

By: Representatives Boyd (37th), Anthony

To: Ways and Means

## HOUSE BILL NO. 1687

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.



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

(b) A contribution for which a credit is claimed under this section may not be used as a deduction by the taxpayer for 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 January 1, 2025.

