

By: Senator(s) Younger

To: Finance

SENATE BILL NO. 2324

1 AN ACT TO PROVIDE THAT THE GROSS INCOME OF RECENT GRADUATES
 2 OF FOUR-YEAR COLLEGES AND UNIVERSITIES IN MISSISSIPPI AND OUTSIDE
 3 MISSISSIPPI WHICH IS DERIVED FROM EMPLOYMENT IN A QUALIFYING JOB
 4 IN THIS STATE SHALL BE ALLOWED AS A DEDUCTION FROM GROSS INCOME
 5 UNDER THE STATE INCOME TAX LAW; TO DEFINE CERTAIN TERMS USED IN
 6 THE ACT; TO PROVIDE THAT THE DEDUCTION FROM GROSS INCOME
 7 AUTHORIZED BY THIS ACT MAY BE UTILIZED BY A RECENT GRADUATE FOR
 8 THREE CONSECUTIVE YEARS IF THE RECENT GRADUATE REMAINS A RESIDENT
 9 OF MISSISSIPPI AND EMPLOYED IN A QUALIFYING JOB FOR THAT PERIOD OF
 10 TIME; TO PROVIDE THAT A RECENT GRADUATE MAY UTILIZE THE DEDUCTION
 11 FROM GROSS INCOME FOR AN ADDITIONAL TWO YEARS IF THE RECENT
 12 GRADUATE PURCHASES PROPERTY IN THIS STATE FOR RESIDENTIAL OR
 13 COMMERCIAL USE BY THE RECENT GRADUATE, ESTABLISHES A BUSINESS IN
 14 THIS STATE THAT IS REGISTERED WITH THE SECRETARY OF STATE AND HAS
 15 AT LEAST ONE EMPLOYEE, OTHER THAN THE RECENT GRADUATE, WHOSE WAGES
 16 ARE SUBJECT TO INCOME TAX WITHHOLDING UNDER THE STATE INCOME TAX
 17 LAW, OR SERVES IN AN INSTRUCTIONAL CAPACITY AS A LICENSED TEACHER
 18 IN A PUBLIC SCHOOL OR NONPUBLIC SCHOOL; TO AMEND SECTION 27-7-18,
 19 MISSISSIPPI CODE OF 1972, IN CONFORMITY TO THE PROVISIONS OF THIS
 20 ACT; AND FOR RELATED PURPOSES.

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

22 **SECTION 1.** (1) As used in this section, the following words
 23 and phrases have the meanings ascribed in this section unless the
 24 context clearly indicates otherwise:

25 (a) "College or university" means (i) any of the state
 26 institutions of higher learning listed in Section 37-101-1, (ii)
 27 any regionally accredited, nonprofit four-year college or



28 university located in the State of Mississippi, or (iii) any such
29 institution of learning or regionally accredited four-year college
30 or university located outside the State of Mississippi.

31 (b) "Qualifying job" means employment in the State of
32 Mississippi.

33 (c) "Recent graduate" means a resident of the State of
34 Mississippi who has been awarded a baccalaureate degree and/or
35 post graduate degree from a college or university no more than one
36 (1) year preceding January 1 of the first calendar year for which
37 the recent graduate claims a deduction under this section.

38 (2) A recent graduate may deduct from his or her gross
39 income the gross income of the recent graduate derived from
40 employment in a qualifying job. Except as otherwise provided in
41 this section, the deduction from gross income authorized by this
42 section may be utilized by a recent graduate for three (3)
43 consecutive years if the recent graduate remains a resident of
44 this state and employed in a qualifying job for that period of
45 time. However, the deduction from gross income may be utilized by
46 the recent graduate for an additional two (2) years if, in
47 addition to remaining a resident of this state and employed in a
48 qualifying job for that period of time, the recent graduate (a)
49 purchases property in this state for residential or commercial use
50 by the recent graduate, (b) establishes a business in this state
51 that is registered with the Secretary of State and has at least
52 one (1) employee, other than the recent graduate, whose wages are



53 subject to the Mississippi Income Tax Withholding Law of 1968
54 and/or (c) serves in an instructional capacity as a licensed
55 teacher in a public school or nonpublic school as defined in
56 Section 37-13-91. The maximum aggregate amount of deductions that
57 may be claimed by all taxpayers claiming a deduction under this
58 section in a taxable year shall not exceed One Hundred Million
59 Dollars (\$100,000,000.00).

60 (3) The Department of Revenue shall have all powers
61 necessary to implement and administer the provisions of this
62 section, and the department shall promulgate rules and
63 regulations, in accordance with the Mississippi Administrative
64 Procedures Law, necessary for the implementation of this section.

65 **SECTION 2.** Section 27-7-18, Mississippi Code of 1972, is
66 amended as follows:

67 27-7-18. (1) Alimony payments. In the case of a person
68 described in Section 27-7-15(2)(e), there shall be allowed as a
69 deduction from gross income amounts paid as periodic payments to
70 the extent of such amounts as are includible in the gross income
71 of the spouse as provided in Section 27-7-15(2)(e), payment of
72 which is made within the person's taxable year.

73 (2) Unreimbursed moving expenses incurred after December 31,
74 1994, are deductible as an adjustment to gross income in
75 accordance with provisions of the United States Internal Revenue
76 Code, and rules, regulations and revenue procedures thereunder



77 relating to moving expenses, not in direct conflict with the
78 provisions of the Mississippi Income Tax Law.

79 (3) Amounts paid after December 31, 1998, by a self-employed
80 individual for insurance which constitute medical care for the
81 taxpayer, his spouse and dependents, are deductible as an
82 adjustment to gross income in accordance with provisions of the
83 United States Internal Revenue Code, and rules, regulations and
84 revenue procedures thereunder relating to such payments, not in
85 direct conflict with the provisions of the Mississippi Income Tax
86 Law.

87 (4) Contributions or payments to a Mississippi Affordable
88 College Savings (MACS) Program account are deductible from gross
89 income as provided in Section 37-155-113. Payments made under a
90 prepaid tuition contract entered into under the Mississippi
91 Prepaid Affordable College Tuition Program are deductible as
92 provided in Section 37-155-17.

93 (5) (a) Unreimbursed travel expenses, lodging expenses and
94 lost wages an individual incurred as a result of, and related to,
95 the donation, while living, of one or more of his or her organs
96 for human organ transplantation, are deductible from gross income.
97 The deduction from gross income authorized by this subsection may
98 be claimed for only once and may not exceed Ten Thousand Dollars
99 (\$10,000.00).

100 (b) As used in this subsection, "organ" means all or
101 part of a liver, pancreas, kidney, intestine, lung or bone marrow.



102 (6) In the case of a self-employed individual, there shall
103 be allowed as a deduction from gross income an amount equal to:

104 (a) Seventeen percent (17%) of the federal
105 self-employment taxes imposed on such individual for taxable years
106 ending in calendar year 2017;

107 (b) Thirty-four percent (34%) of the federal
108 self-employment taxes imposed on such individual for taxable years
109 ending in calendar year 2018; and

110 (c) Fifty percent (50%) of the federal self-employment
111 taxes imposed on such individual for taxable years ending in
112 calendar year 2019 and thereafter.

113 (7) Contributions or payments to a Mississippi Achieving a
114 Better Life Experience (ABLE) Program account are deductible from
115 gross income as provided in Section 43-28-13.

116 (8) Gross income of a recent graduate derived from
117 employment in a qualifying job is deductible from gross income as
118 provided in Section 1 of this act. For the purposes of this
119 subsection (8), the terms "recent graduate" and "qualifying job"
120 mean and have the same definitions as such terms have in Section 1
121 of this act.

122 **SECTION 3.** A college or university described in Section
123 1(1)(a)(i) or (ii) of this act must develop a policy and procedure
124 for making information available to students regarding the
125 availability of the income tax deduction provided in Section 1 of
126 this act.



127 **SECTION 4.** Section 1 of this act shall be codified as a new
128 section in Title 27, Chapter 7, Mississippi Code of 1972.

129 **SECTION 5.** This act shall take effect and be in force from
130 and after July 1, 2024.

