

By: Senator(s) Boyd, Branning, Caughman, McCaughn

To: Finance

SENATE BILL NO. 2696

1 AN ACT TO AMEND SECTION 27-7-22.32, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE TERMS OF THE INCOME TAX CREDIT FOR DEPENDENT
3 CHILDREN LEGALLY ADOPTED UNDER THE LAWS OF THIS STATE; TO ALLOW A
4 CREDIT IN THE AMOUNT OF THE QUALIFIED ADOPTION EXPENSES PAID OR
5 INCURRED, NOT TO EXCEED \$5,000.00, FOR EACH DEPENDENT CHILD
6 RESIDING OUTSIDE MISSISSIPPI; TO ALLOW A CREDIT IN THE AMOUNT OF
7 \$7,500.00 FOR EACH DEPENDENT CHILD RESIDING IN MISSISSIPPI; TO
8 REMOVE THE REVERTER EFFECTIVE JANUARY 1, 2024, WHICH WOULD LOWER
9 TO \$2,500.00 THE MAXIMUM AMOUNT OF THE CREDIT PER CHILD ADOPTED;
10 AND FOR RELATED PURPOSES.

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

12 **SECTION 1.** Section 27-7-22.32, Mississippi Code of 1972, is
13 amended as follows:

14 * * *

15 27-7-22.32. (1) (a) There shall be allowed as a credit
16 against the tax imposed by this chapter the amount of the
17 qualified adoption expenses paid or incurred, * * * not to exceed
18 Five Thousand Dollars (\$5,000.00), for each dependent child
19 residing outside Mississippi but legally adopted by a taxpayer
20 under the laws of this state during calendar year 2023 or during
21 any calendar year thereafter. A taxpayer claiming a credit under



22 this paragraph (a) may not claim a credit under paragraph (b) of
23 this subsection for the adoption of the same child.

24 (b) There shall be allowed as a credit against the tax
25 imposed by this chapter the amount of * * * Seven Thousand Five
26 Hundred Dollars (\$7,500.00) for each dependent child residing in
27 Mississippi and legally adopted by a taxpayer under the laws of
28 this state * * * during calendar year * * * 2023 or during any
29 calendar year thereafter. A taxpayer claiming a credit under this
30 paragraph (b) may not claim a credit under paragraph (a) of this
31 subsection for the adoption of the same child.

32 (2) The tax credit under this section may be claimed for the
33 taxable year in which the adoption becomes final under the laws of
34 this state. Any tax credit claimed under this section but not
35 used in any taxable year may be carried forward for the five (5)
36 succeeding tax years. A tax credit is allowed under this section
37 for any child for which an exemption is claimed during the same
38 taxable year under Section 27-7-21(e). For the purposes of this
39 section, the term "qualified adoption expenses" means and has the
40 same definition as that term has in * * * 26 USCA 23.

41 * * *

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

