

By: Senator(s) Horhn

To: Finance

SENATE BILL NO. 2847

1 AN ACT TO CREATE A NEW SECTION IN TITLE 27, CHAPTER 7,
2 MISSISSIPPI CODE OF 1972, TO AUTHORIZE AN INCOME TAX CREDIT FOR
3 VOLUNTARY CASH CONTRIBUTIONS BY INDIVIDUALS TO HABITAT FOR
4 HUMANITY MISSISSIPPI CAPITAL AREA; TO LIMIT THE AMOUNT OF THE
5 CREDIT; TO ALLOW EXCESS AMOUNTS OF THE CREDIT TO BE CARRIED
6 FORWARD FOR FIVE CONSECUTIVE YEARS; TO PROVIDE THAT THE CREDIT
7 AUTHORIZED BY THIS ACT IS IN LIEU OF CHARITABLE DEDUCTIONS TAKEN
8 UNDER THE INTERNAL REVENUE CODE AND UTILIZED FOR STATE TAX
9 PURPOSES; TO CREATE A NEW SECTION IN TITLE 27, CHAPTER 7,
10 MISSISSIPPI CODE OF 1972, TO AUTHORIZE AN INCOME TAX CREDIT FOR
11 VOLUNTARY CASH CONTRIBUTIONS BY BUSINESS ENTERPRISES TO HABITAT
12 FOR HUMANITY MISSISSIPPI CAPITAL AREA; TO LIMIT THE AMOUNT OF THE
13 CREDIT; TO ALLOW EXCESS AMOUNTS OF THE CREDIT TO BE CARRIED
14 FORWARD FOR FIVE CONSECUTIVE YEARS; TO PROVIDE THAT THE CREDIT
15 AUTHORIZED BY THIS ACT IS IN LIEU OF CHARITABLE DEDUCTIONS TAKEN
16 UNDER THE INTERNAL REVENUE CODE AND UTILIZED FOR STATE TAX
17 PURPOSES; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** (1) Except as provided in subsections (2) and
20 (3) of this section, a credit is allowed against the taxes imposed
21 by this chapter for voluntary cash contributions by the taxpayer
22 during the taxable year to Habitat for Humanity Mississippi
23 Capital Area, not to exceed:



24 (a) The lesser of Four Hundred Dollars (\$400.00) or the
25 amount of the contribution in any taxable year for a single
26 individual or a head of household.

27 (b) The lesser of Eight Hundred Dollars (\$800.00) or
28 the amount of the contribution in any taxable year for a married
29 couple filing a joint return.

30 (2) A husband and wife who file separate returns for a
31 taxable year in which they could have filed a joint return may
32 each claim only one-half (1/2) of the tax credit that would have
33 been allowed for a joint return.

34 (3) If the allowable tax credit exceeds the taxes otherwise
35 due under this chapter on the claimant's income, or if there are
36 no taxes due under this chapter, the taxpayer may carry forward
37 the amount of the claim not used to offset the taxes under this
38 chapter for not more than five (5) consecutive taxable years'
39 income tax liability.

40 (4) The credit allowed by this section is in lieu of a
41 deduction pursuant to Section 170 of the Internal Revenue Code and
42 taken for state tax purposes.

43 (5) Taxpayers taking a credit authorized by this section
44 shall provide the amount of the contribution to the department on
45 forms provided by the department.

46 (6) The aggregate amount of tax credits that may be awarded
47 under this section in any calendar year shall not exceed One
48 Million Dollars (\$1,000,000.00).



49 (7) A taxpayer shall apply for credits with the department
50 on forms prescribed by the department. In the application, the
51 taxpayer shall certify to the department the dollar amount of the
52 contributions made or to be made during the calendar year. Within
53 thirty (30) days after the receipt of an application, the
54 department shall allocate credits based on the dollar amount of
55 contributions as certified in the application. However, if the
56 department cannot allocate the full amount of credits certified in
57 the application due to the limit on the aggregate amount of
58 credits that may be awarded under this section in a calendar year,
59 the department shall so notify the applicant within thirty (30)
60 days with the amount of credits, if any, that may be allocated to
61 the applicant in the calendar year. Once the department has
62 allocated credits to a taxpayer, if the contribution for which a
63 credit is allocated has not been made as of the date of the
64 allocation, then the contribution must be made not later than
65 sixty (60) days from the date of the allocation. If the
66 contribution is not made within such time period, the allocation
67 shall be cancelled and returned to the department for
68 reallocation. Upon final documentation of the contributions, if
69 the actual dollar amount of the contributions is lower than the
70 amount estimated, the department shall adjust the tax credit
71 allowed under this section.

72 (8) This section shall be repealed from and after January 1,
73 2027.



74 SECTION 2. (1) (a) The tax credit authorized in this
75 section shall be available only to a taxpayer that is a business
76 enterprise engaged in commercial, industrial or professional
77 activities and operating as a corporation, limited liability
78 company, partnership or sole proprietorship. Except as otherwise
79 provided in this section, a credit is allowed against the taxes
80 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 for
81 voluntary cash contributions made by a taxpayer during the taxable
82 year to Habitat for Humanity Mississippi Capital Area. The amount
83 of credit that may be utilized by a taxpayer in a taxable year
84 shall be limited to an amount not to exceed fifty percent (50%) of
85 the total tax liability of the taxpayer for the taxes imposed by
86 such sections of law. Any tax credit claimed under this section
87 but not used in any taxable year may be carried forward for five
88 (5) consecutive years from the close of the tax year in which the
89 credits were earned.

90 (b) A contribution to Habitat for Humanity Mississippi
91 Capital Area for which a credit is claimed under this section does
92 not qualify for and shall not be included in any credit that may
93 be claimed under Section 1 of this act.

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



97 (2) Taxpayers taking a credit authorized by this section
98 shall provide the amount of the contribution to the department on
99 forms provided by the department.

100 (3) Tax credits authorized by this section that are earned
101 by a partnership, limited liability company, S corporation or
102 other similar pass-through entity shall be allocated among all
103 partners, members or shareholders, respectively, either in
104 proportion to their ownership interest in such entity or as the
105 partners, members or shareholders mutually agree as provided in an
106 executed document.

107 (4) A taxpayer shall apply for credits with the department
108 on forms prescribed by the department. In the application, the
109 taxpayer shall certify to the department the dollar amount of the
110 contributions made or to be made during the calendar year. Within
111 thirty (30) days after the receipt of an application, the
112 department shall allocate credits based on the dollar amount of
113 contributions as certified in the application. However, if the
114 department cannot allocate the full amount of credits certified in
115 the application due to the limit on the aggregate amount of
116 credits that may be awarded under this section in a calendar year,
117 the department shall so notify the applicant within thirty (30)
118 days with the amount of credits, if any, that may be allocated to
119 the applicant in the calendar year. Once the department has
120 allocated credits to a taxpayer, if the contribution for which a
121 credit is allocated has not been made as of the date of the



122 allocation, then the contribution must be made not later than
123 sixty (60) days from the date of the allocation. If the
124 contribution is not made within such time period, the allocation
125 shall be cancelled and returned to the department for
126 reallocation. Upon final documentation of the contributions, if
127 the actual dollar amount of the contributions is lower than the
128 amount estimated, the department shall adjust the tax credit
129 allowed under this section.

130 (5) The aggregate amount of tax credits that may be
131 allocated by the department under this section during a calendar
132 year shall not exceed Five Million Dollars (\$5,000,000.00).

133 **SECTION 3.** Sections 1 and 2 of this act shall be codified in
134 Title 27, Chapter 7, Mississippi Code of 1972.

135 **SECTION 4.** This act shall take effect and be in force from
136 and after July 1, 2023.

