

By: Representative Ford (54th)

To: Ways and Means

HOUSE BILL NO. 1655

1 AN ACT TO AUTHORIZE A CREDIT AGAINST INCOME AND INSURANCE
2 PREMIUM TAXES FOR VOLUNTARY CASH CONTRIBUTIONS BY CERTAIN BUSINESS
3 ENTERPRISES TO CERTAIN TAX-EXEMPT ORGANIZATIONS OPERATING AS
4 MEMBERS OF A STATEWIDE ALLIANCE, OFFERING PROGRAMS TO ADVANCE
5 MISSISSIPPI YOUTH IN EDUCATION ACHIEVEMENT, PHYSICAL DEVELOPMENT
6 AND SOCIAL/EMOTIONAL DEVELOPMENT WHILE ALSO SUPPORTING WORKFORCE
7 DEVELOPMENT; TO AUTHORIZE A CREDIT AGAINST AD VALOREM TAXES ON
8 REAL PROPERTY FOR SUCH CONTRIBUTIONS BY CERTAIN BUSINESS
9 ORGANIZATIONS NOT OPERATING AS CORPORATIONS; TO LIMIT THE AMOUNT
10 OF THE CREDITS; TO ALLOW EXCESS AMOUNTS OF THE CREDIT TO BE
11 CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS; AND FOR RELATED
12 PURPOSES.

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

14 **SECTION 1.** (1) For the purposes of this section, the
15 following words and phrases shall have the meanings ascribed in
16 this section unless the context clearly indicates otherwise:

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

18 (b) "Eligible charitable organization" means an
19 organization that is exempt from federal income taxation under
20 Section 501(c)(3) of the Internal Revenue Code and is consistently
21 providing programs that advance Mississippi youth in education
22 achievement, physical development and social/emotional development
23 while also supporting workforce development.



24 (2) (a) The tax credit authorized in this section shall be
25 available only to a taxpayer that is a business enterprise engaged
26 in commercial, industrial or professional activities and operating
27 as a corporation, limited liability company, partnership or sole
28 proprietorship. Except as otherwise provided in this section, a
29 credit is allowed against the taxes imposed by Sections 27-7-5,
30 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
31 contributions made by a taxpayer during the taxable year to an
32 eligible charitable organization. A credit is also allowed
33 against ad valorem taxes assessed and levied on real property for
34 voluntary cash contributions made by the taxpayer during the
35 taxable year to an eligible charitable organization. The amount
36 of credit that may be utilized by a taxpayer in a taxable year
37 shall be limited to (i) an amount not to exceed fifty percent
38 (50%) of the total tax liability of the taxpayer for the taxes
39 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123,
40 and (ii) an amount not to exceed fifty percent (50%) of the total
41 tax liability of the taxpayer for ad valorem taxes assessed and
42 levied on real property. Any credit claimed under this section
43 but not used in the tax year in which it was earned may be carried
44 forward for five (5) consecutive years from the close of the tax
45 year in which it was earned.

46 (b) A contribution for which a credit is claimed under
47 this section may not be used as a deduction by the taxpayer for
48 state income tax purposes.



49 (3) A taxpayer taking a credit authorized by this section
50 shall provide the name of the eligible charitable organization and
51 the amount of the contribution to the department on forms provided
52 by the department.

53 (4) To be considered an eligible charitable organization
54 under this section, an organization shall provide the department
55 with a written certification that it meets all criteria. The
56 organization shall also notify the department of any changes that
57 may affect eligibility under this section.

58 (5) The eligible charitable organization's written
59 certification must be signed by an officer of the organization
60 under penalty of perjury. The written certification shall include
61 the following:

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

64 (b) A statement that the organization will use the
65 contribution only for support of programs that advance Mississippi
66 youth in education achievement, physical development and
67 social/emotional development while also supporting workforce
68 development; and

69 (c) Any other information that the department requires
70 in order to administer this section.

71 (6) The department shall review each written certification
72 and determine whether the organization meets all the criteria to
73 be considered an eligible charitable organization and shall notify



74 the organization of its determination. The department may also
75 periodically request recertification from the organization. The
76 department shall compile and make available to the public a list
77 of eligible charitable organizations.

78 (7) Tax credits authorized by this section that are earned
79 by a partnership, limited liability company, S corporation or
80 other similar pass-through entity, shall be allocated among all
81 partners, members or shareholders, respectively, either in
82 proportion to their ownership interest in such entity or as the
83 partners, members or shareholders mutually agree as provided in an
84 executed document.

85 (8) (a) A taxpayer shall apply for credits with the
86 department on forms prescribed by the department. In the
87 application, the taxpayer shall certify to the department the
88 dollar amount of the contributions made or to be made during the
89 calendar year. Within thirty (30) days after the receipt of an
90 application, the department shall allocate credits based on the
91 dollar amount of contributions as certified in the application.
92 However, if the department cannot allocate the full amount of
93 credits certified in the application due to the limit on the
94 aggregate amount of credits that may be awarded under this section
95 in a calendar year, the department shall so notify the applicant
96 within thirty (30) days with the amount of credits, if any, that
97 may be allocated to the applicant in the calendar year. Once the
98 department has allocated credits to a taxpayer, if the



99 contribution for which a credit is allocated has not been made as
100 of the date of the allocation, then the contribution must be made
101 not later than sixty (60) days from the date of the allocation.
102 If the contribution is not made within such time period, the
103 allocation shall be cancelled and returned to the department for
104 reallocation. Upon final documentation of the contribution, if
105 the actual dollar amount of the contribution is lower than the
106 amount estimated, the department shall adjust the tax credit
107 allowed under this section.

108 (b) For the purposes of using a tax credit against ad
109 valorem taxes assessed and levied on real property, a taxpayer
110 shall present to the appropriate tax collector the tax credit
111 documentation provided to the taxpayer by the department, and the
112 tax collector shall apply the tax credit against such ad valorem
113 taxes. The tax collector shall forward the tax credit
114 documentation to the department along with the amount of the tax
115 credit applied against ad valorem taxes, and the department shall
116 disburse funds to the tax collector for the amount of the tax
117 credit applied against ad valorem taxes. Such payments by the
118 department shall be made from current tax collections.

119 (9) The aggregate amount of tax credits that may be
120 allocated by the department under this section during a calendar
121 year shall not exceed Two Hundred Fifty Thousand Dollars
122 (\$250,000.00).



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

125 **SECTION 3.** Nothing in this act shall affect or defeat any
126 claim, assessment, appeal, suit, right or cause of action for
127 taxes due or accrued under the income tax laws, insurance premium
128 tax laws or ad valorem tax laws before the date on which this act
129 becomes effective, whether such claims, assessments, appeals,
130 suits or actions have been begun before the date on which this act
131 becomes effective or are begun thereafter; and the provisions of
132 the income tax laws, insurance premium tax laws and ad valorem tax
133 laws are expressly continued in full force, effect and operation
134 for the purpose of the assessment, collection and enrollment of
135 liens for any taxes due or accrued and the execution of any
136 warrant under such laws before the date on which this act becomes
137 effective, and for the imposition of any penalties, forfeitures or
138 claims for failure to comply with such laws.

139 **SECTION 4.** This act shall take effect and be in force from
140 and after July 1, 2025.

