

By: Representatives Johnson, Hines, Harness, Porter, Clark To: Ways and Means

HOUSE BILL NO. 545

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; AND FOR RELATED PURPOSES.

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

18 SECTION 1. (1) A taxpayer shall be allowed a credit against
19 the taxes imposed under this chapter for child care expenses paid
20 for a dependent child of the taxpayer as provided in this section.
21 In order to be eligible for the credit (a) the taxpayer's income
22 or the taxpayer's family income, as the case may be, must not
23 exceed four hundred percent (400%) of the federal poverty level
24 for the year for which a credit is claimed, (b) the dependent
25 child for which a credit is claimed must have attended a



26 qualifying child care center for not less than eight (8) months
27 during the year for which the credit is claimed and have been
28 under six (6) years of age while attending the center and (c) the
29 child care expenses for which a credit is claimed must have been
30 incurred for such child to attend a child care center that is
31 qualified as a standard child care center or comprehensive child
32 care center under the Mississippi Department of Human Services
33 voluntary child care program.

34 (2) The amount of the credit authorized in this section
35 shall be Seven Hundred Fifty Dollars (\$750.00) for each dependent
36 child for which a credit is claimed under this section. Except as
37 otherwise provided in this section, the tax credit shall not
38 exceed the amount of tax imposed upon the taxpayer for the taxable
39 year reduced by the sum of all other credits allowable to the
40 taxpayer under this chapter, except credit for tax payments made
41 by or on behalf of the taxpayer. However, if the taxpayer's
42 income or the taxpayer's family income, as the case may be, is
43 less than two hundred fifty percent (250%) of the federal poverty
44 level for the year for which the credit is claimed, then the
45 taxpayer shall receive a refund from the Department of Revenue for
46 the amount of such excess credit. Any tax credit claimed under
47 this section but not used in any taxable year may be carried
48 forward for five (5) consecutive years from the close of the tax
49 year in which the credit was earned.



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

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

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

73 **SECTION 3.** A taxpayer who is employed as a teacher or
74 director with a child care center that is qualified as a standard



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

95 **SECTION 4.** The Department of Revenue shall have all powers
96 necessary to implement and administer the provisions of this act,
97 and the Department of Revenue shall promulgate rules and
98 regulations, in accordance with the Mississippi Administrative
99 Procedures Law, necessary for the implementation of this act.



100 **SECTION 5.** Sections 1, 2 and 3 of this act shall be codified
101 as new sections in Chapter 7, Title 27, Mississippi Code of 1972.

102 **SECTION 6.** Nothing in this act shall affect or defeat any
103 claim, assessment, appeal, suit, right or cause of action for
104 taxes due or accrued under the income tax laws before the date on
105 which this act becomes effective, whether such claims,
106 assessments, appeals, suits or actions have been begun before the
107 date on which this act becomes effective or are begun thereafter;
108 and the provisions of the income tax laws are expressly continued
109 in full force, effect and operation for the purpose of the
110 assessment, collection and enrollment of liens for any taxes due
111 or accrued and the execution of any warrant under such laws before
112 the date on which this act becomes effective, and for the
113 imposition of any penalties, forfeitures or claims for failure to
114 comply with such laws.

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

