

By: Representative Watson

To: Ways and Means

HOUSE BILL NO. 804

1 AN ACT TO PROVIDE A STATE INCOME TAX CREDIT FOR TAXPAYERS  
 2 CLAIMING THE FEDERAL EARNED INCOME TAX CREDIT; TO PROVIDE THE  
 3 AMOUNT OF THE CREDIT; TO PROVIDE THAT IF THE AMOUNT OF CREDIT  
 4 CLAIMED BY A TAXPAYER EXCEEDS THE AMOUNT OF INCOME TAX IMPOSED  
 5 UPON THE TAXPAYER FOR THE TAXABLE YEAR, THEN THE TAXPAYER SHALL  
 6 RECEIVE A REFUND FROM THE DEPARTMENT OF REVENUE FOR THE AMOUNT OF  
 7 SUCH EXCESS; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** (1) Any taxpayer allowed to claim a federal  
 10 earned income tax credit under 26 USCS Section 32, shall be  
 11 allowed a refundable credit against the taxes imposed under this  
 12 chapter in the manner prescribed in this section. The amount of  
 13 the credit shall be equal to ten percent (10%) of the amount of  
 14 the federal credit allowed under 26 USCS Section 32 claimed by the  
 15 taxpayer on the taxpayer's federal income tax return. If the  
 16 amount of credit claimed by a taxpayer exceeds the amount of  
 17 income tax imposed upon the taxpayer for the taxable year reduced  
 18 by the sum of all other credits allowable to the taxpayer under  
 19 the state income tax laws, except credit for tax payments made by  
 20 or on behalf of the taxpayer, then the taxpayer shall receive a



21 refund from the Department of Revenue for the amount of such  
22 excess.

23 (2) To obtain the credit provided for in this section, a  
24 taxpayer must claim the federal credit allowed under 26 USCS  
25 Section 32 on the taxpayer's federal income tax return and must  
26 provide a copy of such return and any other information required  
27 by the Department of Revenue.

28 **SECTION 2.** Section 1 of this act shall be codified as a new  
29 section in Chapter 7, Title 27, Mississippi Code of 1972.

30 **SECTION 3.** Nothing in this act shall affect or defeat any  
31 claim, assessment, appeal, suit, right or cause of action for  
32 taxes due or accrued under the income tax laws before the date on  
33 which this act becomes effective, whether such claims,  
34 assessments, appeals, suits or actions have been begun before the  
35 date on which this act becomes effective or are begun thereafter;  
36 and the provisions of the income tax laws are expressly continued  
37 in full force, effect and operation for the purpose of the  
38 assessment, collection and enrollment of liens for any taxes due  
39 or accrued and the execution of any warrant under such laws before  
40 the date on which this act becomes effective, and for the  
41 imposition of any penalties, forfeitures or claims for failure to  
42 comply with such laws.

43 **SECTION 4.** This act shall take effect and be in force from  
44 and after January 1, 2022.

