross income. For the purposes of this subsection
140 (8), the term "qualified individual" means and has the same
141 definition as that term has in Section 2 of this act.

142 **SECTION 4.** A college or university described in Section
143 2(1)(a)(i) or (ii) of this act must develop a policy and procedure
144 for making information available to students regarding the
145 availability of the rebate program provided for in Section 2 of
146 this act.



147 **SECTION 5.** Section 2 of this act shall be codified as a new
148 section in Chapter 7, Title 27, Mississippi Code of 1972.

149 **SECTION 6.** This act shall take effect and be in force from
150 and after January 1, 2019.

