

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

To: Finance

SENATE BILL NO. 2696  
(As Sent to Governor)

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 \$10,000.00 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 \* \* \* Ten Thousand Dollars  
26 (\$10,000.00) for each dependent child residing in Mississippi and  
27 legally adopted by a taxpayer under the laws of this state \* \* \*  
28 during calendar year \* \* \* 2023 or during any calendar year  
29 thereafter. A taxpayer claiming a credit under this paragraph (b)  
30 may not claim a credit under paragraph (a) of this subsection for  
31 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.

