

By: Representatives McLean, Currie, Felsher, Owen To: Ways and Means

HOUSE BILL NO. 1735

1 AN ACT TO AMEND SECTION 57-73-23, MISSISSIPPI CODE OF 1972,  
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR EMPLOYERS PROVIDING  
3 DEPENDENT CARE FOR EMPLOYEES DURING WORK HOURS, TO INCREASE THE  
4 AMOUNT OF THE TAX CREDIT; TO AUTHORIZE AN INCOME TAX CREDIT FOR  
5 EMPLOYERS WHO PROVIDE A CHILD CARE STIPEND TO BE USED FOR CHILD  
6 CARE DURING EMPLOYEES' WORK HOURS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 57-73-23, Mississippi Code of 1972, is  
9 amended as follows:

10 57-73-23. (1) A \* \* \* seventy-five percent (75%) income tax  
11 credit shall be granted to any employer providing dependent care  
12 for employees during the employee's work hours, and to any  
13 employer who provides a child care stipend of at least six  
14 thousand dollars (\$6,000.00) to only be used for child care during  
15 the employee's work hours.

16 (2) In order to be eligible for the tax credit, an employer  
17 who provides a child care stipend under this section shall certify  
18 to the Mississippi Department of Revenue:

19 (a) The names of the employees receiving the stipend;  
20 and



21           (b) The amount of the stipend received by each of those  
22 employees; and

23           (c) The names, addresses, and taxpayer identification  
24 numbers or social security numbers of the child care providers  
25 paid by the employees with the child care stipend; and

26           (d) Such other information as may be required by the  
27 Department of Revenue to ensure that credits under this section  
28 are granted only to employers who provide stipends that are used  
29 by the employees only for child care.

30           (3) For an employer providing dependent care itself and for  
31 an employer contracting for dependent care for its employees  
32 during the employee's work hours, the credit is applied to the net  
33 cost of any contract executed by the employer for another entity  
34 to provide dependent care; or, if the employer elects to provide  
35 dependent care itself, to expenses of dependent care staff,  
36 learning and recreational materials and equipment, and the  
37 construction and maintenance of a facility; or if the employer  
38 elects to provide a child care stipend, the credit is applied to  
39 the amount of the stipend provided. Additional eligible expenses  
40 include net costs assumed by the employer which increase the  
41 quality, availability and affordability of dependent care in the  
42 community used by employees during the employee's work hours.  
43 This cost is net of any reimbursement. A deduction shall not be  
44 allowed for any expenses which serve as the basis for an income  
45 tax credit. The credits allowed under this section shall not be



46 used by any business enterprise or corporation other than the  
47 business enterprise actually qualifying for the credits.

48 Credit may be carried forward for the five (5) successive  
49 years if the amount allowable as credit exceeds income tax  
50 liability in a tax year; however, thereafter, if the amount  
51 allowable as a credit exceeds the tax liability, the amount of  
52 excess shall not be refundable or carried forward to any other  
53 taxable year.

54 The facility must have an average daily enrollment for the  
55 taxable year of no less than six (6) children who are twelve (12)  
56 years of age or less and be licensed according to the regulations  
57 governing licensure of child care facilities in Mississippi; or  
58 must serve five (5) or fewer children and/or elderly adults in a  
59 family child care/elder care home approved by the Department of  
60 Health for participation in the United States Department of  
61 Agriculture child and adult nutrition program; or must serve  
62 children over twelve (12) years of age but less than eighteen (18)  
63 years of age in either a community-based facility or a facility at  
64 the employment site; or must serve adult relatives of employees in  
65 either a community-based elder care facility or a facility at the  
66 employment site; or must serve children or adult dependents having  
67 physical, emotional or mental disabilities in either a  
68 community-based facility or a facility at the employment site.

69 Employers will be certified as eligible for the tax credit by  
70 the \* \* \* State Department of Health for programs serving children



71 twelve (12) years of age or younger and for programs serving  
72 elderly adults and by the \* \* \* Department of Revenue for programs  
73 serving other dependents older than twelve (12) years of age.

74       **SECTION 2.** Nothing in this act shall affect or defeat any  
75 claim, assessment, appeal, suit, right or cause of action for  
76 taxes due or accrued under the income tax laws before the date on  
77 which this act becomes effective, whether such claims,  
78 assessments, appeals, suits or actions have been begun before the  
79 date on which this act becomes effective or are begun thereafter;  
80 and the provisions of the income tax laws are expressly continued  
81 in full force, effect and operation for the purpose of the  
82 assessment, collection and enrollment of liens for any taxes due  
83 or accrued and the execution of any warrant under such laws before  
84 the date on which this act becomes effective, and for the  
85 imposition of any penalties, forfeitures or claims for failure to  
86 comply with such laws.

87       **SECTION 3.** This act shall take effect and be in force from  
88 and after January 1, 2023.

