

By: Senator(s) Parker, Branning, Boyd

To: Economic and Workforce
Development; Finance

SENATE BILL NO. 2335

1 AN ACT TO AMEND SECTION 57-73-23, MISSISSIPPI CODE OF 1972,
2 TO ALLOW AN INCOME TAX CREDIT FOR AN EMPLOYER MAKING DIRECT
3 PAYMENTS TO A LICENSED OR REGISTERED ENTITY FOR DEPENDENT CARE IN
4 THE NAME OF AND FOR THE BENEFIT OF AN EMPLOYEE RESIDING IN
5 MISSISSIPPI; TO SPECIFY THAT, IN THE CASE OF DEPENDENT CARE
6 FACILITIES OPERATED BY AN EMPLOYER OR CONTRACTING WITH AN
7 EMPLOYER, THE EXISTING CREDIT APPLIES WHEN THOSE FACILITIES ARE
8 LOCATED IN THE STATE OF MISSISSIPPI; AND FOR RELATED PURPOSES.

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

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

12 57-73-23. A fifty percent (50%) income tax credit shall be
13 granted to any employer providing dependent care for employees
14 during the employee's work hours. Credit is applied to the net
15 cost of any contract executed by the employer for * * * a licensed
16 or registered entity in the State of Mississippi to provide
17 dependent care for employees; or, if the employer elects to
18 provide dependent care itself, to expenses of dependent care
19 staff, learning and recreational materials and equipment, and the
20 construction and maintenance of a facility in the State of
21 Mississippi; or to the cost of any direct payment to a licensed or



22 registered entity, in the name of and for the benefit of an
23 employee residing in the State of Mississippi, for the sake of
24 providing dependent care to the employee's children during the
25 employee's working hours. Additional eligible expenses include
26 net costs assumed by the employer which increase the quality,
27 availability and affordability of dependent care in the community
28 used by employees during the employee's work hours, including,
29 where direct payments are made to a licensed or registered entity
30 to provide dependent care for children of employees, expenses
31 incurred in organizing and administering the direct payment
32 program in the first year. The credit allowed may not exceed
33 Three Thousand Dollars (\$3,000.00) for each participating employee
34 per year. This cost is net of any reimbursement. A deduction
35 shall not be allowed for any expenses which serve as the basis for
36 an income tax credit. The credits allowed under this section
37 shall not be used by any business enterprise or corporation other
38 than the business enterprise actually qualifying for the credits.
39 Where direct payments are made to a licensed or registered
40 entity to provide dependent care for children of employees,
41 employers must retain information concerning the licensed or
42 registered entity's federal identification number and license or
43 registration number, together with the payment amounts and the
44 name of the person in whose name and for whose benefit the
45 payments were made.



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

52 The facility of the employer or of the other entity providing
53 dependent care must be located in the State of Mississippi. It
54 also must have an average daily enrollment for the taxable year of
55 no less than six (6) children who are twelve (12) years of age or
56 less and be licensed according to the regulations governing
57 licensure of child care facilities in Mississippi; or must serve
58 five (5) or fewer children and/or elderly adults in a family child
59 care/elder care home approved by the Department of Health for
60 participation in the United States Department of Agriculture child
61 and adult nutrition program; or must serve children over twelve
62 (12) years of age but less than eighteen (18) years of age in
63 either a community-based facility or a facility at the employment
64 site; or must serve adult relatives of employees in either a
65 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 Mississippi Department of * * * Revenue.



71 **SECTION 2.** This act shall take effect and be in force from
72 and after July 1, 2023.

