

By: Representative Yancey

To: Ways and Means

HOUSE BILL NO. 321

1 AN ACT TO AUTHORIZE AN INCOME TAX CREDIT FOR VOLUNTARY CASH  
 2 CONTRIBUTIONS BY TAXPAYERS TO RURAL HOSPITALS; TO LIMIT THE AMOUNT  
 3 OF THE CREDIT; TO PROVIDE THAT UNUSED PORTIONS OF A CREDIT MAY BE  
 4 CARRIED FORWARD FOR FIVE CONSECUTIVE YEARS FROM THE CLOSE OF THE  
 5 TAX YEAR IN WHICH THE CREDIT WAS EARNED; TO PROVIDE THAT  
 6 CONTRIBUTIONS FOR WHICH CREDITS ARE CLAIMED UNDER THIS ACT MAY NOT  
 7 BE USED AS DEDUCTIONS FOR STATE TAX PURPOSES; TO PROVIDE THE  
 8 CRITERIA THAT A HOSPITAL MUST MEET IN ORDER FOR A CONTRIBUTION TO  
 9 THE HOSPITAL TO QUALIFY FOR THE CREDIT AUTHORIZED BY THIS ACT; AND  
 10 FOR RELATED PURPOSES.

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

12 **SECTION 1.** (1) For the purposes of this section, the  
 13 following words and phrases shall have the meanings ascribed in  
 14 this section unless the context clearly indicates otherwise:

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

16 (b) "Rural hospital" means a licensed hospital that has  
17 fifty (50) or fewer licensed beds.

18 (c) "Voluntary cash contribution" means a cash  
 19 contribution made to a rural hospital by the taxpayer applying for  
 20 a credit and does not include payment for or the donation of  
 21 merchandise, services or goods.



22           (2)   (a)   (i)   The tax credit authorized in this subsection  
23 shall be available only to a taxpayer who is a business enterprise  
24 engaged in commercial, industrial or professional activities and  
25 operating as a corporation, limited liability company, partnership  
26 or sole proprietorship. Except as otherwise provided in this  
27 subsection, a credit is allowed against the taxes imposed by this  
28 chapter for voluntary cash contributions made by a taxpayer during  
29 a taxable year to a rural hospital. The amount of credit that may  
30 be utilized by a taxpayer in a taxable year shall be limited to an  
31 amount not to exceed the lesser of the amount contributed during a  
32 taxable year or seventy-five percent (75%) of the total tax  
33 liability of the taxpayer for the taxable year. Any tax credit  
34 claimed under this subsection but not used in any taxable year may  
35 be carried forward for five (5) consecutive years from the close  
36 of the taxable year in which the credits were earned.

37                           (ii)   A contribution to a rural hospital for which  
38 a credit is claimed under this subsection does not qualify for and  
39 shall not be included in any credit that may be claimed under  
40 subsection (3) of this section.

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

44           (b)   A taxpayer claiming a credit authorized by this  
45 subsection shall provide the name of the rural hospital and the



46 amount of the contribution to the department on forms provided by  
47 the department.

48 (c) A rural hospital shall provide the department with  
49 a written certification that it meets the criteria to be  
50 considered a rural hospital. The rural hospital shall also notify  
51 the department of any changes that may affect eligibility under  
52 this subsection.

53 (d) The department shall review each written  
54 certification and determine whether the hospital meets the  
55 criteria to be considered a rural hospital and notify the hospital  
56 of its determination. The department may also periodically  
57 request recertification from the hospital. The department shall  
58 compile and make available to the public a list of eligible rural  
59 hospitals.

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

67 (f) A taxpayer shall apply for credits with the  
68 department on forms prescribed by the department. In the  
69 application the taxpayer shall certify to the department the  
70 dollar amount of the contributions made or to be made during the



71 calendar year. Within thirty (30) days after the receipt of an  
72 application, the department shall allocate credits based on the  
73 dollar amount of contributions as certified in the application.  
74 However, if the department cannot allocate the full amount of  
75 credits certified in the application due to the limit on the  
76 aggregate amount of credits that may be awarded under this  
77 subsection in a calendar year, the department shall so notify the  
78 applicant within thirty (30) days with the amount of credits, if  
79 any, that may be allocated to the applicant in the calendar year.  
80 Once the department has allocated credits to a taxpayer, if the  
81 contribution for which a credit is allocated has not been made as  
82 of the date of the allocation, then the contribution must be made  
83 not later than sixty (60) days from the date of the allocation.  
84 Documentation of the contribution must be received by the  
85 department within seventy-five (75) days from the date of the  
86 allocation or January 15 of the following year, whichever occurs  
87 first. If the contribution is not made or the department does not  
88 receive documentation of the contribution within such time period,  
89 the allocation of credit shall be cancelled and returned to the  
90 department for reallocation. Upon final documentation of the  
91 contributions, if the actual dollar amount of the contributions is  
92 lower than the amount estimated, the department shall adjust the  
93 tax credit allowed under this subsection.

94 (g) The aggregate amount of tax credits that may be  
95 allocated by the department under this subsection during a



96 calendar year shall not exceed Fifteen Million Dollars  
97 (\$15,000,000.00).

98 (h) The department shall not allocate any credits  
99 under this subsection after December 31, 2028.

100 (3) (a) (i) Except as otherwise provided in this  
101 subsection, a credit is allowed against the taxes imposed by this  
102 chapter for voluntary cash contributions made by a taxpayer during  
103 a taxable year to a rural hospital. The amount of credit that may  
104 be utilized by a taxpayer in a taxable year shall not exceed:

105 1. The lesser of the amount contributed  
106 during a taxable year or the total tax liability of the taxpayer  
107 for the taxable year for a single individual or a head of  
108 household.

109 2. The lesser of the amount contributed  
110 during a calendar year or the total tax liability of the taxpayer  
111 for the taxable year for a married couple filing a joint return.  
112 A husband and wife who file separate returns for a taxable year in  
113 which they could have filed a joint return may each claim only  
114 one-half (1/2) of the tax credit that would have been allowed for  
115 a joint return.

116 (ii) Any tax credit claimed under this subsection  
117 but not used in any taxable year may be carried forward for five  
118 (5) consecutive years from the close of the taxable year in which  
119 the credits were earned.



120 (iii) A contribution to a rural hospital for which  
121 a credit is claimed under this subsection does not qualify for and  
122 shall not be included in any credit that may be claimed under  
123 subsection (2) of this section.

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

127 (b) A taxpayer claiming a credit authorized by this  
128 subsection shall provide the name of the rural hospital and the  
129 amount of the contribution to the department on forms provided by  
130 the department.

131 (c) A rural hospital shall provide the department with  
132 a written certification that it meets the criteria to be  
133 considered a rural hospital. The rural hospital shall also notify  
134 the department of any changes that may affect eligibility under  
135 this subsection.

136 (d) The department shall review each written  
137 certification and determine whether the hospital meets the  
138 criteria to be considered a rural hospital and notify the hospital  
139 of its determination. The department may also periodically  
140 request recertification from the hospital. The department shall  
141 compile and make available to the public a list of eligible rural  
142 hospitals.

143 (e) A taxpayer shall apply for credits with the  
144 department on forms prescribed by the department. In the



145 application the taxpayer shall certify to the department the  
146 dollar amount of the contributions made or to be made during the  
147 calendar year. Within thirty (30) days after the receipt of an  
148 application, the department shall allocate credits based on the  
149 dollar amount of contributions as certified in the application.  
150 However, if the department cannot allocate the full amount of  
151 credits certified in the application due to the limit on the  
152 aggregate amount of credits that may be awarded under this  
153 subsection in a calendar year, the department shall so notify the  
154 applicant within thirty (30) days with the amount of credits, if  
155 any, that may be allocated to the applicant in the calendar year.  
156 Once the department has allocated credits to a taxpayer, if the  
157 contribution for which a credit is allocated has not been made as  
158 of the date of the allocation, then the contribution must be made  
159 not later than sixty (60) days from the date of the allocation.  
160 Documentation of the contribution must be received by the  
161 department within seventy-five (75) days from the date of the  
162 allocation or January 15 of the following year, whichever occurs  
163 first. If the contribution is not made or the department does not  
164 receive documentation of the contribution within such time period,  
165 the allocation of credit shall be cancelled and returned to the  
166 department for reallocation. Upon final documentation of the  
167 contributions, if the actual dollar amount of the contributions is  
168 lower than the amount estimated, the department shall adjust the  
169 tax credit allowed under this subsection.



170 (f) The aggregate amount of tax credits that may be  
171 allocated by the department under this subsection during a  
172 calendar year shall not exceed Five Million Dollars  
173 (\$5,000,000.00).

174 (g) The department shall not allocate any credits  
175 under this subsection after December 31, 2028.

176 **SECTION 2.** Section 1 of this act shall be codified as a new  
177 section in Chapter 7, Title 27, Mississippi Code of 1972.

178 **SECTION 3.** Nothing in this act shall affect or defeat any  
179 claim, assessment, appeal, suit, right or cause of action for  
180 taxes due or accrued under the income tax laws before the date on  
181 which this act becomes effective, whether such claims,  
182 assessments, appeals, suits or actions have been begun before the  
183 date on which this act becomes effective or are begun thereafter;  
184 and the provisions of the income tax laws are expressly continued  
185 in full force, effect and operation for the purpose of the  
186 assessment, collection and enrollment of liens for any taxes due  
187 or accrued and the execution of any warrant under such laws before  
188 the date on which this act becomes effective, and for the  
189 imposition of any penalties, forfeitures or claims for failure to  
190 comply with such laws.

191 **SECTION 4.** This act shall take effect and be in force from  
192 and after January 1, 2024.

