

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1988

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

5 **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is
6 brought forward as follows:

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

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

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



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

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

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

22 3. The express purpose of creating permanency
23 for children through adoption; or

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

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

33 2. Children who have a chronic illness or
34 physical, intellectual, developmental or emotional disability, or

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



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

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



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

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

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

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

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

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

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



89 support any other entity that provides, pays for or provides
90 coverage of abortions;

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

94 (d) Any other information that the department requires
95 to administer this section.

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

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

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



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

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



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

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



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

187 **SECTION 2.** This act shall take effect and be in force from
188 and after July 1, 2024, and shall stand repealed on June 30, 2024.



**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO BRING FORWARD SECTION 27-7-22.41, MISSISSIPPI CODE
2 OF 1972, FOR THE PURPOSE OF POSSIBLE AMENDMENT; AND FOR RELATED
3 PURPOSES.

