

**Adopted  
AMENDMENT NO 1 PROPOSED TO**

**House Bill No. 1671**

**BY: Representative Lamar**

1           **AMEND** by striking Section 4 of the bill and inserting in lieu  
2 thereof:

3           **"SECTION \*.** Section 27-7-22.41, Mississippi Code of 1972, is  
4 brought forward as follows:

5           27-7-22.41. (1) For the purposes of this section, the  
6 following words and phrases shall have the meanings ascribed in  
7 this section unless the context clearly indicates otherwise:

8                   (a) "Department" means the Department of Revenue.

9                   (b) "Eligible charitable organization" means an  
10 organization that is exempt from federal income taxation under  
11 Section 501(c) (3) of the Internal Revenue Code and is:



12 (i) Licensed by or under contract with the  
13 Mississippi Department of Child Protection Services and provides  
14 services for:

15 1. The prevention and diversion of children  
16 from custody with the Department of Child Protection Services,

17 2. The safety, care and well-being of  
18 children in custody with the Department of Child Protection  
19 Services, or

20 3. The express purpose of creating permanency  
21 for children through adoption; or

22 (ii) Certified by the department as an educational  
23 services charitable organization that is accredited by a regional  
24 accrediting organization and provides services to:

25 1. Children in a foster care placement  
26 program established by the Department of Child Protection  
27 Services, children placed under the Safe Families for Children  
28 model, or children at significant risk of entering a foster care  
29 placement program established by the Department of Child  
30 Protection Services,

31 2. Children who have a chronic illness or  
32 physical, intellectual, developmental or emotional disability, or

33 3. Children eligible for free or reduced  
34 price meals programs under Section 37-11-7, or selected for  
35 participation in the Promise Neighborhoods Program sponsored by  
36 the U.S. Department of Education.



37           (2)   (a)   The tax credit authorized in this section shall be  
38 available only to a taxpayer who is a business enterprise engaged  
39 in commercial, industrial or professional activities and operating  
40 as a corporation, limited liability company, partnership or sole  
41 proprietorship. Except as otherwise provided in this section, a  
42 credit is allowed against the taxes imposed by Sections 27-7-5,  
43 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
44 contributions made by a taxpayer during the taxable year to an  
45 eligible charitable organization. From and after January 1, 2022,  
46 for a taxpayer that is not operating as a corporation, a credit is  
47 also allowed against ad valorem taxes assessed and levied on real  
48 property for voluntary cash contributions made by the taxpayer  
49 during the taxable year to an eligible charitable organization.  
50 The amount of credit that may be utilized by a taxpayer in a  
51 taxable year shall be limited to (i) an amount not to exceed fifty  
52 percent (50%) of the total tax liability of the taxpayer for the  
53 taxes imposed by such sections of law and (ii) an amount not to  
54 exceed fifty percent (50%) of the total tax liability of the  
55 taxpayer for ad valorem taxes assessed and levied on real  
56 property. Any tax credit claimed under this section but not used  
57 in any taxable year may be carried forward for five (5)  
58 consecutive years from the close of the tax year in which the  
59 credits were earned.

60           (b)   A contribution to an eligible charitable  
61 organization for which a credit is claimed under this section does



62 not qualify for and shall not be included in any credit that may  
63 be claimed under Section 27-7-22.39.

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

67 (3) Taxpayers taking a credit authorized by this section  
68 shall provide the name of the eligible charitable organization and  
69 the amount of the contribution to the department on forms provided  
70 by the department.

71 (4) An eligible charitable organization shall provide the  
72 department with a written certification that it meets all criteria  
73 to be considered an eligible charitable organization. An eligible  
74 charitable organization must also provide the department with  
75 written documented proof of its license and/or written contract  
76 with the Mississippi Department of Child Protection Services. The  
77 organization shall also notify the department of any changes that  
78 may affect eligibility under this section.

79 (5) The eligible charitable organization's written  
80 certification must be signed by an officer of the organization  
81 under penalty of perjury. The written certification shall include  
82 the following:

83 (a) Verification of the organization's status under  
84 Section 501(c)(3) of the Internal Revenue Code;

85 (b) A statement that the organization does not provide,  
86 pay for or provide coverage of abortions and does not financially



87 support any other entity that provides, pays for or provides  
88 coverage of abortions;

89 (c) A statement that the funds generated from the tax  
90 credit shall be used for educational resources, staff and  
91 expenditures and/or other purposes described in this section.

92 (d) Any other information that the department requires  
93 to administer this section.

94 (6) The department shall review each written certification  
95 and determine whether the organization meets all the criteria to  
96 be considered an eligible charitable organization and notify the  
97 organization of its determination. The department may also  
98 periodically request recertification from the organization. The  
99 department shall compile and make available to the public a list  
100 of eligible charitable organizations.

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

108 (8) (a) A taxpayer shall apply for credits with the  
109 department on forms prescribed by the department. In the  
110 application the taxpayer shall certify to the department the  
111 dollar amount of the contributions made or to be made during the



112 calendar year. Within thirty (30) days after the receipt of an  
113 application, the department shall allocate credits based on the  
114 dollar amount of contributions as certified in the application.  
115 However, if the department cannot allocate the full amount of  
116 credits certified in the application due to the limit on the  
117 aggregate amount of credits that may be awarded under this section  
118 in a calendar year, the department shall so notify the applicant  
119 within thirty (30) days with the amount of credits, if any, that  
120 may be allocated to the applicant in the calendar year. Once the  
121 department has allocated credits to a taxpayer, if the  
122 contribution for which a credit is allocated has not been made as  
123 of the date of the allocation, then the contribution must be made  
124 not later than sixty (60) days from the date of the allocation.  
125 If the contribution is not made within such time period, the  
126 allocation shall be cancelled and returned to the department for  
127 reallocation. Upon final documentation of the contributions, if  
128 the actual dollar amount of the contributions is lower than the  
129 amount estimated, the department shall adjust the tax credit  
130 allowed under this section.

131 (b) A taxpayer who applied for a tax credit under this  
132 section during calendar year 2020, but who was unable to be  
133 awarded the credit due to the limit on the aggregate amount of  
134 credits authorized for calendar year 2020, shall be given priority  
135 for tax credits authorized to be allocated to taxpayers under this  
136 section by Section 27-7-22.39.



137           (c) For the purposes of using a tax credit against ad  
138 valorem taxes assessed and levied on real property, a taxpayer  
139 shall present to the appropriate tax collector the tax credit  
140 documentation provided to the taxpayer by the Department of  
141 Revenue, and the tax collector shall apply the tax credit against  
142 such ad valorem taxes. The tax collector shall forward the tax  
143 credit documentation to the Department of Revenue along with the  
144 amount of the tax credit applied against ad valorem taxes, and the  
145 department shall disburse funds to the tax collector for the  
146 amount of the tax credit applied against ad valorem taxes. Such  
147 payments by the Department of Revenue shall be made from current  
148 tax collections.

149           (9) The aggregate amount of tax credits that may be  
150 allocated by the department under this section during a calendar  
151 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
152 not more than fifty percent (50%) of tax credits allocated during  
153 a calendar year may be allocated for contributions to eligible  
154 charitable organizations described in subsection (1)(b)(ii) of  
155 this section. However, for calendar year 2021, the aggregate  
156 amount of tax credits that may be allocated by the department  
157 under this section during a calendar year shall not exceed Ten  
158 Million Dollars (\$10,000,000.00), for calendar year 2022, the  
159 aggregate amount of tax credits that may be allocated by the  
160 department under this section during a calendar year shall not  
161 exceed Sixteen Million Dollars (\$16,000,000.00), and for calendar



162 year 2023, and for each calendar year thereafter, the aggregate  
163 amount of tax credits that may be allocated by the department  
164 under this section during a calendar year shall not exceed  
165 Eighteen Million Dollars (\$18,000,000.00). For calendar year  
166 2021, and for each calendar year thereafter, fifty percent (50%)  
167 of the tax credits allocated during a calendar year shall be  
168 allocated for contributions to eligible charitable organizations  
169 described in subsection (1)(b)(i) of this section and fifty  
170 percent (50%) of the tax credits allocated during a calendar year  
171 shall be allocated for contributions to eligible charitable  
172 organizations described in subsection (1)(b)(ii) of this section.  
173 For calendar year 2021, and for each calendar year thereafter, for  
174 credits allocated during a calendar year for contributions to  
175 eligible charitable organizations described in subsection  
176 (1)(b)(i) of this section, no more than twenty-five percent (25%)  
177 of such credits may be allocated for contributions to a single  
178 eligible charitable organization. Except as otherwise provided in  
179 this section, for calendar year 2021, and for each calendar year  
180 thereafter, for credits allocated during a calendar year for  
181 contributions to eligible charitable organizations described in  
182 subsection (1)(b)(ii) of this section, no more than four and  
183 one-half percent (4-1/2%) of such credits may be allocated for  
184 contributions to a single eligible charitable organization. "





185           **AMEND further** by deleting Section 8 of the bill and  
186 renumbering succeeding sections accordingly.

187           **AMEND further** on line 1281 by striking "5, 6, 7 and 8" and  
188 inserting in lieu thereof "5, 6 and 7".

189           **AMEND title to conform.**

