

By: Representative Creekmore IV

To: Ways and Means

HOUSE BILL NO. 973

1 AN ACT TO CREATE THE MENTAL HEALTH EMPLOYEE RETENTION LOAN
 2 REPAYMENT PROGRAM FOR NEW MENTAL HEALTH EMPLOYEES TO BE
 3 ADMINISTERED BY THE MISSISSIPPI POSTSECONDARY EDUCATION FINANCIAL
 4 ASSISTANCE BOARD; TO PROVIDE ELIGIBILITY REQUIREMENTS FOR PERSONS
 5 SEEKING TO PARTICIPATE IN THE PROGRAM; TO SET A MAXIMUM AMOUNT OF
 6 LOAN REPAYMENT ASSISTANCE UNDER THE PROGRAM; TO REQUIRE THE
 7 MISSISSIPPI POSTSECONDARY EDUCATION FINANCIAL ASSISTANCE BOARD TO
 8 PROMULGATE REGULATIONS NECESSARY FOR THE PROPER ADMINISTRATION OF
 9 THIS ACT, INCLUDING SETTING A FISCAL YEAR POLICY FOR THE PROGRAM
 10 AND APPLICATION DATES AND DEADLINES; TO AMEND SECTION 27-7-15,
 11 MISSISSIPPI CODE OF 1972, TO REVISE THE DEFINITION OF THE TERM
 12 "GROSS INCOME" UNDER THE STATE INCOME TAX LAW TO EXCLUDE LOAN
 13 REPAYMENT ASSISTANCE PROVIDED UNDER THE MENTAL HEALTH EMPLOYEE
 14 RETENTION LOAN REPAYMENT PROGRAM; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** (1) As used in this section, the following terms
 17 shall have the meanings ascribed in this subsection unless the
 18 context clearly indicates otherwise:

19 (a) "Mental health employee" means a person who is (i)
 20 employed full-time as an employee in the state mental health
 21 system and (ii) certified, regardless of the type of
 22 certification, by the Department of Mental Health as a mental
 23 health therapist, an intellectual and developmental disabilities
 24 therapist, a community support specialist and/or an addictions



25 therapist. For the purposes of this paragraph (a), "full-time"
26 means working the equivalent of at least thirty (30) hours of
27 service per week for twelve (12) consecutive months.

28 (b) "State mental health system" means programs that
29 are certified, funded, operated and/or administered by the
30 Department of Mental Health and/or programs certified and/or
31 licensed by the Department of Health that are operated by the
32 state mental health system serving persons with mental illness, an
33 intellectual disability, a developmental disability or an
34 addiction.

35 (2) There is established the "Mental Health Employee
36 Retention Loan Repayment Program" for persons employed as mental
37 health employees to be administered by the Mississippi
38 Postsecondary Education Financial Assistance Board.

39 (3) Subject to the availability of funds, an eligible
40 applicant for an initial award must have:

41 (a) Legal residency in the State of Mississippi;

42 (b) Gained employment within the last year for the
43 first time as a mental health employee; and

44 (c) Outstanding qualifying educational loans, received
45 at any point during the recipients postsecondary education career,
46 which may include the principal, interest and related expenses
47 such as the required interest premium on the unpaid balances of
48 government and commercial loans obtained by the recipient for
49 educational expense.



50 (4) Persons who have received funds from state-forgivable
51 loan programs established under Mississippi law, or who are in
52 default or delinquent on any federal, state, local or commercial
53 qualifying educational loan, shall not be eligible for the
54 program.

55 (5) Recipients in the program shall be selected on a
56 first-come, first-served basis from all eligible applicants. The
57 Mississippi Postsecondary Education Financial Assistance Board
58 shall renew eligible applicants approved in prior years only if
59 the renewal applicant continues to meet the standards set forth in
60 this section, and the renewal applicant has not received full
61 funding provided by subsection (6) of this section.

62 (6) Awards for recipients who are employed as a mental
63 health employee may be a maximum of Six Thousand Dollars
64 (\$6,000.00) for each year of employment up to three (3) years.

65 (7) A recipient shall not be penalized for ending employment
66 as a mental health employee if the recipient begins working again
67 as a mental health employee during the year on which the award is
68 based and is employed for the time required in subsection (11) of
69 this section.

70 (8) Awards shall be granted on a year-to-year basis, and
71 recipients have no obligation to seek a subsequent award.

72 (9) Awards shall be paid annually, after the expiration of
73 the year of employment for which the award was granted, to the
74 recipient's lender or loan service provider, to be applied to the



75 outstanding balance. Monies paid by the recipient or on the
76 recipient's behalf toward qualifying educational loans before
77 payment of the award shall not be eligible for reimbursement
78 through the program.

79 (10) During the employment year for which the award is
80 granted, a recipient shall at all times keep the Mississippi
81 Postsecondary Education Financial Assistance Board informed of any
82 changes to the recipient's current, correct and complete
83 employment information and status.

84 (11) A recipient must be employed as a mental health
85 employee for the entire twelve (12) months of the year on which
86 the award is based. Recipients who fail to fulfill the year of
87 employment on which the award was based forfeit any right to the
88 award.

89 (12) The Mississippi Postsecondary Education Financial
90 Assistance Board, in collaboration with the Department of Mental
91 Health and any other applicable state agency as determined by the
92 Mississippi Postsecondary Education Financial Assistance Board,
93 shall attempt to track award recipients under this program through
94 their third employment year, unless the recipient leaves
95 employment as a mental health employee at an earlier date. Data
96 collected shall include each recipients' place of employment and
97 any other pertinent information necessary to determine the
98 efficacy of the program in retaining mental health employees in
99 the State of Mississippi.



100 (13) The Mississippi Postsecondary Education Financial
101 Assistance Board shall promulgate regulations necessary for the
102 proper administration of this section, including setting a fiscal
103 year policy for the program and application dates and deadlines.

104 (14) This section shall stand repealed on July 1, 2028.

105 **SECTION 2.** Section 27-7-15, Mississippi Code of 1972, is
106 amended as follows:

107 27-7-15. (1) For the purposes of this article, except as
108 otherwise provided, the term "gross income" means and includes the
109 income of a taxpayer derived from salaries, wages, fees or
110 compensation for service, of whatever kind and in whatever form
111 paid, including income from governmental agencies and subdivisions
112 thereof; or from professions, vocations, trades, businesses,
113 commerce or sales, or renting or dealing in property, or
114 reacquired property; also from annuities, interest, rents,
115 dividends, securities, insurance premiums, reinsurance premiums,
116 considerations for supplemental insurance contracts, or the
117 transaction of any business carried on for gain or profit, or
118 gains, or profits, and income derived from any source whatever and
119 in whatever form paid. The amount of all such items of income
120 shall be included in the gross income for the taxable year in
121 which received by the taxpayer. The amount by which an eligible
122 employee's salary is reduced pursuant to a salary reduction
123 agreement authorized under Section 25-17-5 shall be excluded from
124 the term "gross income" within the meaning of this article.



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

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

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

133 (i) Prior to January 1, 2001, federal rules,
134 regulations and revenue procedures shall be followed with respect
135 to installment sales except they shall be applied and administered
136 as if H.R. 3594, the Installment Tax Correction Act of 2000 of the
137 106th Congress, had not been enacted. This provision will
138 generally affect taxpayers, reporting on the accrual method of
139 accounting, entering into installment note agreements on or after
140 December 17, 1999. Any gain or profit resulting from the casual
141 sale of property will be recognized in the year of sale.

142 (ii) From and after January 1, 2001, federal
143 rules, regulations and revenue procedures shall be followed with
144 respect to installment sales except as provided in this
145 subparagraph (ii). Gain or profit from the casual sale of
146 property shall be recognized in the year of sale. When a taxpayer
147 recognizes gain on the casual sale of property in which the gain
148 is deferred for federal income tax purposes, a taxpayer may elect
149 to defer the payment of tax resulting from the gain as allowed and



150 to the extent provided under regulations prescribed by the
151 commissioner. If the payment of the tax is made on a deferred
152 basis, the tax shall be computed based on the applicable rate for
153 the income reported in the year the payment is made. Except as
154 otherwise provided in subparagraph (iii) of this paragraph (b),
155 deferring the payment of the tax shall not affect the liability
156 for the tax. If at any time the installment note is sold,
157 contributed, transferred or disposed of in any manner and for any
158 purpose by the original note holder, or the original note holder
159 is merged, liquidated, dissolved or withdrawn from this state,
160 then all deferred tax payments under this section shall
161 immediately become due and payable.

162 (iii) If the selling price of the property is
163 reduced by any alteration in the terms of an installment note,
164 including default by the purchaser, the gain to be recognized is
165 recomputed based on the adjusted selling price in the same manner
166 as for federal income tax purposes. The tax on this amount, less
167 the previously paid tax on the recognized gain, is payable over
168 the period of the remaining installments. If the tax on the
169 previously recognized gain has been paid in full to this state,
170 the return on which the payment was made may be amended for this
171 purpose only. The statute of limitations in Section 27-7-49 shall
172 not bar an amended return for this purpose.



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

176 (d) **Affiliated companies or persons.** As regards sales,
177 exchanges or payments for services from one to another of
178 affiliated companies or persons or under other circumstances where
179 the relation between the buyer and seller is such that gross
180 proceeds from the sale or the value of the exchange or the payment
181 for services are not indicative of the true value of the subject
182 matter of the sale, exchange or payment for services, the
183 commissioner shall prescribe uniform and equitable rules for
184 determining the true value of the gross income, gross sales,
185 exchanges or payment for services, or require consolidated returns
186 of affiliates.

187 (e) **Alimony and separate maintenance payments.** The
188 federal rules, regulations and revenue procedures in determining
189 the deductibility and taxability of alimony payments shall be
190 followed in this state.

191 (f) **Reimbursement for expenses of moving.** There shall
192 be included in gross income (as compensation for services) any
193 amount received or accrued, directly or indirectly, by an
194 individual as a payment for or reimbursement of expenses of moving
195 from one (1) residence to another residence which is attributable
196 to employment or self-employment.



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

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

202 (a) The proceeds of life insurance policies and
203 contracts paid upon the death of the insured. However, the income
204 from the proceeds of such policies or contracts shall be included
205 in the gross income.

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

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

213 (d) Interest upon the obligations of the United States
214 or its possessions, or securities issued under the provisions of
215 the Federal Farm Loan Act of 1916, or bonds issued by the War
216 Finance Corporation, or obligations of the State of Mississippi or
217 political subdivisions thereof.

218 (e) The amounts received through accident or health
219 insurance as compensation for personal injuries or sickness, plus
220 the amount of any damages received for such injuries or such
221 sickness or injuries, or through the War Risk Insurance Act, or



222 any law for the benefit or relief of injured or disabled members
223 of the military or naval forces of the United States.

224 (f) Income received by any religious denomination or by
225 any institution or trust for moral or mental improvements,
226 religious, Bible, tract, charitable, benevolent, fraternal,
227 missionary, hospital, infirmary, educational, scientific,
228 literary, library, patriotic, historical or cemetery purposes or
229 for two (2) or more of such purposes, if such income be used
230 exclusively for carrying out one or more of such purposes.

231 (g) Income received by a domestic corporation which is
232 "taxable in another state" as this term is defined in this
233 article, derived from business activity conducted outside this
234 state. Domestic corporations taxable both within and without the
235 state shall determine Mississippi income on the same basis as
236 provided for foreign corporations under the provisions of this
237 article.

238 (h) In case of insurance companies, there shall be
239 excluded from gross income such portion of actual premiums
240 received from an individual policyholder as is paid back or
241 credited to or treated as an abatement of premiums of such
242 policyholder within the taxable year.

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



247 (j) Amounts paid by the United States to a person as
248 added compensation for hazardous duty pay as a member of the Armed
249 Forces of the United States in a combat zone designated by
250 Executive Order of the President of the United States.

251 (k) Amounts received as retirement allowances,
252 pensions, annuities or optional retirement allowances paid under
253 the federal Social Security Act, the Railroad Retirement Act, the
254 Federal Civil Service Retirement Act, or any other retirement
255 system of the United States government, retirement allowances paid
256 under the Mississippi Public Employees' Retirement System,
257 Mississippi Highway Safety Patrol Retirement System or any other
258 retirement system of the State of Mississippi or any political
259 subdivision thereof. The exemption allowed under this paragraph
260 (k) shall be available to the spouse or other beneficiary at the
261 death of the primary retiree.

262 (l) Amounts received as retirement allowances,
263 pensions, annuities or optional retirement allowances paid by any
264 public or governmental retirement system not designated in
265 paragraph (k) or any private retirement system or plan of which
266 the recipient was a member at any time during the period of his
267 employment. Amounts received as a distribution under a Roth
268 Individual Retirement Account shall be treated in the same manner
269 as provided under the Internal Revenue Code of 1986, as amended.
270 The exemption allowed under this paragraph (l) shall be available



271 to the spouse or other beneficiary at the death of the primary
272 retiree.

273 (m) National Guard or Reserve Forces of the United
274 States compensation not to exceed the aggregate sum of Five
275 Thousand Dollars (\$5,000.00) for any taxable year through the 2005
276 taxable year, and not to exceed the aggregate sum of Fifteen
277 Thousand Dollars (\$15,000.00) for any taxable year thereafter.

278 (n) Compensation received for active service as a
279 member below the grade of commissioned officer and so much of the
280 compensation as does not exceed the maximum enlisted amount
281 received for active service as a commissioned officer in the Armed
282 Forces of the United States for any month during any part of which
283 such members of the Armed Forces (i) served in a combat zone as
284 designated by Executive Order of the President of the United
285 States or a qualified hazardous duty area as defined by federal
286 law, or both; or (ii) was hospitalized as a result of wounds,
287 disease or injury incurred while serving in such combat zone. For
288 the purposes of this paragraph (n), the term "maximum enlisted
289 amount" means and has the same definition as that term has in 26
290 USCS 112.

291 (o) The proceeds received from federal and state
292 forestry incentive programs.

293 (p) The amount representing the difference between the
294 increase of gross income derived from sales for export outside the
295 United States as compared to the preceding tax year wherein gross



296 income from export sales was highest, and the net increase in
297 expenses attributable to such increased exports. In the absence
298 of direct accounting, the ratio of net profits to total sales may
299 be applied to the increase in export sales. This paragraph (p)
300 shall only apply to businesses located in this state engaging in
301 the international export of Mississippi goods and services. Such
302 goods or services shall have at least fifty percent (50%) of value
303 added at a location in Mississippi.

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

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

314 (s) Amounts paid by the Mississippi Soil and Water
315 Conservation Commission from the Mississippi Soil and Water
316 Cost-Share Program for the installation of water quality best
317 management practices.

318 (t) Dividends received by a holding corporation, as
319 defined in Section 27-13-1, from a subsidiary corporation, as
320 defined in Section 27-13-1.



321 (u) Interest, dividends, gains or income of any kind on
322 any account in the Mississippi Affordable College Savings Trust
323 Fund, as established in Sections 37-155-101 through 37-155-125, to
324 the extent that such amounts remain on deposit in the MACS Trust
325 Fund or are withdrawn pursuant to a qualified withdrawal, as
326 defined in Section 37-155-105.

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

330 (w) Income resulting from transactions with a related
331 member where the related member subject to tax under this chapter
332 was required to, and did in fact, add back the expense of such
333 transactions as required by Section 27-7-17(2). Under no
334 circumstances may the exclusion from income exceed the deduction
335 add-back of the related member, nor shall the exclusion apply to
336 any income otherwise excluded under this chapter.

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

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

344 (z) Interest, dividends, gains or income of any kind on
345 any account in a qualified tuition program and amounts received as



346 distributions under a qualified tuition program shall be treated
347 in the same manner as provided under the United States Internal
348 Revenue Code, as amended. For the purposes of this paragraph (z),
349 the term "qualified tuition program" means and has the same
350 definition as that term has in 26 USCS 529.

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

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

362 (cc) Amounts received as a "qualified Hurricane Katrina
363 distribution" as defined in the United States Internal Revenue
364 Code, as amended.

365 (dd) Amounts received by an individual which may be
366 excluded from income as foreign earned income for federal income
367 tax purposes.

368 (ee) Amounts received by a qualified individual,
369 directly or indirectly, from an employer or nonprofit housing
370 organization that are qualified housing expenses associated with



371 an employer-assisted housing program. For purposes of this
372 paragraph (ee):

373 (i) "Qualified individual" means any individual
374 whose household income does not exceed one hundred twenty percent
375 (120%) of the area median gross income (as defined by the United
376 States Department of Housing and Urban Development), adjusted for
377 household size, for the area in which the housing is located.

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

382 1. Homeownership education or counseling;
383 2. The development of affordable housing; or
384 3. The development or administration of
385 employer-assisted housing programs.

386 (iii) "Employer-assisted housing program" means a
387 separate written plan of any employer (including, without
388 limitation, tax-exempt organizations and public employers) for the
389 exclusive benefit of the employer's employees to pay qualified
390 housing expenses to assist the employer's employees in securing
391 affordable housing.

392 (iv) "Qualified housing expenses" means:

393 1. With respect to rental assistance, an
394 amount not to exceed Two Thousand Dollars (\$2,000.00) paid for the



395 purpose of assisting employees with security deposits and rental
396 subsidies; and

397 2. With respect to homeownership assistance,
398 an amount not to exceed the lesser of Ten Thousand Dollars
399 (\$10,000.00) or six percent (6%) of the purchase price of the
400 employee's principal residence that is paid for the purpose of
401 assisting employees with down payments, payment of closing costs,
402 reduced interest mortgages, mortgage guarantee programs, mortgage
403 forgiveness programs, equity contribution programs, or
404 contributions to homebuyer education and/or homeownership
405 counseling of eligible employees.

406 (ff) For the 2010 taxable year and any taxable year
407 thereafter, amounts converted in accordance with the United States
408 Internal Revenue Code, as amended, from a traditional Individual
409 Retirement Account to a Roth Individual Retirement Account. The
410 exemption allowed under this paragraph (ff) shall be available to
411 the spouse or other beneficiary at the death of the primary
412 retiree.

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

415 (hh) The amount deposited in a catastrophe savings
416 account established under Sections 27-7-1001 through 27-7-1007,
417 interest income earned on the catastrophe savings account, and
418 distributions from the catastrophe savings account; however, any
419 amount withdrawn from a catastrophe savings account for purposes



420 other than paying qualified catastrophe expenses shall be included
421 in gross income, except as otherwise provided by Sections
422 27-7-1001 through 27-7-1007.

423 (ii) Interest, dividends, gains or income of any kind
424 on any account in the Mississippi Achieving a Better Life
425 Experience (ABLE) Trust Fund, as established in Chapter 28, Title
426 43, to the extent that such amounts remain on deposit in the ABLE
427 Trust Fund or are withdrawn pursuant to a qualified withdrawal, as
428 defined in Section 43-28-11.

429 (jj) Subject to the limitations provided under Section
430 27-7-1103, amounts deposited into a first-time homebuyer savings
431 account and any interest or other income earned attributable to an
432 account and monies or funds withdrawn or distributed from an
433 account for the payment of eligible costs by or on behalf of a
434 qualified beneficiary; however, any monies or funds withdrawn or
435 distributed from a first-time homebuyer savings account for any
436 purpose other than the payment of eligible costs by or on behalf
437 of a qualified beneficiary shall be included in gross income. For
438 the purpose of this paragraph (jj), the terms "first-time
439 homebuyer savings account," "eligible costs" and "qualified
440 beneficiary" mean and have the same definitions as such terms have
441 in Section 27-7-1101.

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



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

447 (i) Livestock Forage Disaster Program;

448 (ii) Livestock Indemnity Program;

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

451 (iv) Emergency Conservation Program;

452 (v) Noninsured Crop Disaster Assistance Program;

453 (vi) Pasture, Rangeland, Forage Pilot Insurance
454 Program;

455 (vii) Annual Forage Pilot Program;

456 (viii) Livestock Risk Protection Insurance
457 Program; and

458 (ix) Livestock Gross Margin Insurance Plan.

459 (ll) Amounts received as advances and/or grants under
460 the federal Coronavirus Aid, Relief, and Economic Security Act,
461 the Consolidated Appropriations Act of 2021 and the American
462 Rescue Plan Act.

463 (mm) Any and all cancelled indebtedness provided for
464 under the Coronavirus Aid, Relief, and Economic Security Act and
465 the Consolidated Appropriations Act of 2021.

466 (nn) Amounts received as payments under Section
467 27-3-85.

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



470 (pp) Amounts received as grants under Section 57-1-521.

471 (* * * qq) Amounts received as grants under the
472 Shuttered Venue Operators Grant Program and Restaurant
473 Revitalization Fund authorized by the Economic Aid to Hard-Hit
474 Small Businesses, Nonprofits, and Venues Act, and amended by the
475 American Rescue Plan Act.

476 (* * * rr) Amounts received as grants under the
477 Mississippi Agriculture Stabilization Act.

478 (ss) Awards for loan repayment assistance made under
479 the Mental Health Employee Retention Loan Repayment Program
480 created in Section 1 of this act.

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

482 (a) **Members of the Armed Forces.** Gross income does not
483 include compensation received for active service as a member of
484 the Armed Forces of the United States for any month during any
485 part of which such member is in a missing status, as defined in
486 paragraph (d) of this subsection, during the Vietnam Conflict as a
487 result of such conflict.

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

492 (c) **Period of conflict.** For the purpose of this
493 subsection, the Vietnam Conflict began February 28, 1961, and ends
494 on the date designated by the President by Executive Order as the



495 date of the termination of combatant activities in Vietnam. For
496 the purpose of this subsection, an individual is in a missing
497 status as a result of the Vietnam Conflict if immediately before
498 such status began he was performing service in Vietnam or was
499 performing service in Southeast Asia in direct support of military
500 operations in Vietnam. "Southeast Asia," as used in this
501 paragraph, is defined to include Cambodia, Laos, Thailand and
502 waters adjacent thereto.

503 (d) "Missing status" means the status of an employee or
504 member of the Armed Forces who is in active service and is
505 officially carried or determined to be absent in a status of (i)
506 missing; (ii) missing in action; (iii) interned in a foreign
507 country; (iv) captured, beleaguered or besieged by a hostile
508 force; or (v) detained in a foreign country against his will; but
509 does not include the status of an employee or member of the Armed
510 Forces for a period during which he is officially determined to be
511 absent from his post of duty without authority.

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

515 (f) "Employee" means one who is a citizen or national
516 of the United States or an alien admitted to the United States for
517 permanent residence and is a resident of the State of Mississippi
518 and is employed in or under a federal executive agency or
519 department of the Armed Forces.



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

524 (h) If refund or credit of any overpayment of tax for
525 any taxable year resulting from the application of this subsection
526 (5) is prevented by the operation of any law or rule of law, such
527 refund or credit of such overpayment of tax may, nevertheless, be
528 made or allowed if claim therefor is filed with the Department of
529 Revenue within three (3) years after the date of the enactment of
530 this subsection.

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

533 (6) A shareholder of an S corporation, as defined in Section
534 27-8-3(1)(g), shall take into account the income, loss, deduction
535 or credit of the S corporation only to the extent provided in
536 Section 27-8-7(2).

537 **SECTION 3.** This act shall take effect and be in force from
538 and after July 1, 2024.

