

By: Representatives Steverson, Hines

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1768

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR TAXPAYERS WHO
2 PROVIDE PAID MATERNITY LEAVE AND PAID PATERNITY LEAVE FOR
3 EMPLOYEES; TO PROVIDE ELIGIBILITY CRITERIA FOR THE TAX CREDIT; TO
4 PROVIDE FOR THE AMOUNT OF THE CREDIT; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** (1) As used in this section, the following words
7 and phrases shall have the meanings ascribed in this section
8 unless the context clearly indicates otherwise:

9 (a) "Maternity leave" means leave provided by a
10 taxpayer for female employees of the taxpayer for pregnancy,
11 childbirth, adoption, or foster placement of a child.

12 (b) "Paternity leave" means leave provided by a
13 taxpayer for male employees of the taxpayer for pregnancy,
14 childbirth, adoption, or foster placement of a child.

15 (2) (a) Any taxpayer who provides paid maternity leave and
16 paid paternity leave for employees of the taxpayer shall be
17 allowed a credit against the taxes imposed under this chapter in
18 the manner provided in this section. In order to be eligible for
19 the tax credit under this section, a taxpayer must have a written



20 policy in place providing at least six (6) weeks but not more than
21 twelve (12) weeks of annual paid maternity leave and paid
22 paternity leave for all full-time employees and at least a
23 proportionate amount of annual paid maternity leave and paid
24 paternity leave for all part-time employees. The written policy
25 also must provide for payment of at least fifty percent (50%) of
26 the wages normally paid to an employee.

27 (b) The tax credit shall be for a minimum amount equal
28 to twelve and one-half percent (12.5%) increased to a maximum
29 amount equal to twenty-five percent (25%) of the amount of wages
30 paid to an employee while on paid maternity leave or paid
31 paternity leave, as the case may be, for up to twelve (12) weeks
32 per taxable year. The percentage shall increase from twelve and
33 one-half percent (12.5%) by increments of twenty-five
34 one-hundredths percent (0.25%) for each percentage point by which
35 the amount paid to an employee exceeds fifty percent (50%) of the
36 wages normally paid to the employee. However, the aggregate
37 amount of tax credits that may be used by a taxpayer under this
38 section in a taxable year shall not exceed the amount of tax
39 imposed upon the taxpayer for the taxable year reduced by the sum
40 of all other credits allowable to the taxpayer under this chapter,
41 except credit for tax payments made by or on behalf of the
42 taxpayer.



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

46 **SECTION 2.** Section 1 of this act shall be codified as a new
47 section in Chapter 7, Title 27, Mississippi Code of 1972.

48 **SECTION 3.** Nothing in this act shall affect or defeat any
49 claim, assessment, appeal, suit, right or cause of action for
50 taxes due or accrued under the income tax laws before the date on
51 which this act becomes effective, whether such claims,
52 assessments, appeals, suits or actions have been begun before the
53 date on which this act becomes effective or are begun thereafter;
54 and the provisions of the income tax laws are expressly continued
55 in full force, effect and operation for the purpose of the
56 assessment, collection and enrollment of liens for any taxes due
57 or accrued and the execution of any warrant under such laws before
58 the date on which this act becomes effective, and for the
59 imposition of any penalties, forfeitures or claims for failure to
60 comply with such laws.

61 **SECTION 4.** This act shall take effect and be in force from
62 and after January 1, 2024.

