

By: Representative Powell

To: Rules

HOUSE BILL NO. 1810
(As Sent to Governor)

1 AN ACT TO CREATE "THE RENTAL ASSISTANCE GRANT PROGRAM" TO
 2 DIRECT THE STATE FISCAL OFFICER TO TRANSFER FUNDS FROM THE BUDGET
 3 CONTINGENCY FUND TO THE RENTAL ASSISTANCE GRANT FUND CREATED IN
 4 THIS ACT; TO CREATE THE "RENTAL ASSISTANCE GRANT PROGRAM FUND" AS
 5 A SPECIAL FUND IN THE STATE TREASURY TO BE ADMINISTERED BY THE
 6 MISSISSIPPI DEVELOPMENT AUTHORITY FOR THE PURPOSE OF MAKING GRANTS
 7 AUTHORIZED IN THIS ACT; TO PROVIDE THAT THE MISSISSIPPI
 8 DEVELOPMENT AUTHORITY SHALL ESTABLISH A PROGRAM TO PROVIDE GRANTS
 9 TO ELIGIBLE RENTAL BUSINESSES TO ASSIST IN REIMBURSING LOST RENTAL
 10 INCOME; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY
 11 SHALL DEVELOP PROCEDURES, GUIDELINES AND APPLICATION FORMS TO
 12 GOVERN THE ADMINISTRATION OF THE GRANT PROGRAM; TO PROVIDE THAT
 13 THE USE OF GRANTS SHALL BE SUBJECT TO AUDIT BY THE UNITED STATES
 14 DEPARTMENT OF THE TREASURY'S OFFICE OF INSPECTOR GENERAL AND THE
 15 MISSISSIPPI OFFICE OF THE STATE AUDITOR; TO PROVIDE THAT MONIES IN
 16 THE RENTAL ASSISTANCE GRANT FUND SHALL BE DISBURSED FROM THE FUND
 17 IN COMPLIANCE WITH THE GUIDELINES, GUIDANCE, RULES, REGULATIONS
 18 AND/OR OTHER CRITERIA, AS MAY BE AMENDED FROM TIME TO TIME, OF THE
 19 UNITED STATES DEPARTMENT OF THE TREASURY REGARDING THE USE OF
 20 MONIES FROM THE CORONAVIRUS RELIEF FUND ESTABLISHED BY THE CARES
 21 ACT; TO AUTHORIZE THE MDA TO TRANSFER UNOBLIGATED MONIES IN THE
 22 RENTAL ASSISTANCE GRANT FUND AS OF DECEMBER 15, 2020, TO THE
 23 UNEMPLOYMENT TRUST FUND; TO AMEND SECTION 27-7-15, MISSISSIPPI
 24 CODE OF 1972, AS AMENDED BY CHAPTER 421, LAWS OF 2020 (HOUSE BILL
 25 NO. 1748, 2020 REGULAR SESSION), TO REVISE THE DEFINITION OF THE
 26 TERM "GROSS INCOME" UNDER THE STATE INCOME TAX LAW TO EXCLUDE
 27 AMOUNTS RECEIVED AS GRANTS FROM THE RENTAL ASSISTANCE GRANT FUND;
 28 AND FOR RELATED PURPOSES.

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

30 **SECTION 1.** This act shall be known and may be cited as the
 31 "Rental Assistance Grant Program."



32 **SECTION 2.** Upon the effective date of this act, the State
33 Fiscal Officer shall transfer to the Rental Assistance Grant
34 Program Fund created by Section 2 of this act out of the Budget
35 Contingency Fund (Fund Number
36 6117700000).....\$ 20,000,000.00

37 **SECTION 3.** (1) As used in this section, the following terms
38 shall have the meanings ascribed unless the context otherwise
39 requires:

40 (a) "COVID-19" means the Coronavirus Disease 2019.

41 (b) "CARES Act" means the Coronavirus Aid, Relief, and
42 Economic Security Act.

43 (c) "MDA" means the Mississippi Development Authority.

44 (d) "Eligible rental business" means a for-profit or
45 not-for-profit corporation, a limited liability company, a
46 partnership or a sole proprietorship that (i) is the owner,
47 lessor, or sublessor of a dwelling unit, commercial building or
48 the building of which it is a part in the State of Mississippi,
49 and (ii) filed Mississippi taxes for tax year 2018 or 2019, or,
50 for an eligible business formed on or after January 1, 2020,
51 intends to file Mississippi taxes for tax year 2020, unless exempt
52 under Section 27-7-29, Section 27-13-63 or other applicable
53 provision of law.

54 (e) "Lost rental income" means all payments that were
55 due under a rental agreement to be made to an eligible rental
56 business between March 1, 2020, and December 30, 2020, that were



57 not paid due to the business disruption effects of the public
58 health emergency and eviction moratoria.

59 (2) (a) The Legislature finds and declares that the public
60 health emergency from COVID-19 has caused increased unemployment
61 and wage insecurity in Mississippi, which has made it difficult
62 for many renters to make their rent payments and puts some at risk
63 of becoming homeless, which could mean greater risk of contracting
64 and spreading the coronavirus for families. Further, the
65 Legislature finds and declares that increasing nonpayment of rent
66 is creating a crisis for independent rental businesses and a
67 rising danger of foreclosures. The Legislature further finds and
68 declares that the federal and state eviction moratoria that began
69 in March 2020, and will extend through December 30, 2020, have put
70 rental businesses at risk of losing income necessary to continue
71 their business operations.

72 (b) Eligible rental businesses that can demonstrate
73 lost rental income from March 1, 2020, through December 30, 2020,
74 may apply for a grant of up to Thirty Thousand Dollars
75 (\$30,000.00) to reimburse for lost rental income resulting from
76 the public health emergency and eviction moratoria.

77 (3) (a) The MDA shall establish the Rental Assistance Grant
78 Program for the purpose of making grants to eligible rental
79 businesses pursuant to applications submitted under this
80 subsection, to reimburse their lost rental income.



81 (b) Any eligible rental business desiring to
82 participate in the grant program authorized under this section
83 shall make application for a grant to the MDA in a form
84 satisfactory to the MDA. The application shall include verified
85 documentation, signed under penalty of perjury. The MDA shall not
86 consider applications filed after November 15, 2020. If the MDA
87 determines that allowing applicants to file their applications
88 until November 15, 2020, would not allow the MDA sufficient time
89 to issue all final payments on or before December 14, 2020, the
90 MDA shall set an application deadline before November 15, 2020, to
91 allow the MDA sufficient time to issue all final payments not
92 later than December 14, 2020.

93 (c) The MDA shall not disburse any funds appropriated
94 under this act to any recipient without first: (a) making an
95 individualized determination that the reimbursement sought is, in
96 the MDA's independent judgment, for necessary expenditures
97 incurred due to the public health emergency with respect to
98 COVID-19 as provided under Section 601(d) of the federal Social
99 Security Act as added by Section 5001 of the federal Coronavirus
100 Aid, Relief, and Economic Security (CARES) Act and its
101 implementing guidelines, guidance, rules, regulations and/or other
102 criteria, as may be amended or supplemented from time to time, by
103 the United States Department of the Treasury; and (b) determining
104 that the recipient has not received and will not receive
105 reimbursement for the expense in question from any source of



106 funds, including insurance proceeds, other than those funds
107 provided under Section 601 of the federal Social Security Act as
108 added by Section 5001 of the CARES Act. In addition, the MDA
109 shall ensure that all funds appropriated under this act are
110 disbursed in compliance with the Single Audit Act (31 USC Sections
111 7501-7507) and the related provisions of the Uniform Guidance, 2
112 CFR Section 200.303 regarding internal controls, Sections 200.330
113 through 200.332 regarding subrecipient monitoring and management,
114 and subpart F regarding audit requirements.

115 The use of grants shall further be subject to audit by the
116 Mississippi Office of the State Auditor. A rental business found
117 to be fully or partially noncompliant with grant requirements
118 shall return to the state all or a portion of the grant monies
119 received. Applicants shall confirm their understanding of these
120 terms.

121 (d) The MDA shall develop procedures, guidelines and
122 application forms to govern the administration of the grant
123 program authorized under this section.

124 (4) The grant program authorized under this section shall be
125 subject to the following terms and conditions:

126 (a) The maximum amount of a grant that may be provided
127 to an eligible rental business is Thirty Thousand Dollars
128 (\$30,000.00). Eligible commercial businesses shall not receive
129 more than twenty-five percent (25%) of the total funds
130 appropriated under this program.



131 (b) An eligible rental business that accepts a grant
132 under this section shall consider any rental payments due under a
133 rental agreement at the property for which the grant is made as
134 having been paid in full through December 30, 2020. An eligible
135 rental business that accepts a grant under this section may not
136 evict a tenant from the dwelling unit for nonpayment of rent that
137 accrued between March 1, 2020, and December 30, 2020. Acceptance
138 of grant funds does not prohibit an eligible rental business from
139 beginning eviction proceedings for lawful purposes other than
140 nonpayment of rent that accrued between March 1, 2020, and
141 December 30, 2020, when allowed by law or regulation.

142 (c) Grants awarded under this section shall be
143 protected from creditors.

144 (5) There is created a special fund in the State Treasury,
145 to be known as the "Rental Assistance Grant Program Fund," from
146 which the grants authorized by this section shall be disbursed by
147 the MDA. All monies shall be disbursed from the fund in
148 compliance with the guidelines, guidance, rules, regulations
149 and/or other criteria, as may be amended from time to time, of the
150 United States Department of the Treasury regarding the use of
151 monies from the Coronavirus Relief Fund established by the CARES
152 Act. If on December 15, 2020, there are unobligated monies in the
153 fund, the MDA shall transfer such monies to the Unemployment
154 Compensation Fund.



155 **SECTION 4.** Section 27-7-15, Mississippi Code of 1972, as
156 amended by Section 1, Chapter 421, Laws of 2020 (House Bill No.
157 1748, 2020 Regular Session), is amended as follows:

158 27-7-15. (1) For the purposes of this article, except as
159 otherwise provided, the term "gross income" means and includes the
160 income of a taxpayer derived from salaries, wages, fees or
161 compensation for service, of whatever kind and in whatever form
162 paid, including income from governmental agencies and subdivisions
163 thereof; or from professions, vocations, trades, businesses,
164 commerce or sales, or renting or dealing in property, or
165 reacquired property; also from annuities, interest, rents,
166 dividends, securities, insurance premiums, reinsurance premiums,
167 considerations for supplemental insurance contracts, or the
168 transaction of any business carried on for gain or profit, or
169 gains, or profits, and income derived from any source whatever and
170 in whatever form paid. The amount of all such items of income
171 shall be included in the gross income for the taxable year in
172 which received by the taxpayer. The amount by which an eligible
173 employee's salary is reduced pursuant to a salary reduction
174 agreement authorized under Section 25-17-5 shall be excluded from
175 the term "gross income" within the meaning of this article.

176 (2) In determining gross income for the purpose of this
177 section, the following, under regulations prescribed by the
178 commissioner, shall be applicable:



179 (a) **Dealers in property.** Federal rules, regulations
180 and revenue procedures shall be followed with respect to
181 installment sales unless a transaction results in the shifting of
182 income from inside the state to outside the state.

183 (b) **Casual sales of property.**

184 (i) Prior to January 1, 2001, federal rules,
185 regulations and revenue procedures shall be followed with respect
186 to installment sales except they shall be applied and administered
187 as if H.R. 3594, the Installment Tax Correction Act of 2000 of the
188 106th Congress, had not been enacted. This provision will
189 generally affect taxpayers, reporting on the accrual method of
190 accounting, entering into installment note agreements on or after
191 December 17, 1999. Any gain or profit resulting from the casual
192 sale of property will be recognized in the year of sale.

193 (ii) From and after January 1, 2001, federal
194 rules, regulations and revenue procedures shall be followed with
195 respect to installment sales except as provided in this
196 subparagraph (ii). Gain or profit from the casual sale of
197 property shall be recognized in the year of sale. When a taxpayer
198 recognizes gain on the casual sale of property in which the gain
199 is deferred for federal income tax purposes, a taxpayer may elect
200 to defer the payment of tax resulting from the gain as allowed and
201 to the extent provided under regulations prescribed by the
202 commissioner. If the payment of the tax is made on a deferred
203 basis, the tax shall be computed based on the applicable rate for



204 the income reported in the year the payment is made. Except as
205 otherwise provided in subparagraph (iii) of this paragraph (b),
206 deferring the payment of the tax shall not affect the liability
207 for the tax. If at any time the installment note is sold,
208 contributed, transferred or disposed of in any manner and for any
209 purpose by the original note holder, or the original note holder
210 is merged, liquidated, dissolved or withdrawn from this state,
211 then all deferred tax payments under this section shall
212 immediately become due and payable.

213 (iii) If the selling price of the property is
214 reduced by any alteration in the terms of an installment note,
215 including default by the purchaser, the gain to be recognized is
216 recomputed based on the adjusted selling price in the same manner
217 as for federal income tax purposes. The tax on this amount, less
218 the previously paid tax on the recognized gain, is payable over
219 the period of the remaining installments. If the tax on the
220 previously recognized gain has been paid in full to this state,
221 the return on which the payment was made may be amended for this
222 purpose only. The statute of limitations in Section 27-7-49 shall
223 not bar an amended return for this purpose.

224 (c) **Reserves of insurance companies.** In the case of
225 insurance companies, any amounts in excess of the legally required
226 reserves shall be included as gross income.

227 (d) **Affiliated companies or persons.** As regards sales,
228 exchanges or payments for services from one to another of



229 affiliated companies or persons or under other circumstances where
230 the relation between the buyer and seller is such that gross
231 proceeds from the sale or the value of the exchange or the payment
232 for services are not indicative of the true value of the subject
233 matter of the sale, exchange or payment for services, the
234 commissioner shall prescribe uniform and equitable rules for
235 determining the true value of the gross income, gross sales,
236 exchanges or payment for services, or require consolidated returns
237 of affiliates.

238 (e) **Alimony and separate maintenance payments.** The
239 federal rules, regulations and revenue procedures in determining
240 the deductibility and taxability of alimony payments shall be
241 followed in this state.

242 (f) **Reimbursement for expenses of moving.** There shall
243 be included in gross income (as compensation for services) any
244 amount received or accrued, directly or indirectly, by an
245 individual as a payment for or reimbursement of expenses of moving
246 from one (1) residence to another residence which is attributable
247 to employment or self-employment.

248 (3) In the case of taxpayers other than residents, gross
249 income includes gross income from sources within this state.

250 (4) The words "gross income" do not include the following
251 items of income which shall be exempt from taxation under this
252 article:



253 (a) The proceeds of life insurance policies and
254 contracts paid upon the death of the insured. However, the income
255 from the proceeds of such policies or contracts shall be included
256 in the gross income.

257 (b) The amount received by the insured as a return of
258 premium or premiums paid by him under life insurance policies,
259 endowment, or annuity contracts, either during the term or at
260 maturity or upon surrender of the contract.

261 (c) The value of property acquired by gift, bequest,
262 devise or descent, but the income from such property shall be
263 included in the gross income.

264 (d) Interest upon the obligations of the United States
265 or its possessions, or securities issued under the provisions of
266 the Federal Farm Loan Act of 1916, or bonds issued by the War
267 Finance Corporation, or obligations of the State of Mississippi or
268 political subdivisions thereof.

269 (e) The amounts received through accident or health
270 insurance as compensation for personal injuries or sickness, plus
271 the amount of any damages received for such injuries or such
272 sickness or injuries, or through the War Risk Insurance Act, or
273 any law for the benefit or relief of injured or disabled members
274 of the military or naval forces of the United States.

275 (f) Income received by any religious denomination or by
276 any institution or trust for moral or mental improvements,
277 religious, Bible, tract, charitable, benevolent, fraternal,



278 missionary, hospital, infirmary, educational, scientific,
279 literary, library, patriotic, historical or cemetery purposes or
280 for two (2) or more of such purposes, if such income be used
281 exclusively for carrying out one or more of such purposes.

282 (g) Income received by a domestic corporation which is
283 "taxable in another state" as this term is defined in this
284 article, derived from business activity conducted outside this
285 state. Domestic corporations taxable both within and without the
286 state shall determine Mississippi income on the same basis as
287 provided for foreign corporations under the provisions of this
288 article.

289 (h) In case of insurance companies, there shall be
290 excluded from gross income such portion of actual premiums
291 received from an individual policyholder as is paid back or
292 credited to or treated as an abatement of premiums of such
293 policyholder within the taxable year.

294 (i) Income from dividends that has already borne a tax
295 as dividend income under the provisions of this article, when such
296 dividends may be specifically identified in the possession of the
297 recipient.

298 (j) Amounts paid by the United States to a person as
299 added compensation for hazardous duty pay as a member of the Armed
300 Forces of the United States in a combat zone designated by
301 Executive Order of the President of the United States.



302 (k) Amounts received as retirement allowances,
303 pensions, annuities or optional retirement allowances paid under
304 the federal Social Security Act, the Railroad Retirement Act, the
305 Federal Civil Service Retirement Act, or any other retirement
306 system of the United States government, retirement allowances paid
307 under the Mississippi Public Employees' Retirement System,
308 Mississippi Highway Safety Patrol Retirement System or any other
309 retirement system of the State of Mississippi or any political
310 subdivision thereof. The exemption allowed under this paragraph
311 (k) shall be available to the spouse or other beneficiary at the
312 death of the primary retiree.

313 (l) Amounts received as retirement allowances,
314 pensions, annuities or optional retirement allowances paid by any
315 public or governmental retirement system not designated in
316 paragraph (k) or any private retirement system or plan of which
317 the recipient was a member at any time during the period of his
318 employment. Amounts received as a distribution under a Roth
319 Individual Retirement Account shall be treated in the same manner
320 as provided under the Internal Revenue Code of 1986, as amended.
321 The exemption allowed under this paragraph (l) shall be available
322 to the spouse or other beneficiary at the death of the primary
323 retiree.

324 (m) National Guard or Reserve Forces of the United
325 States compensation not to exceed the aggregate sum of Five
326 Thousand Dollars (\$5,000.00) for any taxable year through the 2005



327 taxable year, and not to exceed the aggregate sum of Fifteen
328 Thousand Dollars (\$15,000.00) for any taxable year thereafter.

329 (n) Compensation received for active service as a
330 member below the grade of commissioned officer and so much of the
331 compensation as does not exceed the maximum enlisted amount
332 received for active service as a commissioned officer in the Armed
333 Forces of the United States for any month during any part of which
334 such members of the Armed Forces (i) served in a combat zone as
335 designated by Executive Order of the President of the United
336 States or a qualified hazardous duty area as defined by federal
337 law, or both; or (ii) was hospitalized as a result of wounds,
338 disease or injury incurred while serving in such combat zone. For
339 the purposes of this paragraph (n), the term "maximum enlisted
340 amount" means and has the same definition as that term has in 26
341 USCS 112.

342 (o) The proceeds received from federal and state
343 forestry incentive programs.

344 (p) The amount representing the difference between the
345 increase of gross income derived from sales for export outside the
346 United States as compared to the preceding tax year wherein gross
347 income from export sales was highest, and the net increase in
348 expenses attributable to such increased exports. In the absence
349 of direct accounting, the ratio of net profits to total sales may
350 be applied to the increase in export sales. This paragraph (p)
351 shall only apply to businesses located in this state engaging in



352 the international export of Mississippi goods and services. Such
353 goods or services shall have at least fifty percent (50%) of value
354 added at a location in Mississippi.

355 (q) Amounts paid by the federal government for the
356 construction of soil conservation systems as required by a
357 conservation plan adopted pursuant to 16 USCS 3801 et seq.

358 (r) The amount deposited in a medical savings account,
359 and any interest accrued thereon, that is a part of a medical
360 savings account program as specified in the Medical Savings
361 Account Act under Sections 71-9-1 through 71-9-9; provided,
362 however, that any amount withdrawn from such account for purposes
363 other than paying eligible medical expense or to procure health
364 coverage shall be included in gross income.

365 (s) Amounts paid by the Mississippi Soil and Water
366 Conservation Commission from the Mississippi Soil and Water
367 Cost-Share Program for the installation of water quality best
368 management practices.

369 (t) Dividends received by a holding corporation, as
370 defined in Section 27-13-1, from a subsidiary corporation, as
371 defined in Section 27-13-1.

372 (u) Interest, dividends, gains or income of any kind on
373 any account in the Mississippi Affordable College Savings Trust
374 Fund, as established in Sections 37-155-101 through 37-155-125, to
375 the extent that such amounts remain on deposit in the MACS Trust



376 Fund or are withdrawn pursuant to a qualified withdrawal, as
377 defined in Section 37-155-105.

378 (v) Interest, dividends or gains accruing on the
379 payments made pursuant to a prepaid tuition contract, as provided
380 for in Section 37-155-17.

381 (w) Income resulting from transactions with a related
382 member where the related member subject to tax under this chapter
383 was required to, and did in fact, add back the expense of such
384 transactions as required by Section 27-7-17(2). Under no
385 circumstances may the exclusion from income exceed the deduction
386 add-back of the related member, nor shall the exclusion apply to
387 any income otherwise excluded under this chapter.

388 (x) Amounts that are subject to the tax levied pursuant
389 to Section 27-7-901, and are paid to patrons by gaming
390 establishments licensed under the Mississippi Gaming Control Act.

391 (y) Amounts that are subject to the tax levied pursuant
392 to Section 27-7-903, and are paid to patrons by gaming
393 establishments not licensed under the Mississippi Gaming Control
394 Act.

395 (z) Interest, dividends, gains or income of any kind on
396 any account in a qualified tuition program and amounts received as
397 distributions under a qualified tuition program shall be treated
398 in the same manner as provided under the United States Internal
399 Revenue Code, as amended. For the purposes of this paragraph (z),



400 the term "qualified tuition program" means and has the same
401 definition as that term has in 26 USCS 529.

402 (aa) The amount deposited in a health savings account,
403 and any interest accrued thereon, that is a part of a health
404 savings account program as specified in the Health Savings
405 Accounts Act created in Sections 83-62-1 through 83-62-9; however,
406 any amount withdrawn from such account for purposes other than
407 paying qualified medical expenses or to procure health coverage
408 shall be included in gross income, except as otherwise provided by
409 Sections 83-62-7 and 83-62-9.

410 (bb) Amounts received as qualified disaster relief
411 payments shall be treated in the same manner as provided under the
412 United States Internal Revenue Code, as amended.

413 (cc) Amounts received as a "qualified Hurricane Katrina
414 distribution" as defined in the United States Internal Revenue
415 Code, as amended.

416 (dd) Amounts received by an individual which may be
417 excluded from income as foreign earned income for federal income
418 tax purposes.

419 (ee) Amounts received by a qualified individual,
420 directly or indirectly, from an employer or nonprofit housing
421 organization that are qualified housing expenses associated with
422 an employer-assisted housing program. For purposes of this
423 paragraph (ee):



424 (i) "Qualified individual" means any individual
425 whose household income does not exceed one hundred twenty percent
426 (120%) of the area median gross income (as defined by the United
427 States Department of Housing and Urban Development), adjusted for
428 household size, for the area in which the housing is located.

429 (ii) "Nonprofit housing organization" means an
430 organization that is organized as a not-for-profit organization
431 under the laws of this state or another state and has as one of
432 its purposes:

433 1. Homeownership education or counseling;
434 2. The development of affordable housing; or
435 3. The development or administration of
436 employer-assisted housing programs.

437 (iii) "Employer-assisted housing program" means a
438 separate written plan of any employer (including, without
439 limitation, tax-exempt organizations and public employers) for the
440 exclusive benefit of the employer's employees to pay qualified
441 housing expenses to assist the employer's employees in securing
442 affordable housing.

443 (iv) "Qualified housing expenses" means:

444 1. With respect to rental assistance, an
445 amount not to exceed Two Thousand Dollars (\$2,000.00) paid for the
446 purpose of assisting employees with security deposits and rental
447 subsidies; and



448 2. With respect to homeownership assistance,
449 an amount not to exceed the lesser of Ten Thousand Dollars
450 (\$10,000.00) or six percent (6%) of the purchase price of the
451 employee's principal residence that is paid for the purpose of
452 assisting employees with down payments, payment of closing costs,
453 reduced interest mortgages, mortgage guarantee programs, mortgage
454 forgiveness programs, equity contribution programs, or
455 contributions to homebuyer education and/or homeownership
456 counseling of eligible employees.

457 (ff) For the 2010 taxable year and any taxable year
458 thereafter, amounts converted in accordance with the United States
459 Internal Revenue Code, as amended, from a traditional Individual
460 Retirement Account to a Roth Individual Retirement Account. The
461 exemption allowed under this paragraph (ff) shall be available to
462 the spouse or other beneficiary at the death of the primary
463 retiree.

464 (gg) Amounts received for the performance of disaster
465 or emergency-related work as defined in Section 27-113-5.

466 (hh) The amount deposited in a catastrophe savings
467 account established under Sections 27-7-1001 through 27-7-1007,
468 interest income earned on the catastrophe savings account, and
469 distributions from the catastrophe savings account; however, any
470 amount withdrawn from a catastrophe savings account for purposes
471 other than paying qualified catastrophe expenses shall be included



472 in gross income, except as otherwise provided by Sections
473 27-7-1001 through 27-7-1007.

474 (ii) Interest, dividends, gains or income of any kind
475 on any account in the Mississippi Achieving a Better Life
476 Experience (ABLE) Trust Fund, as established in Chapter 28, Title
477 43, to the extent that such amounts remain on deposit in the ABLE
478 Trust Fund or are withdrawn pursuant to a qualified withdrawal, as
479 defined in Section 43-28-11.

480 (jj) Subject to the limitations provided under Section
481 27-7-1103, amounts deposited into a first-time homebuyer savings
482 account and any interest or other income earned attributable to an
483 account and monies or funds withdrawn or distributed from an
484 account for the payment of eligible costs by or on behalf of a
485 qualified beneficiary; however, any monies or funds withdrawn or
486 distributed from a first-time homebuyer savings account for any
487 purpose other than the payment of eligible costs by or on behalf
488 of a qualified beneficiary shall be included in gross income. For
489 the purpose of this paragraph (jj), the terms "first-time
490 homebuyer savings account," "eligible costs" and "qualified
491 beneficiary" mean and have the same definitions as such terms have
492 in Section 27-7-1101.

493 (kk) Amounts paid by an agricultural disaster program
494 as compensation to an agricultural producer, cattle farmer or
495 cattle rancher who has suffered a loss as the result of a disaster



496 or emergency, including, but not limited to, the following United
497 States Department of Agriculture programs:

498 (i) Livestock Forage Disaster Program;

499 (ii) Livestock Indemnity Program;

500 (iii) Emergency Assistance for Livestock, Honey
501 Bees and Farm-raised Fish Program;

502 (iv) Emergency Conservation Program;

503 (v) Noninsured Crop Disaster Assistance Program;

504 (vi) Pasture, Rangeland, Forage Pilot Insurance
505 Program;

506 (vii) Annual Forage Pilot Program;

507 (viii) Livestock Risk Protection Insurance
508 Program; and

509 (ix) Livestock Gross Margin Insurance Plan.

510 (ll) Amounts received as advances and/or grants under
511 the federal Coronavirus Aid, Relief, and Economic Security Act.

512 (mm) Any and all cancelled indebtedness provided for
513 under the Coronavirus Aid, Relief, and Economic Security Act.

514 (nn) Amounts received as payments under Section 4 of
515 Senate Bill No. 2772, 2020 Regular Session.

516 (oo) Amounts received as grants under the 2020 COVID-19
517 Mississippi Business Assistance Act.

518 (pp) Amounts received as grants under Section 3 of
519 House Bill No. 1810, 2020 Regular Session.

520 (5) Prisoners of war, missing in action-taxable status.



521 (a) **Members of the Armed Forces.** Gross income does not
522 include compensation received for active service as a member of
523 the Armed Forces of the United States for any month during any
524 part of which such member is in a missing status, as defined in
525 paragraph (d) of this subsection, during the Vietnam Conflict as a
526 result of such conflict.

527 (b) **Civilian employees.** Gross income does not include
528 compensation received for active service as an employee for any
529 month during any part of which such employee is in a missing
530 status during the Vietnam Conflict as a result of such conflict.

531 (c) **Period of conflict.** For the purpose of this
532 subsection, the Vietnam Conflict began February 28, 1961, and ends
533 on the date designated by the President by Executive Order as the
534 date of the termination of combatant activities in Vietnam. For
535 the purpose of this subsection, an individual is in a missing
536 status as a result of the Vietnam Conflict if immediately before
537 such status began he was performing service in Vietnam or was
538 performing service in Southeast Asia in direct support of military
539 operations in Vietnam. "Southeast Asia," as used in this
540 paragraph, is defined to include Cambodia, Laos, Thailand and
541 waters adjacent thereto.

542 (d) "Missing status" means the status of an employee or
543 member of the Armed Forces who is in active service and is
544 officially carried or determined to be absent in a status of (i)
545 missing; (ii) missing in action; (iii) interned in a foreign



546 country; (iv) captured, beleaguered or besieged by a hostile
547 force; or (v) detained in a foreign country against his will; but
548 does not include the status of an employee or member of the Armed
549 Forces for a period during which he is officially determined to be
550 absent from his post of duty without authority.

551 (e) "Active service" means active federal service by an
552 employee or member of the Armed Forces of the United States in an
553 active duty status.

554 (f) "Employee" means one who is a citizen or national
555 of the United States or an alien admitted to the United States for
556 permanent residence and is a resident of the State of Mississippi
557 and is employed in or under a federal executive agency or
558 department of the Armed Forces.

559 (g) "Compensation" means (i) basic pay; (ii) special
560 pay; (iii) incentive pay; (iv) basic allowance for quarters; (v)
561 basic allowance for subsistence; and (vi) station per diem
562 allowances for not more than ninety (90) days.

563 (h) If refund or credit of any overpayment of tax for
564 any taxable year resulting from the application of this subsection
565 (5) is prevented by the operation of any law or rule of law, such
566 refund or credit of such overpayment of tax may, nevertheless, be
567 made or allowed if claim therefor is filed with the Department of
568 Revenue within three (3) years after the date of the enactment of
569 this subsection.



570 (i) The provisions of this subsection shall be
571 effective for taxable years ending on or after February 28, 1961.

572 (6) A shareholder of an S corporation, as defined in Section
573 27-8-3(1)(g), shall take into account the income, loss, deduction
574 or credit of the S corporation only to the extent provided in
575 Section 27-8-7(2).

576 **SECTION 5.** Section 4 of this act shall take effect and be in
577 force from and after January 1, 2020, and the remainder of this
578 act shall take effect and be in force from and after its passage.

