

Senate Amendments to House Bill No. 1687

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

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

29 **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is
30 amended as follows:

31 27-7-22.41. (1) For the purposes of this section, the
32 following words and phrases shall have the meanings ascribed in
33 this section unless the context clearly indicates otherwise:

34 (a) "Department" means the Department of Revenue.

35 (b) "Eligible charitable organization" means an
36 organization that is exempt from federal income taxation under
37 Section 501(c)(3) of the Internal Revenue Code and is:

38 (i) Licensed by or under contract with the
39 Mississippi Department of Child Protection Services and provides
40 services for:

41 1. The prevention and diversion of children
42 from custody with the Department of Child Protection Services,

43 2. The safety, care and well-being of
44 children in custody with the Department of Child Protection
45 Services, or

46 3. The express purpose of creating permanency
47 for children through adoption; or

48 (ii) Certified by the department as an educational
49 services charitable organization that is accredited by a regional
50 accrediting agency and provides services to:

51 1. Children in a foster care placement
52 program established by the Department of Child Protection
53 Services, children placed under the Safe Families for Children
54 model, or children at significant risk of entering a foster care
55 placement program established by the Department of Child
56 Protection Services,

57 2. Children who have a chronic illness
58 or physical, intellectual, developmental or emotional disability,
59 or

60 3. Children eligible for free or reduced
61 price meals programs under Section 37-11-7, or selected for
62 participation in the Promise Neighborhoods Program sponsored by
63 the U.S. Department of Education.

64 (c) "Education program" means a program operated by a
65 Mississippi public school and exclusively serving one or more
66 students with an educational plan developed under an
67 Individualized Education Program (IEP) pursuant to the Individuals
68 with Disabilities Education Act (IDEA).

69 (2) (a) The tax credit authorized in this section shall be
70 available only to a taxpayer who is a business enterprise engaged
71 in commercial, industrial or professional activities and operating

72 as a corporation, limited liability company, partnership or sole
73 proprietorship. Except as otherwise provided in this section, a
74 credit is allowed against the taxes imposed by Sections 27-7-5,
75 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
76 contributions made by a taxpayer during the taxable year to an
77 eligible charitable organization. From and after January 1, 2022,
78 for a taxpayer that is not operating as a corporation, a credit is
79 also allowed against ad valorem taxes assessed and levied on real
80 property for voluntary cash contributions made by the taxpayer
81 during the taxable year to an eligible charitable organization.
82 The amount of credit that may be utilized by a taxpayer in a
83 taxable year shall be limited to (i) an amount not to exceed fifty
84 percent (50%) of the total tax liability of the taxpayer for the
85 taxes imposed by such sections of law and (ii) an amount not to
86 exceed fifty percent (50%) of the total tax liability of the
87 taxpayer for ad valorem taxes assessed and levied on real
88 property. Any tax credit claimed under this section but not used
89 in any taxable year may be carried forward for five (5)
90 consecutive years from the close of the tax year in which the
91 credits were earned.

92 (b) A contribution to an eligible charitable
93 organization for which a credit is claimed under this section does
94 not qualify for and shall not be included in any credit that may
95 be claimed under Section 27-7-22.39.

96 (c) A contribution for which a credit is claimed under
97 this section may not be used as a deduction by the taxpayer for
98 state income tax purposes.

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

103 (4) An eligible charitable organization or educational
104 services charitable organization shall annually provide the
105 department with a written certification that it meets all criteria
106 to be considered an eligible charitable organization or
107 educational services charitable organization. An eligible
108 charitable organization must also provide the department with
109 written documented proof of its license and/or written contract
110 with the Mississippi Department of Child Protection
111 Services. * * * An eligible charitable organization or
112 educational services charitable organization shall also notify the
113 department of any changes that may affect eligibility under this
114 section.

115 (5) The eligible charitable organization's or educational
116 services charitable organization's written certification must be
117 signed by an officer of the organization under penalty of perjury.
118 The written certification shall include the following:

119 (a) Verification of the organization's status under
120 Section 501(c) (3) of the Internal Revenue Code;

121 (b) A statement that the organization does not provide,
122 pay for or provide coverage of abortions and does not financially
123 support any other entity that provides, pays for or provides
124 coverage of abortions;

125 (c) A statement that the funds generated from the tax
126 credit shall be used for educational resources, staff and other
127 purposes described in this section;

128 (* * *d) Any other information that the department
129 requires to administer this section.

130 (6) The department shall review each written certification
131 and determine whether the organization meets all the criteria to
132 be considered an eligible charitable organization or educational
133 services charitable organization and notify the organization of
134 its determination. The department may also periodically request
135 recertification from the organization. The department shall
136 compile and make available to the public a list of eligible
137 charitable organizations and educational services charitable
138 organizations.

139 (7) Tax credits authorized by this section that are earned
140 by a partnership, limited liability company, S corporation or
141 other similar pass-through entity, shall be allocated among all
142 partners, members or shareholders, respectively, either in
143 proportion to their ownership interest in such entity or as the
144 partners, members or shareholders mutually agree as provided in an
145 executed document.

146 (8) (a) A taxpayer shall apply for credits with the
147 department on forms prescribed by the department. In the
148 application the taxpayer shall certify to the department the
149 dollar amount of the contributions made or to be made during the
150 calendar year. Within thirty (30) days after the receipt of an
151 application, the department shall allocate credits based on the
152 dollar amount of contributions as certified in the application.
153 However, if the department cannot allocate the full amount of
154 credits certified in the application due to the limit on the
155 aggregate amount of credits that may be awarded under this section
156 in a calendar year, the department shall so notify the applicant
157 within thirty (30) days with the amount of credits, if any, that
158 may be allocated to the applicant in the calendar year. Once the
159 department has allocated credits to a taxpayer, if the
160 contribution for which a credit is allocated has not been made as
161 of the date of the allocation, then the contribution must be made
162 not later than sixty (60) days from the date of the allocation.
163 If the contribution is not made within such time period, the
164 allocation shall be cancelled and returned to the department for
165 reallocation. Upon final documentation of the contributions, if
166 the actual dollar amount of the contributions is lower than the
167 amount estimated, the department shall adjust the tax credit
168 allowed under this section.

169 (b) A taxpayer who applied for a tax credit under this
170 section during calendar year 2020, but who was unable to be
171 awarded the credit due to the limit on the aggregate amount of

172 credits authorized for calendar year 2020, shall be given priority
173 for tax credits authorized to be allocated to taxpayers under this
174 section by Section 27-7-22.39.

175 (c) For the purposes of using a tax credit against ad
176 valorem taxes assessed and levied on real property, a taxpayer
177 shall present to the appropriate tax collector the tax credit
178 documentation provided to the taxpayer by the Department of
179 Revenue, and the tax collector shall apply the tax credit against
180 such ad valorem taxes. The tax collector shall forward the tax
181 credit documentation to the Department of Revenue along with the
182 amount of the tax credit applied against ad valorem taxes, and the
183 department shall disburse funds to the tax collector for the
184 amount of the tax credit applied against ad valorem taxes. Such
185 payments by the Department of Revenue shall be made from current
186 tax collections.

187 (9) The aggregate amount of tax credits that may be
188 allocated by the department under this section during a calendar
189 year shall not exceed Five Million Dollars (\$5,000,000.00), and
190 not more than fifty percent (50%) of tax credits allocated during
191 a calendar year may be allocated for contributions to eligible
192 charitable organizations described in subsection (1)(b)(ii) of
193 this section. However, for calendar year 2021, the aggregate
194 amount of tax credits that may be allocated by the department
195 under this section during a calendar year shall not exceed Ten
196 Million Dollars (\$10,000,000.00), and for calendar year 2022, and
197 for each calendar year thereafter, the aggregate amount of tax

198 credits that may be allocated by the department under this section
199 during a calendar year shall not exceed * * * Twenty Million
200 Dollars (\$20,000,000.00). For calendar year 2021, and for each
201 calendar year thereafter, fifty percent (50%) of the tax credits
202 allocated during a calendar year shall be allocated for
203 contributions to eligible charitable organizations described in
204 subsection (1)(b)(i) of this section and fifty percent (50%) of
205 the tax credits allocated during a calendar year shall be
206 allocated for contributions to eligible charitable organizations
207 described in subsection (1)(b)(ii) of this section. * * * For
208 calendar year 2021, and for each calendar year thereafter, for
209 credits allocated during a calendar year for contributions to
210 eligible charitable organizations described in subsection
211 (1)(b)(i) of this section, no more than twenty-five percent (25%)
212 of such credits may be allocated for contributions to a single
213 eligible charitable organization. Except as otherwise provided in
214 this section, for calendar year 2021, and for each calendar year
215 thereafter, for credits allocated during a calendar year for
216 contributions to eligible charitable organizations described in
217 subsection (1)(b)(ii) of this section, no more than * * * three
218 and one-half percent (3-1/2%) of such credits may be allocated for
219 contributions to a single eligible charitable organization. * * *
220 (10) In addition to all other credits authorized in this
221 section, there shall be allowed a tax credit, under the same terms
222 as provided in subsection (2)(a) of this section for contributions
223 to eligible charitable organizations, for contributions to an

224 education program in an aggregate amount not to exceed Five
225 Million Dollars (\$5,000,000.00) during a calendar year.

226 **SECTION 2.** Section 27-7-17, Mississippi Code of 1972, as
227 amended by Senate Bill No. 2095, 2022 Regular Session, and House
228 Bill No. 1529, 2022 Regular Session, is amended as follows:

229 **Through February 1, 2022, this section shall read as follows:**

230 27-7-17. In computing taxable income, there shall be allowed
231 as deductions:

232 (1) **Business deductions.**

233 (a) **Business expenses.** All the ordinary and necessary
234 expenses paid or incurred during the taxable year in carrying on
235 any trade or business, including a reasonable allowance for
236 salaries or other compensation for personal services actually
237 rendered; nonreimbursable traveling expenses incident to current
238 employment, including a reasonable amount expended for meals and
239 lodging while away from home in the pursuit of a trade or
240 business; and rentals or other payments required to be made as a
241 condition of the continued use or possession, for purposes of the
242 trade or business of property to which the taxpayer has not taken
243 or is not taking title or in which he had no equity. Expense
244 incurred in connection with earning and distributing nontaxable
245 income is not an allowable deduction. Limitations on
246 entertainment expenses shall conform to the provisions of the
247 Internal Revenue Code of 1986.

248 (b) **Interest.** All interest paid or accrued during the
249 taxable year on business indebtedness, except interest upon the

250 indebtedness for the purchase of tax-free bonds, or any stocks,
251 the dividends from which are nontaxable under the provisions of
252 this article; provided, however, in the case of securities
253 dealers, interest payments or accruals on loans, the proceeds of
254 which are used to purchase tax-exempt securities, shall be
255 deductible if income from otherwise tax-free securities is
256 reported as income. Investment interest expense shall be limited
257 to investment income. Interest expense incurred for the purchase
258 of treasury stock, to pay dividends, or incurred as a result of an
259 undercapitalized affiliated corporation may not be deducted unless
260 an ordinary and necessary business purpose can be established to
261 the satisfaction of the commissioner. For the purposes of this
262 paragraph, the phrase "interest upon the indebtedness for the
263 purchase of tax-free bonds" applies only to the indebtedness
264 incurred for the purpose of directly purchasing tax-free bonds and
265 does not apply to any other indebtedness incurred in the regular
266 course of the taxpayer's business. Any corporation, association,
267 organization or other entity taxable under Section 27-7-23(c)
268 shall allocate interest expense as provided in Section
269 27-7-23(c) (3) (I).

270 (c) **Taxes.** Taxes paid or accrued within the taxable
271 year, except state and federal income taxes, excise taxes based on
272 or measured by net income, estate and inheritance taxes, gift
273 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
274 use taxes unless incurred as an item of expense in a trade or
275 business or in the production of taxable income. In the case of

276 an individual, taxes permitted as an itemized deduction under the
277 provisions of subsection (3)(a) of this section are to be claimed
278 thereunder.

279 (d) **Business losses.**

280 (i) Losses sustained during the taxable year not
281 compensated for by insurance or otherwise, if incurred in trade or
282 business, or nonbusiness transactions entered into for profit.

283 (ii) Limitations on losses from passive activities
284 and rental real estate shall conform to the provisions of the
285 Internal Revenue Code of 1986.

286 (e) **Bad debts.** Losses from debts ascertained to be
287 worthless and charged off during the taxable year, if sustained in
288 the conduct of the regular trade or business of the taxpayer;
289 provided, that such losses shall be allowed only when the taxpayer
290 has reported as income, on the accrual basis, the amount of such
291 debt or account.

292 (f) **Depreciation.** A reasonable allowance for
293 exhaustion, wear and tear of property used in the trade or
294 business, or rental property, and depreciation upon buildings
295 based upon their reasonable value as of March 16, 1912, if
296 acquired prior thereto, and upon cost if acquired subsequent to
297 that date. In the case of new or used aircraft, equipment,
298 engines, or other parts and tools used for aviation, allowance for
299 bonus depreciation conforms with the federal bonus depreciation
300 rates and reasonable allowance for depreciation under this section
301 is no less than one hundred percent (100%).

302 (g) **Depletion.** In the case of mines, oil and gas
303 wells, other natural deposits and timber, a reasonable allowance
304 for depletion and for depreciation of improvements, based upon
305 cost, including cost of development, not otherwise deducted, or
306 fair market value as of March 16, 1912, if acquired prior to that
307 date, such allowance to be made upon regulations prescribed by the
308 commissioner, with the approval of the Governor.

309 (h) **Contributions or gifts.** Except as otherwise
310 provided in paragraph (p) of this subsection or subsection (3) (a)
311 of this section for individuals, contributions or gifts made by
312 corporations within the taxable year to corporations,
313 organizations, associations or institutions, including Community
314 Chest funds, foundations and trusts created solely and exclusively
315 for religious, charitable, scientific or educational purposes, or
316 for the prevention of cruelty to children or animals, no part of
317 the net earnings of which inure to the benefit of any private
318 stockholder or individual. This deduction shall be allowed in an
319 amount not to exceed twenty percent (20%) of the net income. Such
320 contributions or gifts shall be allowable as deductions only if
321 verified under rules and regulations prescribed by the
322 commissioner, with the approval of the Governor. Contributions
323 made in any form other than cash shall be allowed as a deduction,
324 subject to the limitations herein provided, in an amount equal to
325 the actual market value of the contributions at the time the
326 contribution is actually made and consummated.

327 (i) **Reserve funds - insurance companies.** In the case
328 of insurance companies the net additions required by law to be
329 made within the taxable year to reserve funds when such reserve
330 funds are maintained for the purpose of liquidating policies at
331 maturity.

332 (j) **Annuity income.** The sums, other than dividends,
333 paid within the taxpayer year on policy or annuity contracts when
334 such income has been included in gross income.

335 (k) **Contributions to employee pension plans.**
336 Contributions made by an employer to a plan or a trust forming
337 part of a pension plan, stock bonus plan, disability or
338 death-benefit plan, or profit-sharing plan of such employer for
339 the exclusive benefit of some or all of his, their, or its
340 employees, or their beneficiaries, shall be deductible from his,
341 their, or its income only to the extent that, and for the taxable
342 year in which, the contribution is deductible for federal income
343 tax purposes under the Internal Revenue Code of 1986 and any other
344 provisions of similar purport in the Internal Revenue Laws of the
345 United States, and the rules, regulations, rulings and
346 determinations promulgated thereunder, provided that:

347 (i) The plan or trust be irrevocable.

348 (ii) The plan or trust constitute a part of a
349 pension plan, stock bonus plan, disability or death-benefit plan,
350 or profit-sharing plan for the exclusive benefit of some or all of
351 the employer's employees and/or officers, or their beneficiaries,
352 for the purpose of distributing the corpus and income of the plan

353 or trust to such employees and/or officers, or their
354 beneficiaries.

355 (iii) No part of the corpus or income of the plan
356 or trust can be used for purposes other than for the exclusive
357 benefit of employees and/or officers, or their beneficiaries.

358 Contributions to all plans or to all trusts of real or
359 personal property (or real and personal property combined) or to
360 insured plans created under a retirement plan for which provision
361 has been made under the laws of the United States of America,
362 making such contributions deductible from income for federal
363 income tax purposes, shall be deductible only to the same extent
364 under the Income Tax Laws of the State of Mississippi.

365 (1) **Net operating loss carrybacks and carryovers.** A
366 net operating loss for any taxable year ending after December 31,
367 1993, and taxable years thereafter, shall be a net operating loss
368 carryback to each of the three (3) taxable years preceding the
369 taxable year of the loss. If the net operating loss for any
370 taxable year is not exhausted by carrybacks to the three (3)
371 taxable years preceding the taxable year of the loss, then there
372 shall be a net operating loss carryover to each of the fifteen
373 (15) taxable years following the taxable year of the loss
374 beginning with any taxable year after December 31, 1991.

375 For any taxable year ending after December 31, 1997, the
376 period for net operating loss carrybacks and net operating loss
377 carryovers shall be the same as those established by the Internal
378 Revenue Code and the rules, regulations, rulings and

379 determinations promulgated thereunder as in effect at the taxable
380 year end or on December 31, 2000, whichever is earlier.

381 A net operating loss for any taxable year ending after
382 December 31, 2001, and taxable years thereafter, shall be a net
383 operating loss carryback to each of the two (2) taxable years
384 preceding the taxable year of the loss. If the net operating loss
385 for any taxable year is not exhausted by carrybacks to the two (2)
386 taxable years preceding the taxable year of the loss, then there
387 shall be a net operating loss carryover to each of the twenty (20)
388 taxable years following the taxable year of the loss beginning
389 with any taxable year after the taxable year of the loss.

390 The term "net operating loss," for the purposes of this
391 paragraph, shall be the excess of the deductions allowed over the
392 gross income; provided, however, the following deductions shall
393 not be allowed in computing same:

394 (i) No net operating loss deduction shall be
395 allowed.

396 (ii) No personal exemption deduction shall be
397 allowed.

398 (iii) Allowable deductions which are not
399 attributable to taxpayer's trade or business shall be allowed only
400 to the extent of the amount of gross income not derived from such
401 trade or business.

402 Any taxpayer entitled to a carryback period as provided by
403 this paragraph may elect to relinquish the entire carryback period
404 with respect to a net operating loss for any taxable year ending

405 after December 31, 1991. The election shall be made in the manner
406 prescribed by the Department of Revenue and shall be made by the
407 due date, including extensions of time, for filing the taxpayer's
408 return for the taxable year of the net operating loss for which
409 the election is to be in effect. The election, once made for any
410 taxable year, shall be irrevocable for that taxable year.

411 (m) **Amortization of pollution or environmental control**
412 **facilities.** Allowance of deduction. Every taxpayer, at his
413 election, shall be entitled to a deduction for pollution or
414 environmental control facilities to the same extent as that
415 allowed under the Internal Revenue Code and the rules,
416 regulations, rulings and determinations promulgated thereunder.

417 (n) **Dividend distributions - real estate investment**
418 **trusts.** "Real estate investment trust" (hereinafter referred to
419 as REIT) shall have the meaning ascribed to such term in Section
420 856 of the federal Internal Revenue Code of 1986, as amended. A
421 REIT is allowed a dividend distributed deduction if the dividend
422 distributions meet the requirements of Section 857 or are
423 otherwise deductible under Section 858 or 860, federal Internal
424 Revenue Code of 1986, as amended. In addition:

425 (i) A dividend distributed deduction shall only be
426 allowed for dividends paid by a publicly traded REIT. A qualified
427 REIT subsidiary shall be allowed a dividend distributed deduction
428 if its owner is a publicly traded REIT.

429 (ii) Income generated from real estate contributed
430 or sold to a REIT by a shareholder or related party shall not give

431 rise to a dividend distributed deduction, unless the shareholder
432 or related party would have received the dividend distributed
433 deduction under this chapter.

434 (iii) A holding corporation receiving a dividend
435 from a REIT shall not be allowed the deduction in Section
436 27-7-15(4)(t).

437 (iv) Any REIT not allowed the dividend distributed
438 deduction in the federal Internal Revenue Code of 1986, as
439 amended, shall not be allowed a dividend distributed deduction
440 under this chapter.

441 The commissioner is authorized to promulgate rules and
442 regulations consistent with the provisions in Section 269 of the
443 federal Internal Revenue Code of 1986, as amended, so as to
444 prevent the evasion or avoidance of state income tax.

445 (o) **Contributions to college savings trust fund**
446 **accounts.** Contributions or payments to a Mississippi Affordable
447 College Savings Program account are deductible as provided under
448 Section 37-155-113. Payments made under a prepaid tuition
449 contract entered into under the Mississippi Prepaid Affordable
450 College Tuition Program are deductible as provided under Section
451 37-155-17.

452 (p) **Contributions of human pharmaceutical products.** To
453 the extent that a "major supplier" as defined in Section
454 27-13-13(2)(d) contributes human pharmaceutical products in excess
455 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
456 determined under Section 170 of the Internal Revenue Code, the

457 charitable contribution limitation associated with those donations
458 shall follow the federal limitation but cannot result in the
459 Mississippi net income being reduced below zero.

460 (q) **Contributions to ABLE trust fund accounts.**

461 Contributions or payments to a Mississippi Achieving a Better Life
462 Experience (ABLE) Program account are deductible as provided under
463 Section 43-28-13.

464 (2) **Restrictions on the deductibility of certain intangible
465 expenses and interest expenses with a related member.**

466 (a) As used in this subsection (2):

467 (i) "Intangible expenses and costs" include:

468 1. Expenses, losses and costs for, related
469 to, or in connection directly or indirectly with the direct or
470 indirect acquisition, use, maintenance or management, ownership,
471 sale, exchange or any other disposition of intangible property to
472 the extent such amounts are allowed as deductions or costs in
473 determining taxable income under this chapter;

474 2. Expenses or losses related to or incurred
475 in connection directly or indirectly with factoring transactions
476 or discounting transactions;

477 3. Royalty, patent, technical and copyright
478 fees;

479 4. Licensing fees; and

480 5. Other similar expenses and costs.

481 (ii) "Intangible property" means patents, patent
482 applications, trade names, trademarks, service marks, copyrights
483 and similar types of intangible assets.

484 (iii) "Interest expenses and cost" means amounts
485 directly or indirectly allowed as deductions for purposes of
486 determining taxable income under this chapter to the extent such
487 interest expenses and costs are directly or indirectly for,
488 related to, or in connection with the direct or indirect
489 acquisition, maintenance, management, ownership, sale, exchange or
490 disposition of intangible property.

491 (iv) "Related member" means an entity or person
492 that, with respect to the taxpayer during all or any portion of
493 the taxable year, is a related entity, a component member as
494 defined in the Internal Revenue Code, or is an entity or a person
495 to or from whom there is attribution of stock ownership in
496 accordance with Section 1563(e) of the Internal Revenue Code.

497 (v) "Related entity" means:

498 1. A stockholder who is an individual or a
499 member of the stockholder's family, as defined in regulations
500 prescribed by the commissioner, if the stockholder and the members
501 of the stockholder's family own, directly, indirectly,
502 beneficially or constructively, in the aggregate, at least fifty
503 percent (50%) of the value of the taxpayer's outstanding stock;

504 2. A stockholder, or a stockholder's
505 partnership, limited liability company, estate, trust or
506 corporation, if the stockholder and the stockholder's

507 partnerships, limited liability companies, estates, trusts and
508 corporations own, directly, indirectly, beneficially or
509 constructively, in the aggregate, at least fifty percent (50%) of
510 the value of the taxpayer's outstanding stock;

511 3. A corporation, or a party related to the
512 corporation in a manner that would require an attribution of stock
513 from the corporation to the party or from the party to the
514 corporation, if the taxpayer owns, directly, indirectly,
515 beneficially or constructively, at least fifty percent (50%) of
516 the value of the corporation's outstanding stock under regulation
517 prescribed by the commissioner;

518 4. Any entity or person which would be a
519 related member under this section if the taxpayer were considered
520 a corporation for purposes of this section.

521 (b) In computing net income, a taxpayer shall add back
522 otherwise deductible interest expenses and costs and intangible
523 expenses and costs directly or indirectly paid, accrued to or
524 incurred, in connection directly or indirectly with one or more
525 direct or indirect transactions with one or more related members.

526 (c) The adjustments required by this subsection shall
527 not apply to such portion of interest expenses and costs and
528 intangible expenses and costs that the taxpayer can establish
529 meets one (1) of the following:

530 (i) The related member directly or indirectly
531 paid, accrued or incurred such portion to a person during the same
532 income year who is not a related member; or

533 (ii) The transaction giving rise to the interest
534 expenses and costs or intangible expenses and costs between the
535 taxpayer and related member was done primarily for a valid
536 business purpose other than the avoidance of taxes, and the
537 related member is not primarily engaged in the acquisition, use,
538 maintenance or management, ownership, sale, exchange or any other
539 disposition of intangible property.

540 (d) Nothing in this subsection shall require a taxpayer
541 to add to its net income more than once any amount of interest
542 expenses and costs or intangible expenses and costs that the
543 taxpayer pays, accrues or incurs to a related member.

544 (e) The commissioner may prescribe such regulations as
545 necessary or appropriate to carry out the purposes of this
546 subsection, including, but not limited to, clarifying definitions
547 of terms, rules of stock attribution, factoring and discount
548 transactions.

549 (3) **Individual nonbusiness deductions.**

550 (a) The amount allowable for individual nonbusiness
551 itemized deductions for federal income tax purposes where the
552 individual is eligible to elect, for the taxable year, to itemize
553 deductions on his federal return except the following:

554 (i) The deduction for state income taxes paid or
555 other taxes allowed for federal purposes in lieu of state income
556 taxes paid;

557 (ii) The deduction for gaming losses from gaming
558 establishments;

559 (iii) The deduction for taxes collected by
560 licensed gaming establishments pursuant to Section 27-7-901;

561 (iv) The deduction for taxes collected by gaming
562 establishments pursuant to Section 27-7-903.

563 (b) In lieu of the individual nonbusiness itemized
564 deductions authorized in paragraph (a), for all purposes other
565 than ordinary and necessary expenses paid or incurred during the
566 taxable year in carrying on any trade or business, an optional
567 standard deduction of:

568 (i) Three Thousand Four Hundred Dollars
569 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
570 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
571 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
572 in the case of married individuals filing a joint or combined
573 return;

574 (ii) One Thousand Seven Hundred Dollars
575 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
576 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
577 Three Hundred Dollars (\$2,300.00) for each calendar year
578 thereafter in the case of married individuals filing separate
579 returns;

580 (iii) Three Thousand Four Hundred Dollars
581 (\$3,400.00) in the case of a head of family; or

582 (iv) Two Thousand Three Hundred Dollars
583 (\$2,300.00) in the case of an individual who is not married.

584 In the case of a husband and wife living together, having
585 separate incomes, and filing combined returns, the standard
586 deduction authorized may be divided in any manner they choose. In
587 the case of separate returns by a husband and wife, the standard
588 deduction shall not be allowed to either if the taxable income of
589 one of the spouses is determined without regard to the standard
590 deduction.

591 (c) A nonresident individual shall be allowed the same
592 individual nonbusiness deductions as are authorized for resident
593 individuals in paragraph (a) or (b) of this subsection; however,
594 the nonresident individual is entitled only to that proportion of
595 the individual nonbusiness deductions as his net income from
596 sources within the State of Mississippi bears to his total or
597 entire net income from all sources.

598 (4) Nothing in this section shall permit the same item to be
599 deducted more than once, either in fact or in effect.

600 (5) Notwithstanding any other provision in Title 27,
601 Mississippi Code of 1972, there shall be allowed an income tax
602 deduction for otherwise deductible expenses if:

603 (a) The payment(s) for such deductible expenses are
604 made with the grant or loan program of the Paycheck Protection
605 Program as authorized under (i) the Coronavirus Aid, Relief, and
606 Economic Security (CARES) Act and the Consolidated Appropriations
607 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
608 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance
609 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered

610 Venue Operators Grant Program and Restaurant Revitalization Fund
611 authorized by the Economic Aid to Hard-Hit Small Businesses,
612 Nonprofits, and Venues Act, and amended by the federal American
613 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
614 Stabilization Act; and

615 (b) Such deductible expenses shall be allowed as
616 deductions for federal income tax purposes.

617 **From and after February 2, 2022, this section shall read as**
618 **follows:**

619 27-7-17. In computing taxable income, there shall be allowed
620 as deductions:

621 (1) **Business deductions.**

622 (a) **Business expenses.** All the ordinary and necessary
623 expenses paid or incurred during the taxable year in carrying on
624 any trade or business, including a reasonable allowance for
625 salaries or other compensation for personal services actually
626 rendered; nonreimbursable traveling expenses incident to current
627 employment, including a reasonable amount expended for meals and
628 lodging while away from home in the pursuit of a trade or
629 business; and rentals or other payments required to be made as a
630 condition of the continued use or possession, for purposes of the
631 trade or business of property to which the taxpayer has not taken
632 or is not taking title or in which he had no equity. Expense
633 incurred in connection with earning and distributing nontaxable
634 income is not an allowable deduction. Limitations on
635 entertainment expenses shall conform to the provisions of the

636 Internal Revenue Code of 1986. There shall also be allowed a
637 deduction for expenses as provided in Section 26 of Senate Bill
638 No. 2095, 2022 Regular Session.

639 (b) **Interest.** All interest paid or accrued during the
640 taxable year on business indebtedness, except interest upon the
641 indebtedness for the purchase of tax-free bonds, or any stocks,
642 the dividends from which are nontaxable under the provisions of
643 this article; provided, however, in the case of securities
644 dealers, interest payments or accruals on loans, the proceeds of
645 which are used to purchase tax-exempt securities, shall be
646 deductible if income from otherwise tax-free securities is
647 reported as income. Investment interest expense shall be limited
648 to investment income. Interest expense incurred for the purchase
649 of treasury stock, to pay dividends, or incurred as a result of an
650 undercapitalized affiliated corporation may not be deducted unless
651 an ordinary and necessary business purpose can be established to
652 the satisfaction of the commissioner. For the purposes of this
653 paragraph, the phrase "interest upon the indebtedness for the
654 purchase of tax-free bonds" applies only to the indebtedness
655 incurred for the purpose of directly purchasing tax-free bonds and
656 does not apply to any other indebtedness incurred in the regular
657 course of the taxpayer's business. Any corporation, association,
658 organization or other entity taxable under Section 27-7-23(c)
659 shall allocate interest expense as provided in Section
660 27-7-23(c) (3) (I).

661 (c) **Taxes.** Taxes paid or accrued within the taxable
662 year, except state and federal income taxes, excise taxes based on
663 or measured by net income, estate and inheritance taxes, gift
664 taxes, cigar and cigarette taxes, gasoline taxes, and sales and
665 use taxes unless incurred as an item of expense in a trade or
666 business or in the production of taxable income. In the case of
667 an individual, taxes permitted as an itemized deduction under the
668 provisions of subsection (3)(a) of this section are to be claimed
669 thereunder.

670 (d) **Business losses.**

671 (i) Losses sustained during the taxable year not
672 compensated for by insurance or otherwise, if incurred in trade or
673 business, or nonbusiness transactions entered into for profit.

674 (ii) Limitations on losses from passive activities
675 and rental real estate shall conform to the provisions of the
676 Internal Revenue Code of 1986.

677 (e) **Bad debts.** Losses from debts ascertained to be
678 worthless and charged off during the taxable year, if sustained in
679 the conduct of the regular trade or business of the taxpayer;
680 provided, that such losses shall be allowed only when the taxpayer
681 has reported as income, on the accrual basis, the amount of such
682 debt or account.

683 (f) **Depreciation.** A reasonable allowance for
684 exhaustion, wear and tear of property used in the trade or
685 business, or rental property, and depreciation upon buildings
686 based upon their reasonable value as of March 16, 1912, if

687 acquired prior thereto, and upon cost if acquired subsequent to
688 that date. In the case of new or used aircraft, equipment,
689 engines, or other parts and tools used for aviation, allowance for
690 bonus depreciation conforms with the federal bonus depreciation
691 rates and reasonable allowance for depreciation under this section
692 is no less than one hundred percent (100%).

693 (g) **Depletion.** In the case of mines, oil and gas
694 wells, other natural deposits and timber, a reasonable allowance
695 for depletion and for depreciation of improvements, based upon
696 cost, including cost of development, not otherwise deducted, or
697 fair market value as of March 16, 1912, if acquired prior to that
698 date, such allowance to be made upon regulations prescribed by the
699 commissioner, with the approval of the Governor.

700 (h) **Contributions or gifts.** Except as otherwise
701 provided in paragraph (p) of this subsection or subsection (3)(a)
702 of this section for individuals, contributions or gifts made by
703 corporations within the taxable year to corporations,
704 organizations, associations or institutions, including Community
705 Chest funds, foundations and trusts created solely and exclusively
706 for religious, charitable, scientific or educational purposes, or
707 for the prevention of cruelty to children or animals, no part of
708 the net earnings of which inure to the benefit of any private
709 stockholder or individual. This deduction shall be allowed in an
710 amount not to exceed twenty percent (20%) of the net income. Such
711 contributions or gifts shall be allowable as deductions only if
712 verified under rules and regulations prescribed by the

713 commissioner, with the approval of the Governor. Contributions
714 made in any form other than cash shall be allowed as a deduction,
715 subject to the limitations herein provided, in an amount equal to
716 the actual market value of the contributions at the time the
717 contribution is actually made and consummated.

718 (i) **Reserve funds - insurance companies.** In the case
719 of insurance companies the net additions required by law to be
720 made within the taxable year to reserve funds when such reserve
721 funds are maintained for the purpose of liquidating policies at
722 maturity.

723 (j) **Annuity income.** The sums, other than dividends,
724 paid within the taxpayer year on policy or annuity contracts when
725 such income has been included in gross income.

726 (k) **Contributions to employee pension plans.**
727 Contributions made by an employer to a plan or a trust forming
728 part of a pension plan, stock bonus plan, disability or
729 death-benefit plan, or profit-sharing plan of such employer for
730 the exclusive benefit of some or all of his, their, or its
731 employees, or their beneficiaries, shall be deductible from his,
732 their, or its income only to the extent that, and for the taxable
733 year in which, the contribution is deductible for federal income
734 tax purposes under the Internal Revenue Code of 1986 and any other
735 provisions of similar purport in the Internal Revenue Laws of the
736 United States, and the rules, regulations, rulings and
737 determinations promulgated thereunder, provided that:

738 (i) The plan or trust be irrevocable.

739 (ii) The plan or trust constitute a part of a
740 pension plan, stock bonus plan, disability or death-benefit plan,
741 or profit-sharing plan for the exclusive benefit of some or all of
742 the employer's employees and/or officers, or their beneficiaries,
743 for the purpose of distributing the corpus and income of the plan
744 or trust to such employees and/or officers, or their
745 beneficiaries.

746 (iii) No part of the corpus or income of the plan
747 or trust can be used for purposes other than for the exclusive
748 benefit of employees and/or officers, or their beneficiaries.

749 Contributions to all plans or to all trusts of real or
750 personal property (or real and personal property combined) or to
751 insured plans created under a retirement plan for which provision
752 has been made under the laws of the United States of America,
753 making such contributions deductible from income for federal
754 income tax purposes, shall be deductible only to the same extent
755 under the Income Tax Laws of the State of Mississippi.

756 (1) **Net operating loss carrybacks and carryovers.** A
757 net operating loss for any taxable year ending after December 31,
758 1993, and taxable years thereafter, shall be a net operating loss
759 carryback to each of the three (3) taxable years preceding the
760 taxable year of the loss. If the net operating loss for any
761 taxable year is not exhausted by carrybacks to the three (3)
762 taxable years preceding the taxable year of the loss, then there
763 shall be a net operating loss carryover to each of the fifteen

764 (15) taxable years following the taxable year of the loss
765 beginning with any taxable year after December 31, 1991.

766 For any taxable year ending after December 31, 1997, the
767 period for net operating loss carrybacks and net operating loss
768 carryovers shall be the same as those established by the Internal
769 Revenue Code and the rules, regulations, rulings and
770 determinations promulgated thereunder as in effect at the taxable
771 year end or on December 31, 2000, whichever is earlier.

772 A net operating loss for any taxable year ending after
773 December 31, 2001, and taxable years thereafter, shall be a net
774 operating loss carryback to each of the two (2) taxable years
775 preceding the taxable year of the loss. If the net operating loss
776 for any taxable year is not exhausted by carrybacks to the two (2)
777 taxable years preceding the taxable year of the loss, then there
778 shall be a net operating loss carryover to each of the twenty (20)
779 taxable years following the taxable year of the loss beginning
780 with any taxable year after the taxable year of the loss.

781 The term "net operating loss," for the purposes of this
782 paragraph, shall be the excess of the deductions allowed over the
783 gross income; provided, however, the following deductions shall
784 not be allowed in computing same:

785 (i) No net operating loss deduction shall be
786 allowed.

787 (ii) No personal exemption deduction shall be
788 allowed.

789 (iii) Allowable deductions which are not
790 attributable to taxpayer's trade or business shall be allowed only
791 to the extent of the amount of gross income not derived from such
792 trade or business.

793 Any taxpayer entitled to a carryback period as provided by
794 this paragraph may elect to relinquish the entire carryback period
795 with respect to a net operating loss for any taxable year ending
796 after December 31, 1991. The election shall be made in the manner
797 prescribed by the Department of Revenue and shall be made by the
798 due date, including extensions of time, for filing the taxpayer's
799 return for the taxable year of the net operating loss for which
800 the election is to be in effect. The election, once made for any
801 taxable year, shall be irrevocable for that taxable year.

802 (m) **Amortization of pollution or environmental control**
803 **facilities.** Allowance of deduction. Every taxpayer, at his
804 election, shall be entitled to a deduction for pollution or
805 environmental control facilities to the same extent as that
806 allowed under the Internal Revenue Code and the rules,
807 regulations, rulings and determinations promulgated thereunder.

808 (n) **Dividend distributions - real estate investment**
809 **trusts.** "Real estate investment trust" (hereinafter referred to
810 as REIT) shall have the meaning ascribed to such term in Section
811 856 of the federal Internal Revenue Code of 1986, as amended. A
812 REIT is allowed a dividend distributed deduction if the dividend
813 distributions meet the requirements of Section 857 or are

814 otherwise deductible under Section 858 or 860, federal Internal
815 Revenue Code of 1986, as amended. In addition:

816 (i) A dividend distributed deduction shall only be
817 allowed for dividends paid by a publicly traded REIT. A qualified
818 REIT subsidiary shall be allowed a dividend distributed deduction
819 if its owner is a publicly traded REIT.

820 (ii) Income generated from real estate contributed
821 or sold to a REIT by a shareholder or related party shall not give
822 rise to a dividend distributed deduction, unless the shareholder
823 or related party would have received the dividend distributed
824 deduction under this chapter.

825 (iii) A holding corporation receiving a dividend
826 from a REIT shall not be allowed the deduction in Section
827 27-7-15(4)(t).

828 (iv) Any REIT not allowed the dividend distributed
829 deduction in the federal Internal Revenue Code of 1986, as
830 amended, shall not be allowed a dividend distributed deduction
831 under this chapter.

832 The commissioner is authorized to promulgate rules and
833 regulations consistent with the provisions in Section 269 of the
834 federal Internal Revenue Code of 1986, as amended, so as to
835 prevent the evasion or avoidance of state income tax.

836 (o) **Contributions to college savings trust fund**
837 **accounts.** Contributions or payments to a Mississippi Affordable
838 College Savings Program account are deductible as provided under
839 Section 37-155-113. Payments made under a prepaid tuition

840 contract entered into under the Mississippi Prepaid Affordable
841 College Tuition Program are deductible as provided under Section
842 37-155-17.

843 (p) **Contributions of human pharmaceutical products.** To
844 the extent that a "major supplier" as defined in Section
845 27-13-13(2) (d) contributes human pharmaceutical products in excess
846 of Two Hundred Fifty Million Dollars (\$250,000,000.00) as
847 determined under Section 170 of the Internal Revenue Code, the
848 charitable contribution limitation associated with those donations
849 shall follow the federal limitation but cannot result in the
850 Mississippi net income being reduced below zero.

851 (q) **Contributions to ABLE trust fund accounts.**
852 Contributions or payments to a Mississippi Achieving a Better Life
853 Experience (ABLE) Program account are deductible as provided under
854 Section 43-28-13.

855 (2) **Restrictions on the deductibility of certain intangible
856 expenses and interest expenses with a related member.**

857 (a) As used in this subsection (2):

858 (i) "Intangible expenses and costs" include:

859 1. Expenses, losses and costs for, related
860 to, or in connection directly or indirectly with the direct or
861 indirect acquisition, use, maintenance or management, ownership,
862 sale, exchange or any other disposition of intangible property to
863 the extent such amounts are allowed as deductions or costs in
864 determining taxable income under this chapter;

865 2. Expenses or losses related to or incurred
866 in connection directly or indirectly with factoring transactions
867 or discounting transactions;

868 3. Royalty, patent, technical and copyright
869 fees;

870 4. Licensing fees; and

871 5. Other similar expenses and costs.

872 (ii) "Intangible property" means patents, patent
873 applications, trade names, trademarks, service marks, copyrights
874 and similar types of intangible assets.

875 (iii) "Interest expenses and cost" means amounts
876 directly or indirectly allowed as deductions for purposes of
877 determining taxable income under this chapter to the extent such
878 interest expenses and costs are directly or indirectly for,
879 related to, or in connection with the direct or indirect
880 acquisition, maintenance, management, ownership, sale, exchange or
881 disposition of intangible property.

882 (iv) "Related member" means an entity or person
883 that, with respect to the taxpayer during all or any portion of
884 the taxable year, is a related entity, a component member as
885 defined in the Internal Revenue Code, or is an entity or a person
886 to or from whom there is attribution of stock ownership in
887 accordance with Section 1563(e) of the Internal Revenue Code.

888 (v) "Related entity" means:

889 1. A stockholder who is an individual or a
890 member of the stockholder's family, as defined in regulations

891 prescribed by the commissioner, if the stockholder and the members
892 of the stockholder's family own, directly, indirectly,
893 beneficially or constructively, in the aggregate, at least fifty
894 percent (50%) of the value of the taxpayer's outstanding stock;

895 2. A stockholder, or a stockholder's
896 partnership, limited liability company, estate, trust or
897 corporation, if the stockholder and the stockholder's
898 partnerships, limited liability companies, estates, trusts and
899 corporations own, directly, indirectly, beneficially or
900 constructively, in the aggregate, at least fifty percent (50%) of
901 the value of the taxpayer's outstanding stock;

902 3. A corporation, or a party related to the
903 corporation in a manner that would require an attribution of stock
904 from the corporation to the party or from the party to the
905 corporation, if the taxpayer owns, directly, indirectly,
906 beneficially or constructively, at least fifty percent (50%) of
907 the value of the corporation's outstanding stock under regulation
908 prescribed by the commissioner;

909 4. Any entity or person which would be a
910 related member under this section if the taxpayer were considered
911 a corporation for purposes of this section.

912 (b) In computing net income, a taxpayer shall add back
913 otherwise deductible interest expenses and costs and intangible
914 expenses and costs directly or indirectly paid, accrued to or
915 incurred, in connection directly or indirectly with one or more
916 direct or indirect transactions with one or more related members.

917 (c) The adjustments required by this subsection shall
918 not apply to such portion of interest expenses and costs and
919 intangible expenses and costs that the taxpayer can establish
920 meets one (1) of the following:

921 (i) The related member directly or indirectly
922 paid, accrued or incurred such portion to a person during the same
923 income year who is not a related member; or

924 (ii) The transaction giving rise to the interest
925 expenses and costs or intangible expenses and costs between the
926 taxpayer and related member was done primarily for a valid
927 business purpose other than the avoidance of taxes, and the
928 related member is not primarily engaged in the acquisition, use,
929 maintenance or management, ownership, sale, exchange or any other
930 disposition of intangible property.

931 (d) Nothing in this subsection shall require a taxpayer
932 to add to its net income more than once any amount of interest
933 expenses and costs or intangible expenses and costs that the
934 taxpayer pays, accrues or incurs to a related member.

935 (e) The commissioner may prescribe such regulations as
936 necessary or appropriate to carry out the purposes of this
937 subsection, including, but not limited to, clarifying definitions
938 of terms, rules of stock attribution, factoring and discount
939 transactions.

940 (3) **Individual nonbusiness deductions.**

941 (a) The amount allowable for individual nonbusiness
942 itemized deductions for federal income tax purposes where the

943 individual is eligible to elect, for the taxable year, to itemize
944 deductions on his federal return except the following:

945 (i) The deduction for state income taxes paid or
946 other taxes allowed for federal purposes in lieu of state income
947 taxes paid;

948 (ii) The deduction for gaming losses from gaming
949 establishments;

950 (iii) The deduction for taxes collected by
951 licensed gaming establishments pursuant to Section 27-7-901;

952 (iv) The deduction for taxes collected by gaming
953 establishments pursuant to Section 27-7-903.

954 (b) In lieu of the individual nonbusiness itemized
955 deductions authorized in paragraph (a), for all purposes other
956 than ordinary and necessary expenses paid or incurred during the
957 taxable year in carrying on any trade or business, an optional
958 standard deduction of:

959 (i) Three Thousand Four Hundred Dollars
960 (\$3,400.00) through calendar year 1997, Four Thousand Two Hundred
961 Dollars (\$4,200.00) for the calendar year 1998 and Four Thousand
962 Six Hundred Dollars (\$4,600.00) for each calendar year thereafter
963 in the case of married individuals filing a joint or combined
964 return;

965 (ii) One Thousand Seven Hundred Dollars
966 (\$1,700.00) through calendar year 1997, Two Thousand One Hundred
967 Dollars (\$2,100.00) for the calendar year 1998 and Two Thousand
968 Three Hundred Dollars (\$2,300.00) for each calendar year

969 thereafter in the case of married individuals filing separate
970 returns;

971 (iii) Three Thousand Four Hundred Dollars
972 (\$3,400.00) in the case of a head of family; or

973 (iv) Two Thousand Three Hundred Dollars
974 (\$2,300.00) in the case of an individual who is not married.

975 In the case of a husband and wife living together, having
976 separate incomes, and filing combined returns, the standard
977 deduction authorized may be divided in any manner they choose. In
978 the case of separate returns by a husband and wife, the standard
979 deduction shall not be allowed to either if the taxable income of
980 one of the spouses is determined without regard to the standard
981 deduction.

982 (c) A nonresident individual shall be allowed the same
983 individual nonbusiness deductions as are authorized for resident
984 individuals in paragraph (a) or (b) of this subsection; however,
985 the nonresident individual is entitled only to that proportion of
986 the individual nonbusiness deductions as his net income from
987 sources within the State of Mississippi bears to his total or
988 entire net income from all sources.

989 (4) Nothing in this section shall permit the same item to be
990 deducted more than once, either in fact or in effect.

991 (5) Notwithstanding any other provision in Title 27,
992 Mississippi Code of 1972, there shall be allowed an income tax
993 deduction for otherwise deductible expenses if:

994 (a) The payment(s) for such deductible expenses are
995 made with the grant or loan program of the Paycheck Protection
996 Program as authorized under (i) the Coronavirus Aid, Relief, and
997 Economic Security (CARES) Act and the Consolidated Appropriations
998 Act of 2021, (ii) the COVID-19 Economic Injury Disaster Loan
999 Program, (iii) the 2020 COVID-19 Mississippi Business Assistance
1000 Act, (iv) the Rental Assistance Grant Program, (v) the Shuttered
1001 Venue Operators Grant Program and Restaurant Revitalization Fund
1002 authorized by the Economic Aid to Hard-Hit Small Businesses,
1003 Nonprofits, and Venues Act, and amended by the federal American
1004 Rescue Plan Act, and/or (vi) the Mississippi Agriculture
1005 Stabilization Act; and

1006 (b) Such deductible expenses shall be allowed as
1007 deductions for federal income tax purposes.

1008 **SECTION 3.** Section 2 of this act shall take effect and be in
1009 force from and after January 1, 2020. The remainder of this act
1010 shall take effect and be in force from and after January 1, 2022,
1011 and shall stand repealed on December 31, 2021.

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

1 AN ACT TO AMEND SECTION 27-7-22.41, MISSISSIPPI CODE OF 1972,
2 WHICH PROVIDES AN INCOME TAX CREDIT, INSURANCE PREMIUM TAX CREDIT
3 AND AD VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE BY CERTAIN
4 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS, TO REVISE
5 THE DEFINITION OF "ELIGIBLE CHARITABLE ORGANIZATION"; TO DEFINE
6 "EDUCATION PROGRAM" FOR PURPOSES OF AN INCOME TAX CREDIT,
7 INSURANCE PREMIUM TAX CREDIT AND AD VALOREM TAX CREDIT FOR
8 CONTRIBUTIONS MADE BY CERTAIN TAXPAYERS; TO REQUIRE ELIGIBLE
9 CHARITABLE ORGANIZATIONS TO ANNUALLY CERTIFY THEIR ELIGIBILITY TO
10 THE DEPARTMENT OF REVENUE; TO ADD AS PART OF THE REQUIRED WRITTEN

11 CERTIFICATION A STATEMENT THAT THE FUNDS GENERATED FROM THE TAX
12 CREDIT SHALL BE USED FOR EDUCATIONAL RESOURCES, STAFF AND OTHER
13 PURPOSES DESCRIBED IN THIS SECTION; TO INCREASE THE MAXIMUM
14 AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE ALLOCATED BY THE
15 DEPARTMENT OF REVENUE UNDER THIS SECTION DURING A CALENDAR YEAR;
16 TO DELETE PROVISIONS THAT REQUIRE A CERTAIN PORTION OF TAX CREDITS
17 THAT MAY BE ALLOCATED UNDER THIS SECTION TO BE AVAILABLE SOLELY
18 FOR ALLOCATION FOR CONTRIBUTIONS TO CERTAIN ELIGIBLE CHARITABLE
19 ORGANIZATIONS; TO REVISE THE PERCENTAGE OF TAX CREDITS THAT MAY BE
20 ALLOCATED DURING A CALENDAR YEAR FOR CONTRIBUTIONS TO CERTAIN
21 ELIGIBLE CHARITABLE ORGANIZATIONS; TO PROVIDE AN INCOME TAX
22 CREDIT, INSURANCE PREMIUM TAX CREDIT AND AD VALOREM TAX CREDIT FOR
23 CONTRIBUTIONS MADE BY CERTAIN TAXPAYERS TO EDUCATION PROGRAMS; TO
24 AMEND SECTION 27-7-17, MISSISSIPPI CODE OF 1972, AS AMENDED BY
25 SENATE BILL NO. 2095, 2022 REGULAR SESSION, AND HOUSE BILL NO.
26 1529, 2022 REGULAR SESSION, TO CONFORM TO THE AMENDMENTS MADE BY
27 BOTH BILLS; AND FOR RELATED PURPOSES.

SS26\HB1687PS.J

Eugene S. Clarke
Secretary of the Senate