

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 2476  
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 27-7-22.39, MISSISSIPPI CODE OF 1972,  
2 WHICH AUTHORIZES SEPARATE INCOME TAX CREDITS FOR VOLUNTARY CASH  
3 CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND  
4 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS, TO DELETE THE  
5 REPEALER ON THAT SECTION OF LAW; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 27-7-22.39, Mississippi Code of 1972, is  
8 amended as follows:

9 27-7-22.39. (1) As used in this section:

10 (a) "Low-income residents" means persons whose  
11 household income is less than one hundred fifty percent (150%) of  
12 the federal poverty level.

13 (b) "Qualifying charitable organization" means a  
14 charitable organization that is exempt from federal income  
15 taxation under Section 501(c)(3) of the Internal Revenue Code or  
16 is a designated community action agency that receives community  
17 services block grant program monies pursuant to 42 USC 9901. The  
18 organization must spend at least fifty percent (50%) of its budget  
19 on services to residents of this state who receive temporary



20 assistance for needy families benefits or low-income residents of  
21 this state and their households or to children who have a chronic  
22 illness or physical, intellectual, developmental or emotional  
23 disability who are residents of this state. A charitable  
24 organization that is exempt from federal income tax under Section  
25 501(c)(3) of the Internal Revenue Code and that meets all other  
26 requirements of this paragraph except that it does not spend at  
27 least fifty percent (50%) of its overall budget in Mississippi may  
28 be a qualifying charitable organization if it spends at least  
29 fifty percent (50%) of its Mississippi budget on services to  
30 qualified individuals in Mississippi and it certifies to the  
31 department that one hundred percent (100%) of the voluntary cash  
32 contributions from the taxpayer will be spent on services to  
33 qualified individuals in Mississippi. Taxpayers choosing to make  
34 donations through an umbrella charitable organization that  
35 collects donations on behalf of member charities shall designate  
36 that the donation be directed to a member charitable organization  
37 that would qualify under this section on a stand-alone basis.  
38 Qualifying charitable organization does not include any entity  
39 that provides, pays for or provides coverage of abortions or that  
40 financially supports any other entity that provides, pays for or  
41 provides coverage of abortions.

42 (c) "Qualifying foster care charitable organization"  
43 means a qualifying charitable organization that each operating  
44 year provides services to at least one hundred (100) qualified



45 individuals in this state and spends at least fifty percent (50%)  
46 of its budget on services to qualified individuals in this state.  
47 A charitable organization that is exempt from federal income tax  
48 under Section 501(c)(3) of the Internal Revenue Code and that  
49 meets all other requirements of this paragraph except that it does  
50 not spend at least fifty percent (50%) of its overall budget in  
51 Mississippi may be a qualifying foster care charitable  
52 organization if it spends at least fifty percent (50%) of its  
53 Mississippi budget on services to qualified individuals in  
54 Mississippi and it certifies to the department that one hundred  
55 percent (100%) of the voluntary cash contributions from the  
56 taxpayer will be spent on services to qualified individuals in  
57 Mississippi. For the purposes of this paragraph, "qualified  
58 individual" means a child in a foster care placement program  
59 established by the Department of Child Protection Services, a  
60 child placed under the Safe Families for Children model, or a  
61 child at significant risk of entering a foster care placement  
62 program established by the Department of Child Protection  
63 Services.

64 (d) "Services" means:

65 (i) Cash assistance, medical care, child care,  
66 food, clothing, shelter, and job-placement services or any other  
67 assistance that is reasonably necessary to meet immediate basic  
68 needs and that is provided and used in this state;



69 (ii) Job-training or education services or funding  
70 for parents, foster parents or guardians; or

71 (iii) Job-training or education services or  
72 funding provided as part of a foster care independent living  
73 program.

74 (2) (a) Except as provided in subsections (3) and (4) of  
75 this section, a credit is allowed against the taxes imposed by  
76 this chapter for voluntary cash contributions by the taxpayer  
77 during the taxable year to a qualifying charitable organization,  
78 other than a qualifying foster care charitable organization, not  
79 to exceed:

80 (i) Through calendar year 2022, the lesser of Four  
81 Hundred Dollars (\$400.00) or the amount of the contribution in any  
82 taxable year for a single individual or a head of household; and  
83 for calendar year 2023 and each calendar year thereafter, the  
84 lesser of One Thousand Two Hundred Dollars (\$1,200.00) or the  
85 amount of the contribution in any taxable year for a single  
86 individual or a head of household.

87 (ii) Through calendar year 2022, the lesser of  
88 Eight Hundred Dollars (\$800.00) or the amount of the contribution  
89 in any taxable year for a married couple filing a joint return;  
90 and for calendar year 2023 and each calendar year thereafter, the  
91 lesser of Two Thousand Four Hundred Dollars (\$2,400.00) or the  
92 amount of the contribution in any taxable year for a married  
93 couple filing a joint return.



94 (b) From and after January 1, 2023, a credit is also  
95 allowed against ad valorem taxes assessed and levied on real  
96 property for voluntary cash contributions made by the individual  
97 taxpayer during the taxable year to a qualifying charitable  
98 organization, other than a qualifying foster care charitable  
99 organization. The amount of credit that may be utilized by a  
100 taxpayer in a taxable year shall be limited to an amount not to  
101 exceed fifty percent (50%) of the total tax liability of the  
102 taxpayer for ad valorem taxes assessed and levied on real  
103 property. Any tax credit claimed under this paragraph but not  
104 used in any taxable year may be carried forward for five (5)  
105 consecutive years from the close of the tax year in which the  
106 credits were earned.

107 (3) (a) A separate credit is allowed against the taxes  
108 imposed by this chapter for voluntary cash contributions during  
109 the taxable year to a qualifying foster care charitable  
110 organization. A contribution to a qualifying foster care  
111 charitable organization does not qualify for, and shall not be  
112 included in, any credit amount under subsection (2) of this  
113 section. If the voluntary cash contribution by the taxpayer is to  
114 a qualifying foster care charitable organization, the credit shall  
115 not exceed:

116 (i) Through calendar year 2022, the lesser of Five  
117 Hundred Dollars (\$500.00) or the amount of the contribution in any  
118 taxable year for a single individual or a head of household; and



119 for calendar year 2023 and each calendar year thereafter, the  
120 lesser of One Thousand Five Hundred Dollars (\$1,500.00) or the  
121 amount of the contribution in any taxable year for a single  
122 individual or a head of household.

123 (ii) Through calendar year 2022, the lesser of One  
124 Thousand Dollars (\$1,000.00) or the amount of the contribution in  
125 any taxable year for a married couple filing a joint return; and  
126 for calendar year 2023 and each calendar year thereafter, the  
127 lesser of Three Thousand Dollars (\$3,000.00) or the amount of the  
128 contribution in any taxable year for a married couple filing a  
129 joint return.

130 (b) From and after January 1, 2023, a credit is also  
131 allowed against ad valorem taxes assessed and levied on real  
132 property for voluntary cash contributions made by the individual  
133 taxpayer during the taxable year to a qualifying foster care  
134 charitable organization. The amount of credit that may be  
135 utilized by a taxpayer in a taxable year shall be limited to an  
136 amount not to exceed fifty percent (50%) of the total tax  
137 liability of the taxpayer for ad valorem taxes assessed and levied  
138 on real property. Any tax credit claimed under this paragraph but  
139 not used in any taxable year may be carried forward for five (5)  
140 consecutive years from the close of the tax year in which the  
141 credits were earned.

142 (4) Subsections (2) and (3) of this section provide separate  
143 credits against taxes imposed by this chapter depending on the



144 recipients of the contributions. A taxpayer, including a married  
145 couple filing a joint return, in the same taxable year, may either  
146 or both:

147 (a) Contribute to a qualifying charitable organization,  
148 other than a qualifying foster care charitable organization, and  
149 claim a credit under subsection (2) of this section.

150 (b) Contribute to a qualifying foster care charitable  
151 organization and claim a credit under subsection (3) of this  
152 section.

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

157 (6) Except as otherwise provided in subsections (2) and (3)  
158 of this section, if the allowable tax credit exceeds the taxes  
159 otherwise due under this chapter on the claimant's income, or if  
160 there are no taxes due under this chapter, the taxpayer may carry  
161 forward the amount of the claim not used to offset the taxes under  
162 this chapter for not more than five (5) consecutive taxable years'  
163 income tax liability.

164 (7) The credit allowed by this section is in lieu of a  
165 deduction pursuant to Section 170 of the Internal Revenue Code and  
166 taken for state tax purposes.

167 (8) Taxpayers taking a credit authorized by this section  
168 shall provide the name of the qualifying charitable organization



169 and the amount of the contribution to the department on forms  
170 provided by the department.

171 (9) A qualifying charitable organization shall provide the  
172 department with a written certification that it meets all criteria  
173 to be considered a qualifying charitable organization. The  
174 organization shall also notify the department of any changes that  
175 may affect the qualifications under this section.

176 (10) The charitable organization's written certification  
177 must be signed by an officer of the organization under penalty of  
178 perjury. The written certification shall include the following:

179 (a) Verification of the organization's status under  
180 Section 501(c)(3) of the Internal Revenue Code or verification  
181 that the organization is a designated community action agency that  
182 receives community services block grant program monies pursuant to  
183 42 USC 9901.

184 (b) Financial data indicating the organization's budget  
185 for the organization's prior operating year and the amount of that  
186 budget spent on services to residents of this state who either:

187 (i) Receive temporary assistance for needy  
188 families benefits;

189 (ii) Are low-income residents of this state;

190 (iii) Are children who have a chronic illness or  
191 physical, intellectual, developmental or emotional disability; or

192 (iv) Are children in a foster care placement  
193 program established by the Department of Child Protection





194 Services, children placed under the Safe Families for Children  
195 model or children at significant risk of entering a foster care  
196 placement program established by the Department of Child  
197 Protection Services.

198 (c) A statement that the organization plans to continue  
199 spending at least fifty percent (50%) of its budget on services to  
200 residents of this state who receive temporary assistance for needy  
201 families benefits, who are low-income residents of this state, who  
202 are children who have a chronic illness or physical, intellectual,  
203 developmental or emotional disability or who are children in a  
204 foster care placement program established by the Department of  
205 Child Protection Services, children placed under the Safe Families  
206 for Children model or children at significant risk of entering a  
207 foster care placement program established by the Department of  
208 Child Protection Services. A charitable organization that is  
209 exempt from federal income tax under Section 501(c)(3) of the  
210 Internal Revenue Code and that meets all other requirements for a  
211 qualifying charitable organization or qualifying foster care  
212 charitable organization except that it does not spend at least  
213 fifty percent (50%) of its overall budget in Mississippi shall  
214 submit a statement that it spends at least fifty percent (50%) of  
215 its Mississippi budget on services to qualified individuals in  
216 Mississippi and that one hundred percent (100%) of the voluntary  
217 cash contributions it receives from Mississippi taxpayers will be  
218 spent on services to qualified individuals in Mississippi.



219 (d) In the case of a foster care charitable  
220 organization, a statement that each operating year it provides  
221 services to at least one hundred (100) qualified individuals in  
222 this state.

223 (e) A statement that the organization does not provide,  
224 pay for or provide coverage of abortions and does not financially  
225 support any other entity that provides, pays for or provides  
226 coverage of abortions.

227 (f) Any other information that the department requires  
228 to administer this section.

229 (11) The department shall review each written certification  
230 and determine whether the organization meets all the criteria to  
231 be considered a qualifying charitable organization and notify the  
232 organization of its determination. The department may also  
233 periodically request recertification from the organization. The  
234 department shall compile and make available to the public a list  
235 of the qualifying charitable organizations.

236 (12) The aggregate amount of tax credits that may be awarded  
237 under this section in any calendar year shall not exceed Three  
238 Million Dollars (\$3,000,000.00). However, for calendar year 2021,  
239 and for each calendar year thereafter, the aggregate amount of tax  
240 credits that may be awarded under this section in any calendar  
241 year shall not exceed One Million Dollars (\$1,000,000.00). In  
242 addition, any tax credits not awarded under this section before  
243 June 1, 2020, may be allocated during calendar year 2020 under



244 Section 27-7-22.41 for contributions by taxpayers to eligible  
245 charitable organizations described in Section 27-7-22.41(1)(b)(ii)  
246 as provided under such section, notwithstanding any limitation on  
247 the percentage of tax credits that may be allocated for such  
248 contributions.

249 (13) A taxpayer shall apply for credits with the department  
250 on forms prescribed by the department. In the application the  
251 taxpayer shall certify to the department the dollar amount of the  
252 contributions made or to be made during the calendar year. Within  
253 thirty (30) days after the receipt of an application, the  
254 department shall allocate credits based on the dollar amount of  
255 contributions as certified in the application. However, if the  
256 department cannot allocate the full amount of credits certified in  
257 the application due to the limit on the aggregate amount of  
258 credits that may be awarded under this section in a calendar year,  
259 the department shall so notify the applicant within thirty (30)  
260 days with the amount of credits, if any, that may be allocated to  
261 the applicant in the calendar year. Once the department has  
262 allocated credits to a taxpayer, if the contribution for which a  
263 credit is allocated has not been made as of the date of the  
264 allocation, then the contribution must be made not later than  
265 sixty (60) days from the date of the allocation. If the  
266 contribution is not made within such time period, the allocation  
267 shall be cancelled and returned to the department for  
268 reallocation. Upon final documentation of the contributions, if



269 the actual dollar amount of the contributions is lower than the  
270 amount estimated, the department shall adjust the tax credit  
271 allowed under this section.

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273 **SECTION 2.** This act shall take effect and be in force from  
274 and after July 1, 2024.

