

By: Representative Clark

To: Ways and Means

HOUSE BILL NO. 204

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR CERTAIN
2 TAXPAYERS WHO INCUR CHILD CARE EXPENSES FOR A DEPENDENT CHILD TO
3 ATTEND A CHILD CARE CENTER THAT IS QUALIFIED AS A STANDARD CHILD
4 CARE CENTER OR COMPREHENSIVE CHILD CARE CENTER UNDER THE
5 MISSISSIPPI DEPARTMENT OF HUMAN SERVICES VOLUNTARY CHILD CARE
6 PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX CREDIT; TO AUTHORIZE
7 A REFUNDABLE INCOME TAX CREDIT FOR A TAXPAYER WHO IS QUALIFIED AS
8 A STANDARD CHILD CARE CENTER OR COMPREHENSIVE CHILD CARE CENTER
9 UNDER THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES VOLUNTARY CHILD
10 CARE PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX CREDIT; TO
11 AUTHORIZE A REFUNDABLE INCOME TAX CREDIT FOR A TAXPAYER WHO IS
12 EMPLOYED AS A TEACHER OR DIRECTOR WITH A CHILD CARE CENTER THAT IS
13 QUALIFIED AS A STANDARD CHILD CARE CENTER OR COMPREHENSIVE CHILD
14 CARE CENTER UNDER THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES
15 VOLUNTARY CHILD CARE PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX
16 CREDIT; TO AUTHORIZE AN INCOME TAX CREDIT FOR A TAXPAYER WHO
17 DONATES FUNDS TO A CHILD CARE CENTER THAT IS QUALIFIED AS A
18 STANDARD CHILD CARE CENTER OR COMPREHENSIVE CHILD CARE CENTER
19 UNDER THE MISSISSIPPI DEPARTMENT OF HUMAN SERVICES VOLUNTARY CHILD
20 CARE PROGRAM; TO PROVIDE FOR THE AMOUNT OF THE TAX CREDIT; AND FOR
21 RELATED PURPOSES.

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

23 **SECTION 1.** (1) A taxpayer shall be allowed a credit against
24 the taxes imposed under this chapter for child care expenses paid
25 for a dependent child of the taxpayer as provided in this section.
26 In order to be eligible for the credit (a) the taxpayer's income
27 or the taxpayer's family income, as the case may be, must not



28 exceed four hundred percent (400%) of the federal poverty level
29 for the year for which a credit is claimed, (b) the dependent
30 child for which a credit is claimed must have attended a
31 qualifying child care center for not less than eight (8) months
32 during the year for which the credit is claimed and have been
33 under six (6) years of age while attending the center and (c) the
34 child care expenses for which a credit is claimed must have been
35 incurred for such child to attend a child care center that is
36 qualified as a standard child care center or comprehensive child
37 care center under the Mississippi Department of Human Services
38 voluntary child care program.

39 (2) The amount of the credit authorized in this section
40 shall be Seven Hundred Fifty Dollars (\$750.00) for each dependent
41 child for which a credit is claimed under this section. Except as
42 otherwise provided in this section, the tax credit shall not
43 exceed the amount of tax imposed upon the taxpayer for the taxable
44 year reduced by the sum of all other credits allowable to the
45 taxpayer under this chapter, except credit for tax payments made
46 by or on behalf of the taxpayer. However, if the taxpayer's
47 income or the taxpayer's family income, as the case may be, is
48 less than two hundred fifty percent (250%) of the federal poverty
49 level for the year for which the credit is claimed, then the
50 taxpayer shall receive a refund from the Department of Revenue for
51 the amount of such excess credit. Any tax credit claimed under
52 this section but not used in any taxable year may be carried



53 forward for five (5) consecutive years from the close of the tax
54 year in which the credit was earned.

55 **SECTION 2.** (1) A taxpayer who is qualified as a standard
56 child care center or comprehensive child care center under the
57 Mississippi Department of Human Services voluntary child care
58 program shall be allowed a refundable credit against the taxes
59 imposed under this chapter as provided in this section.

60 (2) (a) The amount of the credit for a taxpayer who is
61 qualified as a standard child care center shall be the lesser of
62 Five Hundred Dollars (\$500.00) multiplied by the average monthly
63 number of children attending the child care center during the year
64 for which the credit is claimed or Fifteen Thousand Dollars
65 (\$15,000.00). The amount of the credit for a taxpayer who is
66 qualified as a comprehensive child care center shall be the lesser
67 of Seven Hundred Fifty Dollars (\$750.00) multiplied by the average
68 monthly number of children attending the child care center during
69 the year for which the credit is claimed or Twenty Thousand
70 Dollars (\$20,000.00).

71 (b) If the amount of credit claimed by a taxpayer under
72 this section exceeds the amount of income tax imposed upon the
73 taxpayer for the taxable year reduced by the sum of all other
74 credits allowable to the taxpayer under this chapter, except
75 credit for tax payments made by or on behalf of the taxpayer, then
76 the taxpayer shall receive a refund from the Department of Revenue
77 for the amount of such excess.



78 **SECTION 3.** A taxpayer who is employed as a teacher or
79 director with a child care center that is qualified as a standard
80 child care center or comprehensive child care center under the
81 Mississippi Department of Human Services voluntary child care
82 program shall be allowed a refundable credit against the taxes
83 imposed under this chapter as provided in this section. In order
84 to be eligible for the credit, the taxpayer must have been
85 employed in such capacity for more than nine (9) months during the
86 tax year for which the credit is claimed. The amount of the
87 credit for a taxpayer employed as a teacher or director with a
88 child care center that is qualified as a standard child care
89 center shall be Seven Hundred Fifty Dollars (\$750.00). The amount
90 of the credit for a taxpayer employed as a teacher or director
91 with a child care center that is qualified as a comprehensive
92 child care center shall be One Thousand Dollars (\$1,000.00). If
93 the amount of credit claimed by a taxpayer under this section
94 exceeds the amount of income tax imposed upon the taxpayer for the
95 taxable year reduced by the sum of all other credits allowable to
96 the taxpayer under this chapter, except credit for tax payments
97 made by or on behalf of the taxpayer, then the taxpayer shall
98 receive a refund from the Department of Revenue for the amount of
99 such excess.

100 **SECTION 4.** (1) A taxpayer who donates funds to a child care
101 center that is qualified as a standard child care center or
102 comprehensive child care center under the Mississippi Department



103 of Human Services voluntary child care program shall be allowed a
104 credit against the taxes imposed under this chapter as provided in
105 this section.

106 (2) The amount of the credit for a taxpayer under this
107 section shall be the lesser of the amount of funds donated to a
108 child care center during the year for which the credit is claimed
109 or Five Thousand Dollars (\$5,000.00). The tax credit shall not
110 exceed the amount of tax imposed upon the taxpayer for the taxable
111 year reduced by the sum of all other credits allowable to the
112 taxpayer under this chapter, except credit for tax payments made
113 by or on behalf of the taxpayer. Any tax credit claimed under
114 this section but not used in any taxable year may be carried
115 forward for five (5) consecutive years from the close of the tax
116 year in which the credit was earned.

117 **SECTION 5.** The Department of Revenue shall have all powers
118 necessary to implement and administer the provisions of this act,
119 and the Department of Revenue shall promulgate rules and
120 regulations, in accordance with the Mississippi Administrative
121 Procedures Law, necessary for the implementation of this section.

122 **SECTION 6.** Sections 1, 2, 3 and 4 of this act shall be
123 codified as new sections in Chapter 7, Title 27, Mississippi Code
124 of 1972.

125 **SECTION 7.** This act shall take effect and be in force from
126 and after January 1, 2024.

