Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO

Senate Bill No. 2867

BY: Committee

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

SECTION 1. Section 57-73-23, Mississippi Code of 1972, is amended as follows:

57-73-23. (1) A fifty percent (50%) income tax credit shall be granted to any employer providing dependent care for employees during the employee's work hours, and to any employer who provides a child care stipend of at least *** * *** Two Thousand Dollars ($2,000.00) per child for direct payments made to a licensed or registered entity, or other governmental, or accrediting agency or entity providing dependent child care in the State of Mississippi for an employee's children during the employee's work hours. The

credit allowed may not exceed Three Thousand Dollars ($3,000.000) per year for each child of a participating employee.

(2) In order for an employer who provides a child care stipend under this section to be eligible for the tax credit, the employer shall certify to the Department of Revenue:

(a) The names of the employees on whose behalf the stipend is paid; * * *

(b) The amount of the stipend paid on behalf of each of those employees;

(c) The licensed or registered entity receiving the child care stipend from the employer on behalf of the employee, including the entity's federal identification number and license and registration number as listed on the State Department of Health Registry, or other governmental, or accrediting agency or entity receiving the child care stipend from the employer on behalf of the employee; and

(d) Such other information as may be required by the Department of Revenue to ensure that credits under this section are granted only to employers who provide stipends to a licensed or registered entity, or other governmental, or accrediting agency or entity providing dependent care in the State of Mississippi for an employee's children during the employee's work hours.

(3) For an employer contracting with a licensed or registered entity to provide dependent care for its employees during the employee's work hours, the credit is applied to the net

cost of any contract executed by the employer for another entity to provide dependent care; or, if the employer elects to provide dependent care itself, the credit is applied to expenses of dependent care staff, learning and recreational materials and equipment, and the construction and maintenance of a facility; or, if the employer elects to provide a child care stipend to a licensed or registered entity providing dependent care in the State of Mississippi for the employee's children during the employee's work hours, the credit is applied to the amount of the stipend provided. Additional eligible expenses include net costs assumed by the employer which increase the quality, availability and affordability of dependent care in the community used by employees during the employee's work hours. This cost is net of any reimbursement. A deduction shall not be allowed for any expenses which serve as the basis for an income tax credit. The credits allowed under this section shall not be used by any business enterprise or corporation other than the business enterprise actually qualifying for the credits.

Credit may be carried forward for the five (5) successive years if the amount allowable as credit exceeds income tax liability in a tax year; however, thereafter, if the amount allowable as a credit exceeds the tax liability, the amount of excess shall not be refundable or carried forward to any other taxable year. In lieu of claiming a tax credit, a taxpayer may elect to claim a rebate in the amount of seventy-five percent

(75%) of the amount that would be eligible to claim as a credit. Rebate requests shall be submitted to the Department of Revenue on forms prescribed by the department. The Department of Revenue will then provide the taxpayer with a voucher for the approved amount. Within twelve (12) months of the issuance of the voucher by the Department of Revenue, the taxpayer may submit the voucher to the department to receive payment. Rebates shall be made from current tax collections. The maximum aggregate amount of credits and rebates that may be used by a taxpayer in a taxable year cannot exceed Fifty Thousand Dollars ($50,000.00).

The facility must have an average daily enrollment for the taxable year of no less than six (6) children who are twelve (12) years of age or less and be licensed according to the regulations governing licensure of child care facilities in Mississippi; or must serve five (5) or fewer children and/or elderly adults in a family child care/elder care home approved by the Department of Health for participation in the United States Department of Agriculture child and adult nutrition program; or must serve children over twelve (12) years of age but less than eighteen (18) years of age in either a community-based facility or a facility at the employment site; or must serve adult relatives of employees in either a community-based elder care facility or a facility at the employment site; or must serve children or adult dependents having physical, emotional or mental disabilities in either a community-based facility or a facility at the employment site.

Employers * * * shall be certified as eligible for the tax credit if the facility is licensed or registered by the State Department of Health for programs serving children twelve (12) years of age or younger and for programs serving elderly adults and by the Department of Revenue for programs serving other dependents older than twelve (12) years of age at the time of the direct payment to that facility.

The maximum aggregate amount of tax credits and rebates that may be awarded under this section shall not exceed Five Million Dollars ($5,000,000.00) for any one (1) taxable year.

SECTION 2. Nothing in this act shall affect or defeat any claim, assessment, appeal, suit, right or cause of action for taxes due or accrued under the income tax laws before the date on which this act becomes effective, whether such claims, assessments, appeals, suits or actions have been begun before the date on which this act becomes effective or are begun thereafter; and the provisions of the income tax laws are expressly continued in full force, effect and operation for the purpose of the assessment, collection and enrollment of liens for any taxes due or accrued and the execution of any warrant under such laws before the date on which this act becomes effective, and for the imposition of any penalties, forfeitures or claims for failure to comply with such laws.

SECTION 3. This act shall take effect and be in force from and after January 1, 2026.

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

AN ACT TO AMEND SECTION 57-73-23, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME TAX CREDIT FOR EMPLOYERS PROVIDING DEPENDENT CARE FOR EMPLOYEES DURING WORK HOURS AND FOR EMPLOYERS THAT PROVIDE A CHILD CARE STIPEND TO BE USED FOR CHILD CARE DURING EMPLOYEES' WORK HOURS, TO REDUCE THE AMOUNT OF THE REQUIRED STIPEND AND TO PROVIDE FOR THE STIPEND TO BE FOR DIRECT PAYMENTS TO A LICENSED OR REGISTERED ENTITY, OR OTHER GOVERNMENTAL, OR ACCREDITING AGENCY OR ENTITY PROVIDING DEPENDENT CHILD CARE; TO PROVIDE THAT THE TAX CREDIT ALLOWED MAY NOT EXCEED $3,000.00 PER YEAR FOR EACH CHILD OF A PARTICIPATING EMPLOYEE; TO PROVIDE THAT IN LIEU OF CLAIMING A TAX CREDIT, A TAXPAYER MAY ELECT TO CLAIM A REBATE IN THE AMOUNT OF 75% OF THE AMOUNT THAT WOULD BE ELIGIBLE TO CLAIM AS A CREDIT; TO PROVIDE THAT THE MAXIMUM AGGREGATE AMOUNT OF CREDITS AND REBATES THAT MAY BE USED BY A TAXPAYER IN A TAXABLE YEAR CANNOT EXCEED $50,000.00; TO PROVIDE THAT THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS AND REBATES THAT MAY BE AWARDED CANNOT EXCEED $5,000,000.00 FOR ANY ONE TAXABLE YEAR; AND FOR RELATED PURPOSES.