

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1986

1 AN ACT TO AMEND SECTION 27-7-22.48, MISSISSIPPI CODE OF 1972,
 2 WHICH AUTHORIZES AN INCOME TAX CREDIT, INSURANCE PREMIUM TAX
 3 CREDIT AND AD VALOREM TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS
 4 MADE BY TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS
 5 THAT CONTRACT OR MAKE OTHER AGREEMENTS OR ARRANGEMENTS WITH HEALTH
 6 CARE PERSONNEL TO PROVIDE HEALTH CARE SERVICES TO LOW-INCOME
 7 RESIDENTS OF THIS STATE, TO REVISE THE DEFINITION OF THE TERM
 8 "ELIGIBLE CHARITABLE ORGANIZATION"; TO PROVIDE THAT A TAXPAYER WHO
 9 IS ALLOCATED A TAX CREDIT DURING A CALENDAR MAY USE THE CREDIT
 10 AGAINST INCOME TAXES AND INSURANCE PREMIUM TAXES IMPOSED FOR THE
 11 IMMEDIATELY PRECEDING TAXABLE YEAR, PROVIDED THAT THE TAXPAYER HAS
 12 NOT ALREADY FILED A RETURN FOR SUCH TAXES; TO PROVIDE THAT TAX
 13 CREDITS THAT WERE NOT ALLOCATED DURING CALENDAR YEAR 2023, MAY BE
 14 ALLOCATED DURING CALENDAR 2024; AND FOR RELATED PURPOSES.

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

16 **SECTION 1.** Section 27-7-22.48, Mississippi Code of 1972, is
 17 amended as follows:

18 27-7-22.48. (1) (a) For the purposes of this section, the
 19 following words and phrases shall have the meanings ascribed in
 20 this section unless the context clearly indicates otherwise:

21 (i) "Department" means the Department of Revenue.

22 (ii) "Eligible charitable organization" means an
 23 organization that is exempt from federal income taxation under
 24 Section 501(c) (3) of the Internal Revenue Code and spends at least



25 fifty percent (50%) of its * * * payroll on contracting or making
26 other agreements or arrangements with physicians * * *, physician
27 assistants, advanced practice registered nurses, nurse
28 practitioners, registered nurses, or other direct-patient care
29 staff, to provide health care services to low-income residents of
30 this state including those who are mothers and to their
31 households.

32 "Eligible charitable organization" does not include any
33 entity that provides, pays for or provides coverage of abortions
34 or that financially supports any other entity that provides, pays
35 for or provides coverage of abortions.

36 (iii) "Low-income residents" means persons whose
37 household income does not exceed one hundred eighty-five percent
38 (185%) of the federal poverty level converted to a modified
39 adjusted gross income equivalent standard.

40 (iv) "Nurse practitioner" means a nurse
41 practitioner certified under Section 73-15-20, Mississippi Code of
42 1972.

43 (v) "Physician" means an individual licensed to
44 practice medicine or osteopathic medicine under Section 73-25-1 et
45 seq., Mississippi Code of 1972.

46 (2) (a) (i) The tax credit authorized in this subsection
47 shall be available only to a taxpayer who is a business enterprise
48 engaged in commercial, industrial or professional activities and
49 operating as a corporation, limited liability company, partnership



50 or sole proprietorship. Except as otherwise provided in this
51 subsection, a credit is allowed against the taxes imposed by
52 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary
53 cash contributions made by a taxpayer during the taxable year to
54 an eligible charitable organization. A credit is also allowed
55 against ad valorem taxes assessed and levied on real property for
56 voluntary cash contributions made by the taxpayer during the
57 taxable year to an eligible charitable organization. The amount
58 of credit that may be utilized by a taxpayer in a taxable year
59 shall be limited to an amount not to exceed fifty percent (50%) of
60 the total tax liability of the taxpayer for the taxes imposed by
61 such sections of law and an amount not to exceed fifty percent
62 (50%) of the total tax liability of the taxpayer for ad valorem
63 taxes assessed and levied on real property. Subject to such
64 limitation on the amount of credit that a taxpayer may utilize in
65 a taxable year, a taxpayer who is allocated a tax credit under
66 this subsection during a calendar year may utilize the credit
67 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
68 and 27-15-123 for the immediately preceding taxable year, provided
69 that the taxpayer has not already filed an annual return for such
70 taxes. Any tax credit claimed under this subsection but not used
71 in any taxable year may be carried forward for five (5)
72 consecutive years from the close of the tax year in which the
73 credits were earned.



74 (ii) A contribution to an eligible charitable
75 organization for which a credit is claimed under this subsection
76 does not qualify for and shall not be included in any credit that
77 may be claimed under subsection (3) of this section.

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

81 (b) Taxpayers taking a credit authorized by this
82 subsection shall provide the name of the eligible charitable
83 organization and the amount of the contribution to the department
84 on forms provided by the department.

85 (c) An eligible charitable organization shall provide
86 the department with a written certification that it meets all
87 criteria to be considered an eligible charitable organization.
88 The organization shall also notify the department of any changes
89 that may affect eligibility under this subsection.

90 (d) The eligible charitable organization's written
91 certification must be signed by an officer of the organization
92 under penalty of perjury. The written certification shall include
93 the following:

94 (i) Verification of the organization's status
95 under Section 501(c)(3) of the Internal Revenue Code;

96 (ii) A statement that the organization does not
97 provide, pay for or provide coverage of abortions and does not



98 financially support any other entity that provides, pays for or
99 provides coverage of abortions;

100 (iii) Any other information that the department
101 requires to administer this subsection.

102 (e) The department shall review each written
103 certification and determine whether the organization meets all the
104 criteria to be considered an eligible charitable organization and
105 notify the organization of its determination. The department may
106 also periodically request recertification from the organization.
107 The department shall compile and make available to the public a
108 list of eligible charitable organizations.

109 (f) Tax credits authorized by this subsection that are
110 earned by a partnership, limited liability company, S corporation
111 or other similar pass-through entity, shall be allocated among all
112 partners, members or shareholders, respectively, either in
113 proportion to their ownership interest in such entity or as the
114 partners, members or shareholders mutually agree as provided in an
115 executed document.

116 (g) (i) A taxpayer shall apply for credits with the
117 department on forms prescribed by the department. In the
118 application the taxpayer shall certify to the department the
119 dollar amount of the contributions made or to be made during the
120 calendar year. Within thirty (30) days after the receipt of an
121 application, the department shall allocate credits based on the
122 dollar amount of contributions as certified in the application.



123 However, if the department cannot allocate the full amount of
124 credits certified in the application due to the limit on the
125 aggregate amount of credits that may be awarded under this
126 subsection in a calendar year, the department shall so notify the
127 applicant within thirty (30) days with the amount of credits, if
128 any, that may be allocated to the applicant in the calendar year.
129 Once the department has allocated credits to a taxpayer, if the
130 contribution for which a credit is allocated has not been made as
131 of the date of the allocation, then the contribution must be made
132 not later than sixty (60) days from the date of the allocation.
133 If the contribution is not made within such time period, the
134 allocation shall be cancelled and returned to the department for
135 reallocation. Upon final documentation of the contributions, if
136 the actual dollar amount of the contributions is lower than the
137 amount estimated, the department shall adjust the tax credit
138 allowed under this subsection.

139 (ii) For the purposes of using a tax credit
140 against ad valorem taxes assessed and levied on real property, a
141 taxpayer shall present to the appropriate tax collector the tax
142 credit documentation provided to the taxpayer by the Department of
143 Revenue, and the tax collector shall apply the tax credit against
144 such ad valorem taxes. The tax collector shall forward the tax
145 credit documentation to the Department of Revenue along with the
146 amount of the tax credit applied against ad valorem taxes, and the
147 department shall disburse funds to the tax collector for the



148 amount of the tax credit applied against ad valorem taxes. Such
149 payments by the Department of Revenue shall be made from current
150 tax collections.

151 (h) The aggregate amount of tax credits that may be
152 allocated by the department under this subsection during a
153 calendar year shall not exceed Three Million Dollars
154 (\$3,000,000.00). In addition, the amount of any tax credits that
155 were not allocated by the department under this subsection during
156 calendar year 2023, may be allocated during calendar 2024.

157 (3) (a) (i) Except as otherwise provided in this
158 subsection, a credit is allowed against the taxes imposed by this
159 chapter for voluntary cash contributions by an individual taxpayer
160 during the taxable year to an eligible charitable organization. A
161 credit is also allowed against ad valorem taxes assessed and
162 levied on real property for voluntary cash contributions made by
163 the taxpayer during the taxable year to an eligible charitable
164 organization. The amount of credit that may be utilized by a
165 taxpayer in a taxable year shall be limited to an amount not to
166 exceed fifty percent (50%) of the total tax liability of the
167 taxpayer for the taxes imposed by this chapter and an amount not
168 to exceed fifty percent (50%) of the total tax liability of the
169 taxpayer for ad valorem taxes assessed and levied on real
170 property. Subject to such limitation on the amount of credit that
171 a taxpayer may utilize in a taxable year, a taxpayer who is
172 allocated a tax credit under this subsection during a calendar may



173 utilize the credit against the taxes imposed by this chapter for
174 the immediately preceding taxable year, provided that the taxpayer
175 has not already filed an annual return for such taxes. Any tax
176 credit claimed under this subsection but not used in any taxable
177 year may be carried forward for five (5) consecutive years from
178 the close of the tax year in which the credits were earned.

179 (ii) A husband and wife who file separate returns
180 for a taxable year in which they could have filed a joint return
181 may each claim only one-half (1/2) of the tax credit that would
182 have been allowed for a joint return.

183 (iii) A contribution to an eligible charitable
184 organization for which a credit is claimed under this subsection
185 does not qualify for and shall not be included in any credit that
186 may be claimed under subsection (2) of this section.

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

190 (b) Taxpayers taking a credit authorized by this
191 subsection shall provide the name of the eligible charitable
192 organization and the amount of the contribution to the department
193 on forms provided by the department.

194 (c) An eligible charitable organization shall provide
195 the department with a written certification that it meets all
196 criteria to be considered an eligible charitable organization.



197 The organization shall also notify the department of any changes
198 that may affect eligibility under this subsection.

199 (d) The eligible charitable organization's written
200 certification must be signed by an officer of the organization
201 under penalty of perjury. The written certification shall include
202 the following:

203 (i) Verification of the organization's status
204 under Section 501(c)(3) of the Internal Revenue Code;

205 (ii) A statement that the organization does not
206 provide, pay for or provide coverage of abortions and does not
207 financially support any other entity that provides, pays for or
208 provides coverage of abortions;

209 (iii) Any other information that the department
210 requires to administer this subsection.

211 (e) The department shall review each written
212 certification and determine whether the organization meets all the
213 criteria to be considered an eligible charitable organization and
214 notify the organization of its determination. The department may
215 also periodically request recertification from the organization.
216 The department shall compile and make available to the public a
217 list of eligible charitable organizations.

218 (f) (i) A taxpayer shall apply for credits with the
219 department on forms prescribed by the department. In the
220 application the taxpayer shall certify to the department the
221 dollar amount of the contributions made or to be made during the



222 calendar year. Within thirty (30) days after the receipt of an
223 application, the department shall allocate credits based on the
224 dollar amount of contributions as certified in the application.
225 However, if the department cannot allocate the full amount of
226 credits certified in the application due to the limit on the
227 aggregate amount of credits that may be awarded under this
228 subsection in a calendar year, the department shall so notify the
229 applicant within thirty (30) days with the amount of credits, if
230 any, that may be allocated to the applicant in the calendar year.
231 Once the department has allocated credits to a taxpayer, if the
232 contribution for which a credit is allocated has not been made as
233 of the date of the allocation, then the contribution must be made
234 not later than sixty (60) days from the date of the allocation.
235 If the contribution is not made within such time period, the
236 allocation shall be cancelled and returned to the department for
237 reallocation. Upon final documentation of the contributions, if
238 the actual dollar amount of the contributions is lower than the
239 amount estimated, the department shall adjust the tax credit
240 allowed under this subsection.

241 (ii) For the purposes of using a tax credit
242 against ad valorem taxes assessed and levied on real property, a
243 taxpayer shall present to the appropriate tax collector the tax
244 credit documentation provided to the taxpayer by the Department of
245 Revenue, and the tax collector shall apply the tax credit against
246 such ad valorem taxes. The tax collector shall forward the tax



247 credit documentation to the Department of Revenue along with the
248 amount of the tax credit applied against ad valorem taxes, and the
249 department shall disburse funds to the tax collector for the
250 amount of the tax credit applied against ad valorem taxes. Such
251 payments by the Department of Revenue shall be made from current
252 tax collections.

253 (g) The aggregate amount of tax credits that may be
254 allocated by the department under this subsection during a
255 calendar year shall not exceed One Million Dollars
256 (\$1,000,000.00). In addition, the amount of any tax credits that
257 were not allocated by the department under this subsection during
258 calendar year 2023, may be allocated during calendar 2024.

259 **SECTION 2.** Nothing in this act shall affect or defeat any
260 claim, assessment, appeal, suit, right or cause of action for
261 taxes due or accrued under the income tax laws, insurance premium
262 tax laws or ad valorem tax laws before the date on which this act
263 becomes effective, whether such claims, assessments, appeals,
264 suits or actions have been begun before the date on which this act
265 becomes effective or are begun thereafter; and the provisions of
266 the income tax laws, insurance premium tax laws or ad valorem tax
267 laws are expressly continued in full force, effect and operation
268 for the purpose of the assessment, collection and enrollment of
269 liens for any taxes due or accrued and the execution of any
270 warrant under such laws before the date on which this act becomes



271 effective, and for the imposition of any penalties, forfeitures or
272 claims for failure to comply with such laws.

273 **SECTION 3.** This act shall take effect and be in force from
274 and after January 1, 2024.

