

By: Representative Gunn

To: Ways and Means

HOUSE BILL NO. 1446  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 57-121-7, MISSISSIPPI CODE OF 1972,  
2 TO ALLOW AN INCOME TAX DEDUCTION FOR OTHERWISE DEDUCTIBLE EXPENSES  
3 IF THE PAYMENT FOR SUCH EXPENSES IS MADE WITH THE GRANT OR LOAN  
4 PROGRAM OF THE PAYCHECK PROTECTION PROGRAM AS AUTHORIZED UNDER THE  
5 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT AND THE  
6 CONSOLIDATED APPROPRIATIONS ACT OF 2021, THE COVID-19 ECONOMIC  
7 INJURY DISASTER LOAN PROGRAM, THE 2020 COVID-19 MISSISSIPPI  
8 BUSINESS ASSISTANCE ACT, AND/OR THE RENTAL ASSISTANCE GRANT  
9 PROGRAM, AND SUCH EXPENSES ARE ALLOWED AS DEDUCTIONS FOR FEDERAL  
10 INCOME TAX PURPOSES; AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-121-7, Mississippi Code of 1972, is  
13 amended as follows:

14 57-121-7. (1) Any eligible business desiring to participate  
15 in the program shall make application for a grant to the MDA in a  
16 form satisfactory to the MDA. The application shall include  
17 verified documentation, signed under penalty of perjury.

18 (2) The MDA shall use the funds provided by this chapter to  
19 make grants to eligible businesses pursuant to applications  
20 submitted under subsection (1) of this section, to cover their  
21 eligible expenses.



(3) The use of grants shall be subject to audit by the United States Department of the Treasury's Office of Inspector General and the Mississippi Office of the State Auditor. A business found to be fully or partially noncompliant with grant requirements shall return to the state all or a portion of the grant monies received. Applicants shall confirm their understanding of these terms.

(4) The program shall be subject to the following terms and conditions:

(a) The base payment to an eligible business shall be One Thousand Five Hundred Dollars (\$1,500.00). An eligible business may choose to receive additional compensation by either claiming Five Hundred Dollars (\$500.00) per full-time equivalent employee employed by the eligible business as of March 1, 2020, or itemizing eligible expenses on the application form. The total payment shall be reduced by the amount of any Paycheck Protection Program (PPP) funds, Economic Injury Disaster Loan (EIDL) Emergency Advance funds up to a maximum of Ten Thousand Dollars (\$10,000.00), and business interruption insurance proceeds received by the eligible taxpayer; provided, however, that the total payment shall not be reduced by more than half. In no event shall the total payment to an eligible business under this section exceed Twenty-five Thousand Dollars (\$25,000.00).

(b) At least Forty Million Dollars (\$40,000,000.00) in grants, exclusive of administrative expenses retained by the MDA,



47 shall be awarded to minority business enterprises for the first  
48 sixty (60) days of the application period.

49 (c) Grants awarded shall be protected from creditors  
50 and shall not be subject to tax \* \* \*.

51 (d) Notwithstanding any other provision in Title 27,  
52 Mississippi Code of 1972, there shall be allowed an income tax  
53 deduction for otherwise deductible expenses if:

54 (i) The payment(s) for such deductible expenses  
55 are made with the grant or loan program of the Paycheck Protection  
56 Program as authorized under the Coronavirus Aid, Relief, and  
57 Economic Security (CARES) Act and the Consolidated Appropriations  
58 Act of 2021, the COVID-19 Economic Injury Disaster Loan Program,  
59 the 2020 COVID-19 Mississippi Business Assistance Act, and/or the  
60 Rental Assistance Grant Program; and

61 (ii) Such deductible expenses shall be allowed as  
62 deductions for federal income tax purposes.

63 **SECTION 2.** This act shall take effect and be in force from  
64 and after March 27, 2020.

