

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1902

1 AN ACT TO AMEND SECTION 27-7-22.41, MISSISSIPPI CODE OF 1972,
2 WHICH PROVIDES AN INCOME TAX CREDIT, INSURANCE PREMIUM TAX CREDIT
3 AND AD VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE BY CERTAIN
4 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS, TO
5 INCREASE THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE
6 ALLOCATED BY THE DEPARTMENT OF REVENUE UNDER THIS SECTION DURING A
7 CALENDAR YEAR; TO REVISE CERTAIN PROVISIONS RELATING TO THE AD
8 VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE TO SUCH ORGANIZATIONS;
9 TO AMEND SECTION 57-105-1, MISSISSIPPI CODE OF 1972, TO EXTEND
10 UNTIL JULY 1, 2029, THE DATE AFTER WHICH THE MISSISSIPPI
11 DEVELOPMENT AUTHORITY SHALL NOT ALLOCATE INCOME TAX AND INSURANCE
12 PREMIUM TAX CREDITS FOR TAXPAYERS HOLDING CERTAIN QUALIFIED
13 INVESTMENTS; TO AMEND SECTIONS 27-7-22.37, 27-7-22.43, 27-7-22.47
14 AND 27-7-22.48, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS
15 TAX CREDITS FOR CONTRIBUTIONS TO CERTAIN ORGANIZATIONS OR
16 ENTITIES, TO REDUCE THE AMOUNT OF CREDITS THAT MAY BE ALLOCATED OR
17 CLAIMED UNDER SUCH SECTIONS DURING A CALENDAR YEAR; AND FOR
18 RELATED PURPOSES.

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

20 **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is
21 amended as follows:

22 27-7-22.41. (1) For the purposes of this section, the
23 following words and phrases shall have the meanings ascribed in
24 this section unless the context clearly indicates otherwise:

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



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

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

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

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

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

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

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

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



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

54 (2) (a) The tax credit authorized in this section shall be
55 available only to a taxpayer who is a business enterprise engaged
56 in commercial, industrial or professional activities and operating
57 as a corporation, limited liability company, partnership or sole
58 proprietorship. Except as otherwise provided in this section, a
59 credit is allowed against the taxes imposed by Sections 27-7-5,
60 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
61 contributions made by a taxpayer during the taxable year to an
62 eligible charitable organization. From and after January 1, 2022,
63 through calendar year 2024, for a taxpayer that is not operating
64 as a corporation, a credit is also allowed against ad valorem
65 taxes assessed and levied on real property for voluntary cash
66 contributions made by the taxpayer during the taxable year to an
67 eligible charitable organization. From and after January 1, 2025,
68 a credit is also allowed against ad valorem taxes assessed and
69 levied on real property for voluntary cash contributions made by a
70 taxpayer during the taxable year to an eligible charitable
71 organization. The amount of credit that may be utilized by a
72 taxpayer in a taxable year shall be limited to (i) an amount not
73 to exceed fifty percent (50%) of the total tax liability of the
74 taxpayer for the taxes imposed by such sections of law and (ii) an



75 amount not to exceed fifty percent (50%) of the total tax
76 liability of the taxpayer for ad valorem taxes assessed and levied
77 on real property. Any tax credit claimed under this section but
78 not used in any taxable year may be carried forward for five (5)
79 consecutive years from the close of the tax year in which the
80 credits were earned.

81 (b) A contribution to an eligible charitable
82 organization for which a credit is claimed under this section does
83 not qualify for and shall not be included in any credit that may
84 be claimed under Section 27-7-22.39.

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

88 (3) Taxpayers taking a credit authorized by this section
89 shall provide the name of the eligible charitable organization and
90 the amount of the contribution to the department on forms provided
91 by the department.

92 (4) An eligible charitable organization shall provide the
93 department with a written certification that it meets all criteria
94 to be considered an eligible charitable organization. An eligible
95 charitable organization must also provide the department with
96 written documented proof of its license and/or written contract
97 with the Mississippi Department of Child Protection Services. The
98 organization shall also notify the department of any changes that
99 may affect eligibility under this section.



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

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

(b) A statement that the organization does not provide, pay for or provide coverage of abortions and does not financially support any other entity that provides, pays for or provides coverage of abortions;

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

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

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

(7) Tax credits authorized by this section that are earned by a partnership, limited liability company, S corporation or other similar pass-through entity, shall be allocated among all



partners, members or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners, members or shareholders mutually agree as provided in an executed document.

(8) (a) A taxpayer shall apply for credits with the department on forms prescribed by the department. In the application the taxpayer shall certify to the department the dollar amount of the contributions made or to be made during the calendar year. Within thirty (30) days after the receipt of an application, the department shall allocate credits based on the dollar amount of contributions as certified in the application. However, if the department cannot allocate the full amount of credits certified in the application due to the limit on the aggregate amount of credits that may be awarded under this section in a calendar year, the department shall so notify the applicant within thirty (30) days with the amount of credits, if any, that may be allocated to the applicant in the calendar year. Once the department has allocated credits to a taxpayer, if the contribution for which a credit is allocated has not been made as of the date of the allocation, then the contribution must be made not later than sixty (60) days from the date of the allocation. If the contribution is not made within such time period, the allocation shall be cancelled and returned to the department for reallocation. Upon final documentation of the contributions, if the actual dollar amount of the contributions is lower than the



amount estimated, the department shall adjust the tax credit allowed under this section.

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

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

(9) The aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Five Million Dollars (\$5,000,000.00), and not more than fifty percent (50%) of tax credits allocated during a calendar year may be allocated for contributions to eligible



charitable organizations described in subsection (1)(b)(ii) of this section. However, for calendar year 2021, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Ten Million Dollars (\$10,000,000.00), for calendar year 2022, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Sixteen Million Dollars (\$16,000,000.00), * * * for calendar year 2023, and for each calendar year thereafter through calendar year 2024, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Eighteen Million Dollars (\$18,000,000.00), and for calendar year 2025, and for each calendar year thereafter, the aggregate amount of tax credits that may be allocated by the department under this section during a calendar year shall not exceed Forty Million Dollars (\$40,000,000.00). For calendar year 2021, and for each calendar year thereafter, fifty percent (50%) of the tax credits allocated during a calendar year shall be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(i) of this section and fifty percent (50%) of the tax credits allocated during a calendar year shall be allocated for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section. For calendar year 2021, and for each calendar year thereafter, for credits allocated



during a calendar year for contributions to eligible charitable organizations described in subsection (1)(b)(i) of this section, no more than twenty-five percent (25%) of such credits may be allocated for contributions to a single eligible charitable organization. Except as otherwise provided in this section, for calendar year 2021, and for each calendar year thereafter through calendar year 2024, for credits allocated during a calendar year for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section, no more than four and one-half percent (4-1/2%) of such credits may be allocated for contributions to a single eligible charitable organization. For calendar year 2025, and for each calendar year thereafter, for credits allocated during a calendar year for contributions to eligible charitable organizations described in subsection (1)(b)(ii) of this section, no more than three percent (3%) of such credits may be allocated for contributions to a single eligible charitable organization.

SECTION 2. Section 57-105-1, Mississippi Code of 1972, is amended as follows:

57-105-1. (1) As used in this section:

(a) "Adjusted purchase price" means the investment in the qualified community development entity for the qualified equity investment, substantially all of the proceeds of which are used to make qualified low-income community investments in Mississippi.



For the purposes of calculating the amount of qualified low-income community investments held by a qualified community development entity, an investment will be considered held by a qualified community development entity even if the investment has been sold or repaid; provided that the qualified community development entity reinvests an amount equal to the capital returned to or recovered by the qualified community development entity from the original investment, exclusive of any profits realized, in another qualified low-income community investment in Mississippi, including any federal Indian reservation located within the geographical boundary of Mississippi within twelve (12) months of the receipt of such capital. A qualified community development entity will not be required to reinvest capital returned from the qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, the proceeds of which were used to make the qualified low-income community investment, and the qualified low-income community investment will be considered held by the qualified community development entity through the seventh anniversary of the qualified equity investment's issuance.

(b) "Applicable percentage" means:

(i) For any equity investment issued prior to July 1, 2008, four percent (4%) for each of the second through seventh credit allowance dates for purposes of the taxes imposed by Section 27-7-5 and one and one-third percent (1-1/3%) for each of



the second through seventh credit allowance dates for purposes of the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

(ii) For any equity investment issued from and after July 1, 2008, eight percent (8%) for each of the first through third credit allowance dates for purposes of the taxes imposed by Section 27-7-5 or the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

(c) "Credit allowance date" means, with respect to any qualified equity investment:

(i) The later of:

1. The date upon which the qualified equity investment is initially made; or

2. The date upon which the Mississippi Development Authority issues a certificate under subsection (4) of this section; and

(ii) 1. For equity investments issued prior to July 1, 2008, each of the subsequent six (6) anniversary dates of the date upon which the investment is initially made; or

2. For equity investments issued from and after July 1, 2008, each of the subsequent two (2) anniversary dates of the date determined as provided for in subparagraph (i) of this paragraph.

(d) "Qualified community development entity" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended, if the entity has entered into



an Allocation Agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury with respect to credits authorized by Section 45D of the Internal Revenue Code of 1986, as amended.

(e) "Qualified active low-income community business" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended.

(f) "Qualified equity investment" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended. The investment does not have to be designated as a qualified equity investment by the Community Development Financial Institutions Fund of the United States Treasury to be considered a qualified equity investment under this section but otherwise must meet the definition under the Internal Revenue Code. In addition to meeting the definition in Section 45D of the Internal Revenue Code such investment must also:

(i) Have been acquired after January 1, 2007, at its original issuance solely in exchange for cash; and

(ii) Have been allocated by the Mississippi Development Authority.

For the purposes of this section, such investment shall be deemed a qualified equity investment on the later of the date such qualified equity investment is made or the date on which the Mississippi Development Authority issues a certificate under



subsection (4) of this section allocating credits based on such investment.

(g) "Qualified low-income community investment" shall have the meaning ascribed to such term in Section 45D of the Internal Revenue Code of 1986, as amended; provided, however, that the maximum amount of qualified low-income community investments issued for a single qualified active low-income community business, on an aggregate basis with all of its affiliates, that may be included for purposes of allocating any credits under this section shall not exceed Ten Million Dollars (\$10,000,000.00), in the aggregate, whether issued by one (1) or several qualified community development entities.

(2) A taxpayer that holds a qualified equity investment on the credit allowance date shall be entitled to a credit applicable against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 during the taxable year that includes the credit allowance date. The amount of the credit shall be equal to the applicable percentage of the adjusted purchase price paid to the qualified community development entity for the qualified equity investment. The amount of the credit that may be utilized in any one (1) tax year shall be limited to an amount not greater than the total tax liability of the taxpayer for the taxes imposed by the above-referenced sections. The credit shall not be refundable or transferable. Any unused portion of the credit may be carried forward for seven (7) taxable years beyond the credit allowance



date on which the credit was earned. The maximum aggregate amount of qualified equity investments that may be allocated by the Mississippi Development Authority may not exceed an amount that would result in taxpayers claiming in any one (1) state fiscal year credits in excess of Fifteen Million Dollars (\$15,000,000.00), exclusive of credits that might be carried forward from previous taxable years; however, a maximum of one-third (1/3) of this amount may be allocated as credits for taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any taxpayer claiming a credit under this section against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123 shall not be required to pay any additional tax under Section 27-15-123 as a result of claiming such credit. The Mississippi Development Authority shall allocate credits within this limit as provided for in subsection (4) of this section.

(3) Tax credits authorized by this section that are earned by a partnership, limited liability company, S corporation or other similar pass-through entity, shall be allocated among all partners, members or shareholders, respectively, either in proportion to their ownership interest in such entity or as the partners, members or shareholders mutually agree as provided in an executed document. Such allocation shall be made each taxable year of such pass-through entity which contains a credit allowance date.



348 (4) The qualified community development entity shall apply
349 for credits with the Mississippi Development Authority on forms
350 prescribed by the Mississippi Development Authority. The
351 qualified community development entity must pay an application fee
352 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
353 Authority at the time the application is submitted. In the
354 application the qualified community development entity shall
355 certify to the Mississippi Development Authority the dollar amount
356 of the qualified equity investments made or to be made in this
357 state, including in any federal Indian reservation located within
358 the state's geographical boundary, during the first twelve-month
359 period following the initial credit allowance date. The
360 Mississippi Development Authority shall allocate credits based on
361 the dollar amount of qualified equity investments as certified in
362 the application. Once the Mississippi Development Authority has
363 allocated credits to a qualified community development entity, if
364 the corresponding qualified equity investment has not been issued
365 as of the date of such allocation, then the corresponding
366 qualified equity investment must be issued not later than one
367 hundred twenty (120) days from the date of such allocation. If
368 the qualified equity investment is not issued within such time
369 period, the allocation shall be cancelled and returned to the
370 Mississippi Development Authority for reallocation. Upon final
371 documentation of the qualified low-income community investments,
372 if the actual dollar amount of the investments is lower than the



amount estimated, the Mississippi Development Authority shall adjust the tax credit allowed under this section. The Department of Revenue may recapture all of the credit allowed under this section if:

(a) Any amount of federal tax credits available with respect to a qualified equity investment that is eligible for a tax credit under this section is recaptured under Section 45D of the Internal Revenue Code of 1986, as amended; or

(b) The qualified community development entity redeems or makes any principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of the qualified equity investment; or

(c) The qualified community development entity fails to maintain at least eighty-five percent (85%) of the proceeds of the qualified equity investment in qualified low-income community investments in Mississippi at any time prior to the seventh anniversary of the issuance of the qualified equity investment.

Any credits that are subject to recapture under this subsection shall be recaptured from the taxpayer that actually claimed the credit.

The Mississippi Development Authority shall not allocate any credits under this section after July 1, * * *2029.

(5) Each qualified community development entity that receives qualified equity investments to make qualified low-income community investments in Mississippi must annually report to the



398 Mississippi Development Authority the North American Industry
399 Classification System Code, the county, the dollars invested, the
400 number of jobs assisted and the number of jobs assisted with wages
401 over one hundred percent (100%) of the federal poverty level for a
402 family of four (4) of each qualified low-income community
403 investment.

404 (6) The Mississippi Development Authority shall file an
405 annual report on all qualified low-income community investments
406 with the Governor, the Clerk of the House of Representatives, the
407 Secretary of the Senate and the Secretary of State describing the
408 North American Industry Classification System Code, the county,
409 the dollars invested, the number of jobs assisted and the number
410 of jobs assisted with wages over one hundred percent (100%) of the
411 federal poverty level for a family of four (4) of each qualified
412 low-income community investment. The annual report will be posted
413 on the Mississippi Development Authority's Internet website.

414 (7) (a) The purpose of this subsection is to authorize the
415 creation and establishment of public benefit corporations for
416 financing arrangements regarding public property and facilities.

417 (b) As used in this subsection:

418 (i) "New Markets Tax Credit transaction" means any
419 financing transaction which utilizes either this section or
420 Section 45D of the Internal Revenue Code of 1986, as amended.



421 (ii) "Public benefit corporation" means a
422 nonprofit corporation formed or designated by a public entity to
423 carry out the purposes of this subsection.

424 (iii) "Public entity or public entities" includes
425 utility districts, regional solid waste authorities, regional
426 utility authorities, community hospitals, regional airport
427 authorities, municipal airport authorities, community and junior
428 colleges, educational building corporations established by or on
429 behalf of the state institutions of higher learning, school
430 districts, planning and development districts, county economic
431 development districts, urban renewal agencies, any other regional
432 or local economic development authority, agency or governmental
433 entity, and any other regional or local industrial development
434 authority, agency or governmental entity.

435 (iv) "Public property or facilities" means any
436 property or facilities owned or leased by a public entity or
437 public benefit corporation.

438 (c) Notwithstanding any other provision of law to the
439 contrary, public entities are authorized pursuant to this
440 subsection to create one or more public benefit corporations or
441 designate an existing corporation as a public benefit corporation
442 for the purpose of entering into financing agreements and engaging
443 in New Markets Tax Credit transactions, which shall include,
444 without limitation, arrangements to plan, acquire, renovate,
445 construct, lease, sublease, manage, operate and/or improve new or



existing public property or facilities located within the boundaries or service area of the public entity. Any financing arrangement authorized under this subsection shall further any purpose of the public entity and may include a term of up to fifty (50) years.

(d) Notwithstanding any other provision of law to the contrary and in order to facilitate the acquisition, renovation, construction, leasing, subleasing, management, operating and/or improvement of new or existing public property or facilities to further any purpose of a public entity, public entities are authorized to enter into financing arrangements in order to transfer public property or facilities to and/or from public benefit corporations, including, without limitation, sales, sale-leasebacks, leases and lease-leasebacks, provided such transfer is related to any New Markets Tax Credit transaction furthering any purpose of the public entity. Any such transfer under this paragraph (d) and the public property or facilities transferred in connection therewith shall be exempted from any limitation or requirements with respect to leasing, acquiring, and/or constructing public property or facilities.

(e) With respect to a New Markets Tax Credit transaction, public entities and public benefit corporations are authorized to enter into financing arrangements with any governmental, nonprofit or for-profit entity in order to leverage funds not otherwise available to public entities for the



471 acquisition, construction and/or renovation of properties
472 transferred to such public benefit corporations. The use of any
473 funds loaned by or contributed by a public benefit corporation or
474 borrowed by or otherwise made available to a public benefit
475 corporation in such financing arrangement shall be dedicated
476 solely to (i) the development of new properties or facilities
477 and/or the renovation of existing properties or facilities or
478 operation of properties or facilities, and/or (ii) the payment of
479 costs and expenditures related to any such financing arrangements,
480 including, but not limited to, funding any reserves required in
481 connection therewith, the repayment of any indebtedness incurred
482 in connection therewith, and the payment of fees and expenses
483 incurred in connection with the closing, administration,
484 accounting and/or compliance with respect to the New Markets Tax
485 Credit transaction.

486 (f) A public benefit corporation created pursuant to
487 this subsection shall not be a political subdivision of the state
488 but shall be a nonprofit corporation organized and governed under
489 the provisions of the laws of this state and shall be a special
490 purpose corporation established to facilitate New Markets Tax
491 Credit transactions consistent with the requirements of this
492 section.

493 (g) Neither this subsection nor anything herein
494 contained is or shall be construed as a restriction or limitation
495 upon any powers which the public entity or public benefit



corporation might otherwise have under any laws of this state, and this subsection is cumulative to any such powers. This subsection does and shall be construed to provide a complete additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws.

(8) The Mississippi Development Authority shall promulgate rules and regulations to implement the provisions of this section.

SECTION 3. Section 27-7-22.37, Mississippi Code of 1972, is amended as follows:

27-7-22.37. (1) There shall be allowed as a credit against the tax imposed by Section 27-7-5 the amount of the qualified prekindergarten program support contributions paid to approved providers, lead partners or collaboratives, not to exceed One Million Dollars (\$1,000,000.00), by any individual, corporation or other entity having taxable income under the laws of this state during calendar year 2013 or during any calendar year thereafter. In order to qualify for a tax credit, such contributions may support the local match requirement of approved providers, lead partners or collaboratives as is necessary to match state-appropriated funds, and any such providers, lead partners or collaboratives shall be approved by the State Department of Education.

(2) Any unused portion of the credit may be carried forward for three (3) tax years.



521 (3) Any prekindergarten program support contribution shall
522 be verified by submission to the Mississippi Department of Revenue
523 of a copy of the receipt provided to the donor taxpayer by the
524 prekindergarten program recipient or such other written
525 verification as may be required by the Department of Revenue.

526 (4) The maximum amount of donations accepted by the
527 Department of Revenue in calendar year 2014 shall not exceed Eight
528 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
529 exceed Fifteen Million Dollars (\$15,000,000.00), * * * in calendar
530 year 2016 and calendar years thereafter through calendar year
531 2024, shall not exceed Thirty-two Million Dollars
532 (\$32,000,000.00), and in calendar year 2025 and calendar years
533 thereafter shall not exceed Twenty Million Dollars
534 (\$20,000,000.00), or what is appropriated by the Legislature to
535 fund Chapter 493, Laws of 2013 each year.

536 (5) The Mississippi Department of Revenue shall promulgate
537 rules necessary to effectuate the purposes of Chapter 493, Laws of
538 2013. Such rules shall include a means of informing the public of
539 the existence of the prekindergarten support program and the
540 application process for provider, lead partner and collaborative
541 candidates.

542 **SECTION 4.** Section 27-7-22.43, Mississippi Code of 1972, is
543 amended as follows:

544 27-7-22.43. (1) This section shall be known and may be
545 cited as the "Pregnancy Resource Act."



(2) For the purposes of this section, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

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

(b) "Eligible charitable organization" means an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and is a pregnancy resource center or crisis pregnancy center. To be considered an "eligible charitable organization" a pregnancy resource center or crisis pregnancy center must meet the following criteria:

(i) Certify that no more than twenty percent (20%) of the contributions received under this section will be spent on administrative purposes;

(ii) File annually with the Secretary of State the organization's publicly available Internal Revenue Service filings.

(3) (a) The tax credit authorized in this section shall be available only to a taxpayer who 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. For calendar year 2022, for a



taxpayer that is not operating as a corporation, 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. From and after January 1, 2023, a credit is also allowed against ad valorem taxes assessed and levied on real property for voluntary cash contributions made by a 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 such sections of law 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 tax credit claimed under this section but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were 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.

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



595 (5) An eligible charitable organization shall provide the
596 department with a written certification that it meets all criteria
597 to be considered an eligible charitable organization. The
598 organization shall also notify the department of any changes that
599 may affect eligibility under this section.

600 (6) The eligible charitable organization's written
601 certification must be signed by an officer of the organization
602 under penalty of perjury. The written certification shall include
603 the following:

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

606 (b) A statement that the organization does not provide,
607 pay for or provide coverage of abortions and does not financially
608 support any other entity that provides, pays for or provides
609 coverage of abortions;

610 (c) Any other information that the department requires
611 to administer this section.

612 (7) The department shall review each written certification
613 and determine whether the organization meets all the criteria to
614 be considered an eligible charitable organization and notify the
615 organization of its determination. The department may also
616 periodically request recertification from the organization. The
617 department shall compile and make available to the public a list
618 of eligible charitable organizations.



619 (8) Tax credits authorized by this section that are earned
620 by a partnership, limited liability company, S corporation or
621 other similar pass-through entity, shall be allocated among all
622 partners, members or shareholders, respectively, either in
623 proportion to their ownership interest in such entity or as the
624 partners, members or shareholders mutually agree as provided in an
625 executed document.

626 (9) (a) A taxpayer shall apply for credits with the
627 department on forms prescribed by the department. In the
628 application the taxpayer shall certify to the department the
629 dollar amount of the contributions made or to be made during the
630 calendar year. Within thirty (30) days after the receipt of an
631 application, the department shall allocate credits based on the
632 dollar amount of contributions as certified in the application.
633 However, if the department cannot allocate the full amount of
634 credits certified in the application due to the limit on the
635 aggregate amount of credits that may be awarded under this section
636 in a calendar year, the department shall so notify the applicant
637 within thirty (30) days with the amount of credits, if any, that
638 may be allocated to the applicant in the calendar year. Once the
639 department has allocated credits to a taxpayer, if the
640 contribution for which a credit is allocated has not been made as
641 of the date of the allocation, then the contribution must be made
642 not later than sixty (60) days from the date of the allocation.
643 If the contribution is not made within such time period, the



644 allocation shall be cancelled and returned to the department for
645 reallocation. Upon final documentation of the contributions, if
646 the actual dollar amount of the contributions is lower than the
647 amount estimated, the department shall adjust the tax credit
648 allowed under this section.

649 (b) For the purposes of using a tax credit against ad
650 valorem taxes assessed and levied on real property, a taxpayer
651 shall present to the appropriate tax collector the tax credit
652 documentation provided to the taxpayer by the Department of
653 Revenue, and the tax collector shall apply the tax credit against
654 such ad valorem taxes. The tax collector shall forward the tax
655 credit documentation to the Department of Revenue along with the
656 amount of the tax credit applied against ad valorem taxes, and the
657 department shall disburse funds to the tax collector for the
658 amount of the tax credit applied against ad valorem taxes. Such
659 payments by the Department of Revenue shall be made from current
660 tax collections.

661 (10) The aggregate amount of tax credits that may be
662 allocated by the department under this section during a calendar
663 year shall not exceed Three Million Five Hundred Thousand Dollars
664 (\$3,500,000.00). However, for calendar year 2023, and for each
665 calendar year thereafter through calendar year 2024, the aggregate
666 amount of tax credits that may be allocated by the department
667 under this section during a calendar year shall not exceed Ten
668 Million Dollars (\$10,000,000.00), and for calendar year 2025, and



669 for each calendar year thereafter, the aggregate amount of tax
670 credits that may be allocated by the department under this section
671 during a calendar year shall not exceed Seven Million Dollars
672 (\$7,000,000.00). For credits allocated during a calendar year for
673 contributions to eligible charitable organizations, no more than
674 twenty-five percent (25%) of such credits may be allocated for
675 contributions to a single eligible charitable organization;
676 however, credits not allocated before June 1, may be allocated
677 without regard to such restriction for the same calendar year.

678 **SECTION 5.** Section 27-7-22.47, Mississippi Code of 1972, is
679 amended as follows:

680 27-7-22.47. (1) For the purposes of this section, the
681 following words and phrases shall have the meanings ascribed in
682 this section unless the context clearly indicates otherwise:

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

684 (b) "Eligible transitional home organization" means an
685 organization that is exempt from federal income taxation under
686 Section 501(c)(3) of the Internal Revenue Code that provides
687 transitional housing for homeless persons age twenty-five (25) and
688 under, homeless families and/or homeless and/or referred unwed
689 pregnant women.

690 "Eligible transitional home organization" does not include
691 any entity that provides, pays for or provides coverage of
692 abortions or that financially supports any other entity that
693 provides, pays for or provides coverage of abortions.



694 "Eligible transitional home organization" does not include
695 any entity that charges a fee for the services and/or benefits it
696 provides as an eligible transitional home organization. The
697 prohibition against charging a fee for services and/or benefits is
698 limited to services and benefits the entity provides as an
699 eligible transitional home organization and does not apply to any
700 other services and/or benefits the entity may provide to persons
701 not being served by the entity's transitional home services.

702 (c) "Transitional housing" means temporary housing the
703 purpose of which is to provide homeless persons age twenty-five
704 (25) and under, homeless families and/or homeless and/or referred
705 unwed pregnant women with temporary shelter and facilitate their
706 movement to permanent housing within an amount of time that the
707 eligible transitional home organization determines to be
708 appropriate.

709 "Transitional housing" includes a program designed by the
710 eligible transitional home organization that offers structure,
711 supervision, support, life skills, education and training as the
712 eligible transitional home organization determines to be
713 appropriate for each individual and/or family to achieve and/or
714 maintain independence.

715 (2) (a) (i) The tax credit authorized in this subsection
716 shall be available only to a taxpayer who is a business enterprise
717 engaged in commercial, industrial or professional activities and
718 operating as a corporation, limited liability company, partnership



719 or sole proprietorship. Except as otherwise provided in this
720 subsection, a credit is allowed against the taxes imposed by
721 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
722 cash contributions made by a taxpayer during the taxable year to
723 an eligible transitional home organization. A credit is also
724 allowed against ad valorem taxes assessed and levied on real
725 property for voluntary cash contributions made by the taxpayer
726 during the taxable year to an eligible transitional home
727 organization. The amount of credit that may be utilized by a
728 taxpayer in a taxable year shall be limited to an amount not to
729 exceed fifty percent (50%) of the total tax liability of the
730 taxpayer for the taxes imposed by such sections of law and an
731 amount not to exceed fifty percent (50%) of the total tax
732 liability of the taxpayer for ad valorem taxes assessed and levied
733 on real property. Any tax credit claimed under this subsection
734 but not used in any taxable year may be carried forward for five
735 (5) consecutive years from the close of the tax year in which the
736 credits were earned.

737 (ii) A contribution to an eligible transitional
738 home organization for which a credit is claimed under this
739 subsection does not qualify for and shall not be included in any
740 credit that may be claimed under subsection (3) of this section.

741 (iii) A contribution for which a credit is claimed
742 under this subsection may not be used as a deduction by the
743 taxpayer for state income tax purposes.



(b) Taxpayers taking a credit authorized by this subsection shall provide the name of the eligible transitional home organization and the amount of the contribution to the department on forms provided by the department.

(c) An eligible transitional home organization shall provide the department with a written certification that it meets all criteria to be considered an eligible transitional home organization. The organization shall also notify the department of any changes that may affect eligibility under this section.

(d) The eligible transitional home organization's written certification must be signed by an officer of the organization under penalty of perjury. The written certification shall include the following:

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

(ii) Information about the facilities that demonstrate the applicant's ability to provide housing for homeless persons age twenty-five (25) and under, homeless families, and/or homeless and/or referred unwed pregnant women;

(iii) Sufficient materials to document the program of the applicant that demonstrate that the applicant has and runs a program that offers structure, supervision, support, life skills, education and training as the eligible transitional home organization determines to be appropriate for each individual and/or family to achieve and/or maintain independence;



(iv) A statement that the organization does not charge a fee for services or benefits provided in whole or in part by its transitional housing program; and

(v) Any other information that the department requires to administer this section.

(e) The department shall review each written certification and determine whether the organization meets all the criteria to be considered an eligible transitional home organization and notify the organization of its determination. The department may also periodically request recertification from the organization. The department shall compile and make available to the public a list of eligible transitional home organizations.

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

(g) (i) A taxpayer shall apply for credits with the department on forms prescribed by the department. In the application the taxpayer shall certify to the department the dollar amount of the contributions made or to be made during the calendar year. Within thirty (30) days after the receipt of an application, the department shall allocate credits based on the



dollar amount of contributions as certified in the application. However, if the department cannot allocate the full amount of credits certified in the application due to the limit on the aggregate amount of credits that may be awarded under this subsection in a calendar year, the department shall so notify the applicant within thirty (30) days with the amount of credits, if any, that may be allocated to the applicant in the calendar year. Once the department has allocated credits to a taxpayer, if the contribution for which a credit is allocated has not been made as of the date of the allocation, then the contribution must be made not later than sixty (60) days from the date of the allocation. If the contribution is not made within such time period, the allocation shall be cancelled and returned to the department for reallocation. Upon final documentation of the contributions, if the actual dollar amount of the contributions is lower than the amount estimated, the department shall adjust the tax credit allowed under this subsection.

(ii) For the purposes of using a tax credit against ad valorem taxes assessed and levied on real property, a taxpayer shall present to the appropriate tax collector the tax credit documentation provided to the taxpayer by the Department of Revenue, and the tax collector shall apply the tax credit against such ad valorem taxes. The tax collector shall forward the tax credit documentation to the Department of Revenue along with the amount of the tax credit applied against ad valorem taxes, and the



819 department shall disburse funds to the tax collector for the
820 amount of the tax credit applied against ad valorem taxes. Such
821 payments by the Department of Revenue shall be made from current
822 tax collections.

823 (h) The aggregate amount of tax credits that may be
824 allocated by the department under this subsection during a
825 calendar year shall not exceed Ten Million Dollars
826 (\$10,000,000.00). However, for calendar year 2025, and for each
827 calendar year thereafter, the aggregate amount of tax credits that
828 may be allocated by the department under this subsection during a
829 calendar year shall not exceed Five Million Five Hundred Thousand
830 Dollars (\$5,500,000.00).

831 For credits allocated during a calendar year for
832 contributions to eligible transitional home organizations, no more
833 than twenty-five percent (25%) of such credits may be allocated
834 for contributions to a single eligible transitional home
835 organization.

836 (3) (a) (i) Except as otherwise provided in this
837 subsection, a credit is allowed against the taxes imposed by this
838 chapter for voluntary cash contributions by an individual taxpayer
839 during the taxable year to an eligible transitional home
840 organization. A credit is also allowed against ad valorem taxes
841 assessed and levied on real property for voluntary cash
842 contributions made by an individual taxpayer during the taxable
843 year to an eligible transitional home organization. The amount of



credit that may be utilized by a taxpayer in a taxable year shall be limited to an amount not to exceed fifty percent (50%) of the total tax liability of the taxpayer for the taxes imposed by this chapter and 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 tax credit claimed under this subsection but not used in any taxable year may be carried forward for five (5) consecutive years from the close of the tax year in which the credits were earned.

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

(iii) A contribution to an eligible transitional home organization for which a credit is claimed under this subsection does not qualify for and shall not be included in any credit that may be claimed under subsection (2) of this section.

(iv) A contribution for which a credit is claimed under this subsection may not be used as a deduction by the taxpayer for state income tax purposes.

(b) Taxpayers taking a credit authorized by this subsection shall provide the name of the eligible transitional home organization and the amount of the contribution to the department on forms provided by the department.



868 (c) An eligible transitional home organization shall
869 provide the department with a written certification that it meets
870 all criteria to be considered an eligible transitional home
871 organization. The organization shall also notify the department
872 of any changes that may affect eligibility under this section.

873 (d) The eligible transitional housing organization's
874 written certification must be signed by an officer of the
875 organization under penalty of perjury. The written certification
876 shall include the following:

877 (i) Verification of the organization's status
878 under Section 501(c)(3) of the Internal Revenue Code;

879 (ii) Information about the facilities that
880 demonstrate the applicant's ability to provide housing for
881 homeless persons age twenty-five (25) and under, homeless
882 families, and/or homeless and/or referred unwed pregnant women;

883 (iii) Sufficient materials to document the program
884 of the applicant that demonstrate that the applicant has and runs
885 a program that offers structure, supervision, support, life
886 skills, education and training as the eligible transitional home
887 organization determines to be appropriate for each individual
888 and/or family to achieve and/or maintain independence;

889 (iv) A statement that the organization does not
890 charge a fee for services or benefits provided in whole or in part
891 by its transitional housing program; and



892 (v) Any other information that the department
893 requires to administer this section.

894 (e) The department shall review each written
895 certification and determine whether the organization meets all the
896 criteria to be considered an eligible transitional home
897 organization and notify the organization of its determination.
898 The department may also periodically request recertification from
899 the organization. The department shall compile and make available
900 to the public a list of eligible transitional home organizations.

901 (f) (i) A taxpayer shall apply for credits with the
902 department on forms prescribed by the department. In the
903 application the taxpayer shall certify to the department the
904 dollar amount of the contributions made or to be made during the
905 calendar year. Within thirty (30) days after the receipt of an
906 application, the department shall allocate credits based on the
907 dollar amount of contributions as certified in the application.
908 However, if the department cannot allocate the full amount of
909 credits certified in the application due to the limit on the
910 aggregate amount of credits that may be awarded under this
911 subsection in a calendar year, the department shall so notify the
912 applicant within thirty (30) days with the amount of credits, if
913 any, that may be allocated to the applicant in the calendar year.
914 Once the department has allocated credits to a taxpayer, if the
915 contribution for which a credit is allocated has not been made as
916 of the date of the allocation, then the contribution must be made



not later than sixty (60) days from the date of the allocation. If the contribution is not made within such time period, the allocation shall be cancelled and returned to the department for reallocation. Upon final documentation of the contributions, if the actual dollar amount of the contributions is lower than the amount estimated, the department shall adjust the tax credit allowed under this subsection.

(ii) For the purposes of using a tax credit against ad valorem taxes assessed and levied on real property, a taxpayer shall present to the appropriate tax collector the tax credit documentation provided to the taxpayer by the Department of Revenue, and the tax collector shall apply the tax credit against such ad valorem taxes. The tax collector shall forward the tax credit documentation to the Department of Revenue along with the amount of the tax credit applied against ad valorem taxes, and the department shall disburse funds to the tax collector for the amount of the tax credit applied against ad valorem taxes. Such payments by the Department of Revenue shall be made from current tax collections.

(g) The aggregate amount of tax credits that may be allocated by the department under this subsection during a calendar year shall not exceed One Million Dollars (\$1,000,000.00).

SECTION 6. Section 27-7-22.48, Mississippi Code of 1972, is amended as follows:



27-7-22.48. (1) (a) For the purposes of this section, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(i) "Department" means the Department of Revenue.

(ii) "Eligible charitable organization" means an organization that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and spends at least fifty percent (50%) of its budget on contracting or making other agreements or arrangements with physicians and/or nurse practitioners to provide health care services to low-income residents of this state including those who are mothers and to their households.

"Eligible charitable organization" does not include any entity that provides, pays for or provides coverage of abortions or that financially supports any other entity that provides, pays for or provides coverage of abortions.

(iii) "Low-income residents" means persons whose household income does not exceed one hundred eighty-five percent (185%) of the federal poverty level converted to a modified adjusted gross income equivalent standard.

(iv) "Nurse practitioner" means a nurse practitioner certified under Section 73-15-20, Mississippi Code of 1972.



965 (v) "Physician" means an individual licensed to
966 practice medicine or osteopathic medicine under Section 73-25-1 et
967 seq., Mississippi Code of 1972.

968 (2) (a) (i) The tax credit authorized in this subsection
969 shall be available only to a taxpayer who is a business enterprise
970 engaged in commercial, industrial or professional activities and
971 operating as a corporation, limited liability company, partnership
972 or sole proprietorship. Except as otherwise provided in this
973 subsection, a credit is allowed against the taxes imposed by
974 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
975 cash contributions made by a taxpayer during the taxable year to
976 an eligible charitable organization. A credit is also allowed
977 against ad valorem taxes assessed and levied on real property for
978 voluntary cash contributions made by the taxpayer during the
979 taxable year to an eligible charitable organization. The amount
980 of credit that may be utilized by a taxpayer in a taxable year
981 shall be limited to an amount not to exceed fifty percent (50%) of
982 the total tax liability of the taxpayer for the taxes imposed by
983 such sections of law and an amount not to exceed fifty percent
984 (50%) of the total tax liability of the taxpayer for ad valorem
985 taxes assessed and levied on real property. Any tax credit
986 claimed under this subsection but not used in any taxable year may
987 be carried forward for five (5) consecutive years from the close
988 of the tax year in which the credits were earned.



989 (ii) A contribution to an eligible charitable
990 organization for which a credit is claimed under this subsection
991 does not qualify for and shall not be included in any credit that
992 may be claimed under subsection (3) of this section.

993 (iii) A contribution for which a credit is claimed
994 under this subsection may not be used as a deduction by the
995 taxpayer for state income tax purposes.

996 (b) Taxpayers taking a credit authorized by this
997 subsection shall provide the name of the eligible charitable
998 organization and the amount of the contribution to the department
999 on forms provided by the department.

1000 (c) An eligible charitable organization shall provide
1001 the department with a written certification that it meets all
1002 criteria to be considered an eligible charitable organization.
1003 The organization shall also notify the department of any changes
1004 that may affect eligibility under this subsection.

1005 (d) The eligible charitable organization's written
1006 certification must be signed by an officer of the organization
1007 under penalty of perjury. The written certification shall include
1008 the following:

1009 (i) Verification of the organization's status
1010 under Section 501(c)(3) of the Internal Revenue Code;

1011 (ii) A statement that the organization does not
1012 provide, pay for or provide coverage of abortions and does not



1013 financially support any other entity that provides, pays for or
1014 provides coverage of abortions;

1015 (iii) Any other information that the department
1016 requires to administer this subsection.

1017 (e) The department shall review each written
1018 certification and determine whether the organization meets all the
1019 criteria to be considered an eligible charitable organization and
1020 notify the organization of its determination. The department may
1021 also periodically request recertification from the organization.
1022 The department shall compile and make available to the public a
1023 list of eligible charitable organizations.

1024 (f) Tax credits authorized by this subsection that are
1025 earned by a partnership, limited liability company, S corporation
1026 or other similar pass-through entity, shall be allocated among all
1027 partners, members or shareholders, respectively, either in
1028 proportion to their ownership interest in such entity or as the
1029 partners, members or shareholders mutually agree as provided in an
1030 executed document.

1031 (g) (i) A taxpayer shall apply for credits with the
1032 department on forms prescribed by the department. In the
1033 application the taxpayer shall certify to the department the
1034 dollar amount of the contributions made or to be made during the
1035 calendar year. Within thirty (30) days after the receipt of an
1036 application, the department shall allocate credits based on the
1037 dollar amount of contributions as certified in the application.



1038 However, if the department cannot allocate the full amount of
1039 credits certified in the application due to the limit on the
1040 aggregate amount of credits that may be awarded under this
1041 subsection in a calendar year, the department shall so notify the
1042 applicant within thirty (30) days with the amount of credits, if
1043 any, that may be allocated to the applicant in the calendar year.
1044 Once the department has allocated credits to a taxpayer, if the
1045 contribution for which a credit is allocated has not been made as
1046 of the date of the allocation, then the contribution must be made
1047 not later than sixty (60) days from the date of the allocation.
1048 If the contribution is not made within such time period, the
1049 allocation shall be cancelled and returned to the department for
1050 reallocation. Upon final documentation of the contributions, if
1051 the actual dollar amount of the contributions is lower than the
1052 amount estimated, the department shall adjust the tax credit
1053 allowed under this subsection.

1054 (ii) For the purposes of using a tax credit
1055 against ad valorem taxes assessed and levied on real property, a
1056 taxpayer shall present to the appropriate tax collector the tax
1057 credit documentation provided to the taxpayer by the Department of
1058 Revenue, and the tax collector shall apply the tax credit against
1059 such ad valorem taxes. The tax collector shall forward the tax
1060 credit documentation to the Department of Revenue along with the
1061 amount of the tax credit applied against ad valorem taxes, and the
1062 department shall disburse funds to the tax collector for the



amount of the tax credit applied against ad valorem taxes. Such payments by the Department of Revenue shall be made from current tax collections.

(h) The aggregate amount of tax credits that may be allocated by the department under this subsection during a calendar year shall not exceed Three Million Dollars (\$3,000,000.00). However, for calendar year 2025, and for each calendar year thereafter, the aggregate amount of tax credits that may be allocated by the department under this subsection during a calendar year shall not exceed One Million Dollars (\$1,000,000.00).

(3) (a) (i) Except as otherwise provided in this subsection, a credit is allowed against the taxes imposed by this chapter for voluntary cash contributions by an individual 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 an amount not to exceed fifty percent (50%) of the total tax liability of the taxpayer for the taxes imposed by this chapter and 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 tax credit claimed under this subsection but not



1088 used in any taxable year may be carried forward for five (5)
1089 consecutive years from the close of the tax year in which the
1090 credits were earned.

1091 (ii) A husband and wife who file separate returns
1092 for a taxable year in which they could have filed a joint return
1093 may each claim only one-half (1/2) of the tax credit that would
1094 have been allowed for a joint return.

1095 (iii) A contribution to an eligible charitable
1096 organization for which a credit is claimed under this subsection
1097 does not qualify for and shall not be included in any credit that
1098 may be claimed under subsection (2) of this section.

1099 (iv) A contribution for which a credit is claimed
1100 under this subsection may not be used as a deduction by the
1101 taxpayer for state income tax purposes.

1102 (b) Taxpayers taking a credit authorized by this
1103 subsection shall provide the name of the eligible charitable
1104 organization and the amount of the contribution to the department
1105 on forms provided by the department.

1106 (c) An eligible charitable organization shall provide
1107 the department with a written certification that it meets all
1108 criteria to be considered an eligible charitable organization.
1109 The organization shall also notify the department of any changes
1110 that may affect eligibility under this subsection.

1111 (d) The eligible charitable organization's written
1112 certification must be signed by an officer of the organization



1113 under penalty of perjury. The written certification shall include
1114 the following:

1115 (i) Verification of the organization's status
1116 under Section 501(c)(3) of the Internal Revenue Code;

1117 (ii) A statement that the organization does not
1118 provide, pay for or provide coverage of abortions and does not
1119 financially support any other entity that provides, pays for or
1120 provides coverage of abortions;

1121 (iii) Any other information that the department
1122 requires to administer this subsection.

1123 (e) The department shall review each written
1124 certification and determine whether the organization meets all the
1125 criteria to be considered an eligible charitable organization and
1126 notify the organization of its determination. The department may
1127 also periodically request recertification from the organization.
1128 The department shall compile and make available to the public a
1129 list of eligible charitable organizations.

1130 (f) (i) A taxpayer shall apply for credits with the
1131 department on forms prescribed by the department. In the
1132 application the taxpayer shall certify to the department the
1133 dollar amount of the contributions made or to be made during the
1134 calendar year. Within thirty (30) days after the receipt of an
1135 application, the department shall allocate credits based on the
1136 dollar amount of contributions as certified in the application.
1137 However, if the department cannot allocate the full amount of



1138 credits certified in the application due to the limit on the
1139 aggregate amount of credits that may be awarded under this
1140 subsection in a calendar year, the department shall so notify the
1141 applicant within thirty (30) days with the amount of credits, if
1142 any, that may be allocated to the applicant in the calendar year.
1143 Once the department has allocated credits to a taxpayer, if the
1144 contribution for which a credit is allocated has not been made as
1145 of the date of the allocation, then the contribution must be made
1146 not later than sixty (60) days from the date of the allocation.
1147 If the contribution is not made within such time period, the
1148 allocation shall be cancelled and returned to the department for
1149 reallocation. Upon final documentation of the contributions, if
1150 the actual dollar amount of the contributions is lower than the
1151 amount estimated, the department shall adjust the tax credit
1152 allowed under this subsection.

1153 (ii) For the purposes of using a tax credit
1154 against ad valorem taxes assessed and levied on real property, a
1155 taxpayer shall present to the appropriate tax collector the tax
1156 credit documentation provided to the taxpayer by the Department of
1157 Revenue, and the tax collector shall apply the tax credit against
1158 such ad valorem taxes. The tax collector shall forward the tax
1159 credit documentation to the Department of Revenue along with the
1160 amount of the tax credit applied against ad valorem taxes, and the
1161 department shall disburse funds to the tax collector for the
1162 amount of the tax credit applied against ad valorem taxes. Such



1163 payments by the Department of Revenue shall be made from current
1164 tax collections.

1165 (g) The aggregate amount of tax credits that may be
1166 allocated by the department under this subsection during a
1167 calendar year shall not exceed One Million Dollars
1168 (\$1,000,000.00). However, for calendar year 2025, and for each
1169 calendar year thereafter, the aggregate amount of tax credits that
1170 may be allocated by the department under this subsection during a
1171 calendar year shall not exceed Five Hundred Thousand Dollars
1172 (\$500,000.00).

1173 **SECTION 7.** This act shall take effect and be in force from
1174 and after January 1, 2025.

