

By: Senator(s) Horhn

To: Housing; Finance

## SENATE BILL NO. 2253

1 AN ACT TO ENACT THE MISSISSIPPI WORKFORCE HOUSING TAX CREDIT  
2 ACT; TO PROVIDE A TAX CREDIT AGAINST MISSISSIPPI STATE INCOME TAX,  
3 FRANCHISE TAX OR INSURANCE PREMIUM TAX LIABILITY FOR ELIGIBLE  
4 INVESTORS IN WORKFORCE HOUSE PROJECTS APPROVED BY THE MISSISSIPPI  
5 HOME CORPORATION; TO ESTABLISH STANDARDS FOR QUALIFIED PROJECTS  
6 AND THE TAX CREDIT TO BE ADMINISTERED BY THE MISSISSIPPI HOME  
7 CORPORATION; TO PROVIDE THAT STATE CREDITS SHALL NOT EXCEED  
8 APPLICABLE FEDERAL HOUSING TAX CREDITS AND TO ESTABLISH A STATE  
9 CAP FOR THE CREDITS; TO PROVIDE FOR THE CARRYOVER OF UNUSED  
10 CREDITS; TO REQUIRE REVIEW OF THE PROGRAM; AND FOR RELATED  
11 PURPOSES.

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

13 **SECTION 1.** (1) This section shall be known and may be cited  
14 as the "Mississippi Workforce Housing Tax Credit Act."

15 (2) As used in this section:

16 (a) "Eligibility statement" means a statement  
17 authorized and issued by the Mississippi Home Corporation  
18 certifying that a given project qualifies for the Mississippi  
19 Workforce Housing Tax Credit authorized by this section. The  
20 Mississippi Home Corporation shall promulgate rules establishing  
21 criteria upon which the eligibility statements will be issued.  
22 The eligibility statement shall specify the amount of Mississippi



23 Workforce Housing Tax Credits certificated or allocated to a  
24 qualified project. The Mississippi Home Corporation shall only  
25 authorize the tax credits created by this section to qualified  
26 projects which are placed in service after July 1, 2025, but which  
27 shall not be used to reduce tax liability accruing prior to  
28 January 1, 2025.

29 (b) "Federal housing tax credit" means the federal tax  
30 credit as provided in Section 42 of the Internal Revenue Code of  
31 1986, as amended.

32 (c) "Mississippi Workforce Housing Tax Credit" means  
33 the tax credit created by this section.

34 (d) "Mississippi Home Corporation" means the public  
35 housing corporation created in Section 43-33-704 et seq.

36 (e) "Qualified project" means a building that meets the  
37 definition in Section 42(c)(2) of the Internal Revenue Code of  
38 1986, as amended.

39 (f) "Taxpayer" means a person, firm or corporation  
40 subject to state income tax, franchise tax or insurance premium  
41 tax.

42 (3) For qualified projects placed in service after July 1,  
43 2024, the amount of state tax credits created by this section  
44 which are certificated or allocated to a project shall not exceed  
45 that of the federal housing tax credits for a qualified project.  
46 The total Mississippi Workforce Housing Tax Credits certificated  
47 or allocated to all qualified projects shall not exceed Four



Million Dollars (\$4,000,000.00) per year. For purposes of this section, the "credit period" shall mean the period of ten (10) taxable years and "placed in service" shall have the same meaning as is applicable under the federal credit program.

(4) A taxpayer owning an interest in an investment in a qualified project shall be allowed Mississippi Workforce Housing Tax Credits under this section for tax years beginning on or after January 1, 2024, if the Mississippi Home Corporation issues an eligibility statement for such project, which tax credit shall be certificated or allocated among some or all of the partners, members or shareholders of the taxpayer owning such interest in any manner agreed to by such partners, members or shareholders. Such taxpayer may assign its interest in the investment.

(5) The credit authorized by this section shall not be used to reduce the tax liability of the taxpayer to less than Zero Dollars (\$0.00).

(6) Any credit claimed but not used in a taxable year may be carried forward five (5) subsequent taxable years.

(7) The owner of a qualified project eligible for the credit authorized by this section shall submit, at the time of filing the tax return with the Department of Revenue, an eligibility statement from the Mississippi Home Corporation. In the case of failure to attach the eligibility statement, no credit under this section shall be allowed with respect to such project for that



72 year until required documents are provided to the Department of  
73 Revenue.

74 (8) If under Section 42 of the Internal Revenue Code of  
75 1986, as amended, a portion of any federal housing credits taken  
76 on a qualified project is required to be recaptured during the  
77 first ten (10) years after a project is placed in service, the  
78 taxpayer claiming Mississippi Workforce Housing Tax Credits with  
79 respect to such project shall also be required to recapture a  
80 portion of such credits. The amount of Mississippi Workforce  
81 Housing Tax Credits subject to recapture shall be proportionally  
82 equal to the amount of federal housing credits subject to  
83 recapture.

84 (9) The Mississippi Home Corporation or the Department of  
85 Revenue may require the filing of additional documentation  
86 necessary to determine the accuracy of a tax credit claimed.

87 (10) This section shall undergo a review every five (5)  
88 years by a committee of nine (9) persons, to be appointed three  
89 (3) persons by the Governor, three (3) persons by the Lieutenant  
90 Governor and three (3) persons by the Speaker of the House of  
91 Representatives.

92 **SECTION 2.** This act shall take effect and be in force from  
93 and after July 1, 2025.

