

## REPORT OF CONFERENCE COMMITTEE

**MR. SPEAKER AND MR. PRESIDENT:**

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 1988: Children's Promise Act; increase amount of tax credits that may be allocated under, bring forward various tax credit sections of law.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

14           **SECTION 1.** Section 27-7-22.41, Mississippi Code of 1972, is  
15 brought forward as follows:

16           27-7-22.41. (1) For the purposes of this section, the  
17 following words and phrases shall have the meanings ascribed in  
18 this section unless the context clearly indicates otherwise:

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

20           (b) "Eligible charitable organization" means an  
21 organization that is exempt from federal income taxation under  
22 Section 501(c)(3) of the Internal Revenue Code and is:

23           (i) Licensed by or under contract with the  
24 Mississippi Department of Child Protection Services and provides  
25 services for:



26                   1. The prevention and diversion of children  
27 from custody with the Department of Child Protection Services,

28                   2. The safety, care and well-being of  
29 children in custody with the Department of Child Protection  
30 Services, or

31                   3. The express purpose of creating permanency  
32 for children through adoption; or

33                   (ii) Certified by the department as an educational  
34 services charitable organization that is accredited by a regional  
35 accrediting organization and provides services to:

36                   1. Children in a foster care placement  
37 program established by the Department of Child Protection  
38 Services, children placed under the Safe Families for Children  
39 model, or children at significant risk of entering a foster care  
40 placement program established by the Department of Child  
41 Protection Services,

42                   2. Children who have a chronic illness or  
43 physical, intellectual, developmental or emotional disability, or

44                   3. Children eligible for free or reduced  
45 price meals programs under Section 37-11-7, or selected for  
46 participation in the Promise Neighborhoods Program sponsored by  
47 the U.S. Department of Education.

48           (2) (a) The tax credit authorized in this section shall be  
49 available only to a taxpayer who is a business enterprise engaged  
50 in commercial, industrial or professional activities and operating



51 as a corporation, limited liability company, partnership or sole  
52 proprietorship. Except as otherwise provided in this section, a  
53 credit is allowed against the taxes imposed by Sections 27-7-5,  
54 27-15-103, 27-15-109 and 27-15-123, for voluntary cash  
55 contributions made by a taxpayer during the taxable year to an  
56 eligible charitable organization. From and after January 1, 2022,  
57 for a taxpayer that is not operating as a corporation, a credit is  
58 also allowed against ad valorem taxes assessed and levied on real  
59 property for voluntary cash contributions made by the taxpayer  
60 during the taxable year to an eligible charitable organization.  
61 The amount of credit that may be utilized by a taxpayer in a  
62 taxable year shall be limited to (i) an amount not to exceed fifty  
63 percent (50%) of the total tax liability of the taxpayer for the  
64 taxes imposed by such sections of law and (ii) an amount not to  
65 exceed fifty percent (50%) of the total tax liability of the  
66 taxpayer for ad valorem taxes assessed and levied on real  
67 property. Any tax credit claimed under this section but not used  
68 in any taxable year may be carried forward for five (5)  
69 consecutive years from the close of the tax year in which the  
70 credits were earned.

71 (b) A contribution to an eligible charitable  
72 organization for which a credit is claimed under this section does  
73 not qualify for and shall not be included in any credit that may  
74 be claimed under Section 27-7-22.39.



75           (c) A contribution for which a credit is claimed under  
76 this section may not be used as a deduction by the taxpayer for  
77 state income tax purposes.

78           (3) Taxpayers taking a credit authorized by this section  
79 shall provide the name of the eligible charitable organization and  
80 the amount of the contribution to the department on forms provided  
81 by the department.

82           (4) An eligible charitable organization shall provide the  
83 department with a written certification that it meets all criteria  
84 to be considered an eligible charitable organization. An eligible  
85 charitable organization must also provide the department with  
86 written documented proof of its license and/or written contract  
87 with the Mississippi Department of Child Protection Services. The  
88 organization shall also notify the department of any changes that  
89 may affect eligibility under this section.

90           (5) 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           (a) Verification of the organization's status under  
95 Section 501(c)(3) of the Internal Revenue Code;

96           (b) A statement that the organization does not provide,  
97 pay for or provide coverage of abortions and does not financially  
98 support any other entity that provides, pays for or provides  
99 coverage of abortions;



100 (c) A statement that the funds generated from the tax  
101 credit shall be used for educational resources, staff and  
102 expenditures and/or other purposes described in this section.

103 (d) Any other information that the department requires  
104 to administer this section.

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

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

119 (8) (a) A taxpayer shall apply for credits with the  
120 department on forms prescribed by the department. In the  
121 application the taxpayer shall certify to the department the  
122 dollar amount of the contributions made or to be made during the  
123 calendar year. Within thirty (30) days after the receipt of an  
124 application, the department shall allocate credits based on the



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

142 (b) A taxpayer who applied for a tax credit under this  
143 section during calendar year 2020, but who was unable to be  
144 awarded the credit due to the limit on the aggregate amount of  
145 credits authorized for calendar year 2020, shall be given priority  
146 for tax credits authorized to be allocated to taxpayers under this  
147 section by Section 27-7-22.39.

148 (c) For the purposes of using a tax credit against ad  
149 valorem taxes assessed and levied on real property, a taxpayer



150 shall present to the appropriate tax collector the tax credit  
151 documentation provided to the taxpayer by the Department of  
152 Revenue, and the tax collector shall apply the tax credit against  
153 such ad valorem taxes. The tax collector shall forward the tax  
154 credit documentation to the Department of Revenue along with the  
155 amount of the tax credit applied against ad valorem taxes, and the  
156 department shall disburse funds to the tax collector for the  
157 amount of the tax credit applied against ad valorem taxes. Such  
158 payments by the Department of Revenue shall be made from current  
159 tax collections.

160 (9) The aggregate amount of tax credits that may be  
161 allocated by the department under this section during a calendar  
162 year shall not exceed Five Million Dollars (\$5,000,000.00), and  
163 not more than fifty percent (50%) of tax credits allocated during  
164 a calendar year may be allocated for contributions to eligible  
165 charitable organizations described in subsection (1)(b)(ii) of  
166 this section. However, for calendar year 2021, the aggregate  
167 amount of tax credits that may be allocated by the department  
168 under this section during a calendar year shall not exceed Ten  
169 Million Dollars (\$10,000,000.00), for calendar year 2022, the  
170 aggregate amount of tax credits that may be allocated by the  
171 department under this section during a calendar year shall not  
172 exceed Sixteen Million Dollars (\$16,000,000.00), and for calendar  
173 year 2023, and for each calendar year thereafter, the aggregate  
174 amount of tax credits that may be allocated by the department



175 under this section during a calendar year shall not exceed  
176 Eighteen Million Dollars (\$18,000,000.00). For calendar year  
177 2021, and for each calendar year thereafter, fifty percent (50%)  
178 of the tax credits allocated during a calendar year shall be  
179 allocated for contributions to eligible charitable organizations  
180 described in subsection (1)(b)(i) of this section and fifty  
181 percent (50%) of the tax credits allocated during a calendar year  
182 shall be allocated for contributions to eligible charitable  
183 organizations described in subsection (1)(b)(ii) of this section.  
184 For calendar year 2021, and for each calendar year thereafter, for  
185 credits allocated during a calendar year for contributions to  
186 eligible charitable organizations described in subsection  
187 (1)(b)(i) of this section, no more than twenty-five percent (25%)  
188 of such credits may be allocated for contributions to a single  
189 eligible charitable organization. Except as otherwise provided in  
190 this section, for calendar year 2021, and for each calendar year  
191 thereafter, for credits allocated during a calendar year for  
192 contributions to eligible charitable organizations described in  
193 subsection (1)(b)(ii) of this section, no more than four and  
194 one-half percent (4-1/2%) of such credits may be allocated for  
195 contributions to a single eligible charitable organization.

196       **SECTION 2.** Section 27-7-22.48, Mississippi Code of 1972, is  
197 brought forward as follows:





198 27-7-22.48. (1) (a) For the purposes of this section, the  
199 following words and phrases shall have the meanings ascribed in  
200 this section unless the context clearly indicates otherwise:

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

202 (ii) "Eligible charitable organization" means an  
203 organization that is exempt from federal income taxation under  
204 Section 501(c)(3) of the Internal Revenue Code and spends at least  
205 fifty percent (50%) of its budget on contracting or making other  
206 agreements or arrangements with physicians and/or nurse  
207 practitioners to provide health care services to low-income  
208 residents of this state including those who are mothers and to  
209 their households.

210 "Eligible charitable organization" does not include any  
211 entity that provides, pays for or provides coverage of abortions  
212 or that financially supports any other entity that provides, pays  
213 for or provides coverage of abortions.

214 (iii) "Low-income residents" means persons whose  
215 household income does not exceed one hundred eighty-five percent  
216 (185%) of the federal poverty level converted to a modified  
217 adjusted gross income equivalent standard.

218 (iv) "Nurse practitioner" means a nurse  
219 practitioner certified under Section 73-15-20, Mississippi Code of  
220 1972.



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

224 (2) (a) (i) The tax credit authorized in this subsection  
225 shall be available only to a taxpayer who is a business enterprise  
226 engaged in commercial, industrial or professional activities and  
227 operating as a corporation, limited liability company, partnership  
228 or sole proprietorship. Except as otherwise provided in this  
229 subsection, a credit is allowed against the taxes imposed by  
230 Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123, for voluntary  
231 cash contributions made by a taxpayer during the taxable year to  
232 an eligible charitable organization. A credit is also allowed  
233 against ad valorem taxes assessed and levied on real property for  
234 voluntary cash contributions made by the taxpayer during the  
235 taxable year to an eligible charitable organization. The amount  
236 of credit that may be utilized by a taxpayer in a taxable year  
237 shall be limited to an amount not to exceed fifty percent (50%) of  
238 the total tax liability of the taxpayer for the taxes imposed by  
239 such sections of law and an amount not to exceed fifty percent  
240 (50%) of the total tax liability of the taxpayer for ad valorem  
241 taxes assessed and levied on real property. Any tax credit  
242 claimed under this subsection but not used in any taxable year may  
243 be carried forward for five (5) consecutive years from the close  
244 of the tax year in which the credits were earned.



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

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

252                   (b) Taxpayers taking a credit authorized by this  
253 subsection shall provide the name of the eligible charitable  
254 organization and the amount of the contribution to the department  
255 on forms provided by the department.

256                   (c) An eligible charitable organization shall provide  
257 the department with a written certification that it meets all  
258 criteria to be considered an eligible charitable organization.  
259 The organization shall also notify the department of any changes  
260 that may affect eligibility under this subsection.

261                   (d) The eligible charitable organization's written  
262 certification must be signed by an officer of the organization  
263 under penalty of perjury. The written certification shall include  
264 the following:

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

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



269 financially support any other entity that provides, pays for or  
270 provides coverage of abortions;

271 (iii) Any other information that the department  
272 requires to administer this subsection.

273 (e) The department shall review each written  
274 certification and determine whether the organization meets all the  
275 criteria to be considered an eligible charitable organization and  
276 notify the organization of its determination. The department may  
277 also periodically request recertification from the organization.  
278 The department shall compile and make available to the public a  
279 list of eligible charitable organizations.

280 (f) Tax credits authorized by this subsection that are  
281 earned by a partnership, limited liability company, S corporation  
282 or other similar pass-through entity, shall be allocated among all  
283 partners, members or shareholders, respectively, either in  
284 proportion to their ownership interest in such entity or as the  
285 partners, members or shareholders mutually agree as provided in an  
286 executed document.

287 (g) (i) A taxpayer shall apply for credits with the  
288 department on forms prescribed by the department. In the  
289 application the taxpayer shall certify to the department the  
290 dollar amount of the contributions made or to be made during the  
291 calendar year. Within thirty (30) days after the receipt of an  
292 application, the department shall allocate credits based on the  
293 dollar amount of contributions as certified in the application.



294 However, if the department cannot allocate the full amount of  
295 credits certified in the application due to the limit on the  
296 aggregate amount of credits that may be awarded under this  
297 subsection in a calendar year, the department shall so notify the  
298 applicant within thirty (30) days with the amount of credits, if  
299 any, that may be allocated to the applicant in the calendar year.  
300 Once the department has allocated credits to a taxpayer, if the  
301 contribution for which a credit is allocated has not been made as  
302 of the date of the allocation, then the contribution must be made  
303 not later than sixty (60) days from the date of the allocation.  
304 If the contribution is not made within such time period, the  
305 allocation shall be cancelled and returned to the department for  
306 reallocation. Upon final documentation of the contributions, if  
307 the actual dollar amount of the contributions is lower than the  
308 amount estimated, the department shall adjust the tax credit  
309 allowed under this subsection.

310 (ii) For the purposes of using a tax credit  
311 against ad valorem taxes assessed and levied on real property, a  
312 taxpayer shall present to the appropriate tax collector the tax  
313 credit documentation provided to the taxpayer by the Department of  
314 Revenue, and the tax collector shall apply the tax credit against  
315 such ad valorem taxes. The tax collector shall forward the tax  
316 credit documentation to the Department of Revenue along with the  
317 amount of the tax credit applied against ad valorem taxes, and the  
318 department shall disburse funds to the tax collector for the



319 amount of the tax credit applied against ad valorem taxes. Such  
320 payments by the Department of Revenue shall be made from current  
321 tax collections.

322 (h) The aggregate amount of tax credits that may be  
323 allocated by the department under this subsection during a  
324 calendar year shall not exceed Three Million Dollars  
325 (\$3,000,000.00).

326 (3) (a) (i) Except as otherwise provided in this  
327 subsection, a credit is allowed against the taxes imposed by this  
328 chapter for voluntary cash contributions by an individual taxpayer  
329 during the taxable year to an eligible charitable organization. A  
330 credit is also allowed against ad valorem taxes assessed and  
331 levied on real property for voluntary cash contributions made by  
332 the taxpayer during the taxable year to an eligible charitable  
333 organization. The amount of credit that may be utilized by a  
334 taxpayer in a taxable year shall be limited to an amount not to  
335 exceed fifty percent (50%) of the total tax liability of the  
336 taxpayer for the taxes imposed by this chapter and an amount not  
337 to exceed fifty percent (50%) of the total tax liability of the  
338 taxpayer for ad valorem taxes assessed and levied on real  
339 property. Any tax credit claimed under this subsection but not  
340 used in any taxable year may be carried forward for five (5)  
341 consecutive years from the close of the tax year in which the  
342 credits were earned.



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

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

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

354 (b) Taxpayers taking a credit authorized by this  
355 subsection shall provide the name of the eligible charitable  
356 organization and the amount of the contribution to the department  
357 on forms provided by the department.

358 (c) An eligible charitable organization shall provide  
359 the department with a written certification that it meets all  
360 criteria to be considered an eligible charitable organization.  
361 The organization shall also notify the department of any changes  
362 that may affect eligibility under this subsection.

363 (d) The eligible charitable organization's written  
364 certification must be signed by an officer of the organization  
365 under penalty of perjury. The written certification shall include  
366 the following:



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

369 (ii) A statement that the organization does not  
370 provide, pay for or provide coverage of abortions and does not  
371 financially support any other entity that provides, pays for or  
372 provides coverage of abortions;

373 (iii) Any other information that the department  
374 requires to administer this subsection.

375 (e) The department shall review each written  
376 certification and determine whether the organization meets all the  
377 criteria to be considered an eligible charitable organization and  
378 notify the organization of its determination. The department may  
379 also periodically request recertification from the organization.  
380 The department shall compile and make available to the public a  
381 list of eligible charitable organizations.

382 (f) (i) A taxpayer shall apply for credits with the  
383 department on forms prescribed by the department. In the  
384 application the taxpayer shall certify to the department the  
385 dollar amount of the contributions made or to be made during the  
386 calendar year. Within thirty (30) days after the receipt of an  
387 application, the department shall allocate credits based on the  
388 dollar amount of contributions as certified in the application.  
389 However, if the department cannot allocate the full amount of  
390 credits certified in the application due to the limit on the  
391 aggregate amount of credits that may be awarded under this





392 subsection in a calendar year, the department shall so notify the  
393 applicant within thirty (30) days with the amount of credits, if  
394 any, that may be allocated to the applicant in the calendar year.  
395 Once the department has allocated credits to a taxpayer, if the  
396 contribution for which a credit is allocated has not been made as  
397 of the date of the allocation, then the contribution must be made  
398 not later than sixty (60) days from the date of the allocation.  
399 If the contribution is not made within such time period, the  
400 allocation shall be cancelled and returned to the department for  
401 reallocation. Upon final documentation of the contributions, if  
402 the actual dollar amount of the contributions is lower than the  
403 amount estimated, the department shall adjust the tax credit  
404 allowed under this subsection.

405 (ii) For the purposes of using a tax credit  
406 against ad valorem taxes assessed and levied on real property, a  
407 taxpayer shall present to the appropriate tax collector the tax  
408 credit documentation provided to the taxpayer by the Department of  
409 Revenue, and the tax collector shall apply the tax credit against  
410 such ad valorem taxes. The tax collector shall forward the tax  
411 credit documentation to the Department of Revenue along with the  
412 amount of the tax credit applied against ad valorem taxes, and the  
413 department shall disburse funds to the tax collector for the  
414 amount of the tax credit applied against ad valorem taxes. Such  
415 payments by the Department of Revenue shall be made from current  
416 tax collections.



417 (g) The aggregate amount of tax credits that may be  
418 allocated by the department under this subsection during a  
419 calendar year shall not exceed One Million Dollars  
420 (\$1,000,000.00).

421 **SECTION 3.** This act shall take effect and be in force from  
422 and after July 1, 2024, and shall stand repealed on June 30, 2024.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO BRING FORWARD SECTION 27-7-22.41, MISSISSIPPI CODE  
2 OF 1972, WHICH PROVIDES AN INCOME TAX CREDIT, INSURANCE PREMIUM  
3 TAX CREDIT AND AD VALOREM TAX CREDIT FOR CONTRIBUTIONS MADE BY  
4 CERTAIN TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS,  
5 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION  
6 27-7-22.48, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME  
7 TAX CREDIT, INSURANCE PREMIUM TAX CREDIT AND AD VALOREM TAX CREDIT  
8 FOR VOLUNTARY CASH CONTRIBUTIONS MADE BY TAXPAYERS TO CERTAIN  
9 ELIGIBLE CHARITABLE ORGANIZATIONS THAT CONTRACT OR MAKE OTHER  
10 AGREEMENTS OR ARRANGEMENTS WITH HEALTH CARE PERSONNEL TO PROVIDE  
11 HEALTH CARE SERVICES TO LOW-INCOME RESIDENTS OF THIS STATE, FOR  
12 THE PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

X (SIGNED)  
Lamar

X (SIGNED)  
Harkins

X (SIGNED)  
Steverson

X (SIGNED)  
Sparks

X (SIGNED)  
Barnett

X (SIGNED)  
Berry

