

By: Representative Johnson

To: Ways and Means

## HOUSE BILL NO. 227

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR CERTAIN  
2 TAXPAYERS WHO INCUR CHILD CARE EXPENSES FOR A DEPENDENT CHILD TO  
3 ATTEND A CHILD CARE CENTER THAT IS QUALIFIED AS A STANDARD CHILD  
4 CARE CENTER OR COMPREHENSIVE CHILD CARE CENTER UNDER THE  
5 MISSISSIPPI DEPARTMENT OF HUMAN SERVICES VOLUNTARY CHILD CARE  
6 PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX CREDIT; TO AUTHORIZE  
7 A REFUNDABLE INCOME TAX CREDIT FOR A TAXPAYER WHO IS QUALIFIED AS  
8 A STANDARD CHILD CARE CENTER OR COMPREHENSIVE CHILD CARE CENTER  
9 UNDER THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES VOLUNTARY CHILD  
10 CARE PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX CREDIT; TO  
11 AUTHORIZE A REFUNDABLE INCOME TAX CREDIT FOR A TAXPAYER WHO IS  
12 EMPLOYED AS A TEACHER OR DIRECTOR WITH A CHILD CARE CENTER THAT IS  
13 QUALIFIED AS A STANDARD CHILD CARE CENTER OR COMPREHENSIVE CHILD  
14 CARE CENTER UNDER THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES  
15 VOLUNTARY CHILD CARE PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX  
16 CREDIT; AND FOR RELATED PURPOSES.

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

18 **SECTION 1.** (1) A taxpayer shall be allowed a credit against  
19 the taxes imposed under this chapter for child care expenses paid  
20 for a dependent child of the taxpayer as provided in this section.  
21 In order to be eligible for the credit (a) the taxpayer's income  
22 or the taxpayer's family income, as the case may be, must not  
23 exceed four hundred percent (400%) of the federal poverty level  
24 for the tax year for which a credit is claimed, (b) the dependent  
25 child for which a credit is claimed must have attended a



26 qualifying child care center for not less than eight (8) months  
27 during the tax year for which the credit is claimed and have been  
28 under six (6) years of age while attending the center and (c) the  
29 child care expenses for which a credit is claimed must have been  
30 incurred for such child to attend a child care center that is  
31 qualified as a standard child care center or comprehensive child  
32 care center under the Mississippi Department of Human Services  
33 voluntary child care program.

34       (2) The amount of the credit authorized in this section  
35 shall be Seven Hundred Fifty Dollars (\$750.00) for each dependent  
36 child for which a credit is claimed under this section. Except as  
37 otherwise provided in this section, the tax credit shall not  
38 exceed the amount of tax imposed upon the taxpayer for the taxable  
39 year reduced by the sum of all other credits allowable to the  
40 taxpayer under this chapter, except credit for tax payments made  
41 by or on behalf of the taxpayer. However, if the taxpayer's  
42 income or the taxpayer's family income, as the case may be, is  
43 less than two hundred fifty percent (250%) of the federal poverty  
44 level for the year for which the credit is claimed, then the  
45 taxpayer shall receive a refund from the Department of Revenue for  
46 the amount of such excess credit. Any tax credit claimed under  
47 this section but not used in any taxable year may be carried  
48 forward for five (5) consecutive years from the close of the tax  
49 year in which the credit was earned.



**SECTION 2.**

(1) A taxpayer who is qualified as a standard child care center or comprehensive child care center under the Mississippi Department of Human Services voluntary child care program shall be allowed a refundable credit against the taxes imposed under this chapter as provided in this section.

(2) (a) The amount of the credit for a taxpayer who is qualified as a standard child care center shall be the lesser of Five Hundred Dollars (\$500.00) multiplied by the average monthly number of children attending the child care center during the tax year for which the credit is claimed or Fifteen Thousand Dollars (\$15,000.00). The amount of the credit for a taxpayer who is qualified as a comprehensive child care center shall be the lesser of Seven Hundred Fifty Dollars (\$750.00) multiplied by the average monthly number of children attending the child care center during the tax year for which the credit is claimed or Twenty Thousand Dollars (\$20,000.00).

(b) If the amount of credit claimed by a taxpayer under this section exceeds the amount of income tax imposed upon the taxpayer for the taxable year reduced by the sum of all other credits allowable to the taxpayer under this chapter, except credit for tax payments made by or on behalf of the taxpayer, then the taxpayer shall receive a refund from the Department of Revenue for the amount of such excess.

**SECTION 3.**

A taxpayer who is employed as a teacher or director with a child care center that is qualified as a standard



75 child care center or comprehensive child care center under the  
76 Mississippi Department of Human Services voluntary child care  
77 program shall be allowed a refundable credit against the taxes  
78 imposed under this chapter as provided in this section. In order  
79 to be eligible for the credit, the taxpayer must have been  
80 employed in such capacity for more than nine (9) months during the  
81 tax year for which the credit is claimed. The amount of the  
82 credit for a taxpayer employed as a teacher or director with a  
83 child care center that is qualified as a standard child care  
84 center shall be Seven Hundred Fifty Dollars (\$750.00). The amount  
85 of the credit for a taxpayer employed as a teacher or director  
86 with a child care center that is qualified as a comprehensive  
87 child care center shall be One Thousand Dollars (\$1,000.00). If  
88 the amount of credit claimed by a taxpayer under this section  
89 exceeds the amount of income tax imposed upon the taxpayer for the  
90 taxable year reduced by the sum of all other credits allowable to  
91 the taxpayer under this chapter, except credit for tax payments  
92 made by or on behalf of the taxpayer, then the taxpayer shall  
93 receive a refund from the Department of Revenue for the amount of  
94 such excess.

95 **SECTION 4.** The Department of Revenue shall have all powers  
96 necessary to implement and administer the provisions of this act,  
97 and the Department of Revenue shall promulgate rules and  
98 regulations, in accordance with the Mississippi Administrative  
99 Procedures Law, necessary for the implementation of this act.



100       **SECTION 5.** Sections 1, 2 and 3 of this act shall be codified  
101 as new sections in Chapter 7, Title 27, Mississippi Code of 1972.

102       **SECTION 6.** Nothing in this act shall affect or defeat any  
103 claim, assessment, appeal, suit, right or cause of action for  
104 taxes due or accrued under the income tax laws before the date on  
105 which this act becomes effective, whether such claims,  
106 assessments, appeals, suits or actions have been begun before the  
107 date on which this act becomes effective or are begun thereafter;  
108 and the provisions of the income tax laws are expressly continued  
109 in full force, effect and operation for the purpose of the  
110 assessment, collection and enrollment of liens for any taxes due  
111 or accrued and the execution of any warrant under such laws before  
112 the date on which this act becomes effective, and for the  
113 imposition of any penalties, forfeitures or claims for failure to  
114 comply with such laws.

115       **SECTION 7.** This act shall take effect and be in force from  
116 and after January 1, 2025.

