



MISSISSIPPI DEPARTMENT OF REVENUE

Tax Policy and Economic Development Notice 80-20-05 December 4, 2020

Children's Promise Act Notice – 2021

The Children's Promise Act authorizes a credit for businesses that donate to an Eligible Charitable Organization (ECO). Miss. Code Ann. Section 27-7-22.41 was amended to increase the aggregate credits that may be allocated to ECOs. Up to five million dollars (\$5,000,000) of the tax credits allocated during a calendar year may be allocated for contributions to ECOs that are either licensed by, under contract, or have an agreement with the MS Department of Child Protection Services related to adoption and/or foster care related activities with no more than twenty-five percent (25%) of such credits being allocated for contributions to a single ECO; this results in a per ECO cap of \$1,250,000.

Up to five million dollars (\$5,000,000) of the tax credits allocated during a calendar year may be allocated for contributions to ECOs certified by the Department as educational services (ESCO), job training (JTCO), or workforce development (WDCO) charitable organizations with no more than five percent (5%) of such credits being allocated for contributions to a single ECO certified as such; this results in a per ECO cap of \$250,000. The Department expects the caps will be quickly reached. To provide all taxpayers an equal opportunity to obtain an allocation of the credit, the Department is publishing these guidelines on how it will determine who will receive allocations.

Applications must be on the official form, the Application for Allocation of Business Contributions Made to Eligible Charitable Organizations. Important changes have been made to the application from last year that may affect the amount of the credit. Additional information, including the application, technical bulletin, and a listing of all Eligible Charitable Organizations, is located at <https://www.dor.ms.gov/Business/Pages/Eligible-Charitable-Organizations.aspx>.

Allocations are on a first come, first served basis based on the time and date the application is received by the Department. The Department will begin accepting the Application for Allocation of Business Contributions Made to Eligible Charitable Organizations for the 2021 calendar year on Friday, January 1st at 12:00 AM CST by email only. The Department will not be responsible for any technological problems preventing an e-mail from being delivered. E-mailed applications should be sent to contributiontaxcredit@dor.ms.gov. The date and time received shown on the Department's e-mail system will be used as the official receipt time. Since the Department is closed on January 1st and has no way to accept physical applications until January 4th, applications by hand delivery or mail will be accepted beginning January 4th at 8:00 AM CST. Applications received by hand delivery or mail will be stamped as received with the date and time such application is actually received by the Office of Tax Policy and Economic Development. Any applications, whether through e-mail or physical submission, received prior to these dates and times will be returned as ineligible for the 2021 allocation.

Submissions should include only one taxpayer's application. Any e-mail or package that contains more than one taxpayer's application must designate the order in which the

applications are to be considered received. If no designation is made, the e-mail will be returned to make the designation.

Proration of the allocation of the credit will only occur if the caps are reached in a way that the Department cannot determine which application was received first. For instance, if the remaining balance of the credit is requested by mail with multiple separate application packets being received at the same time such applications will receive a prorated amount. Prorated amounts will be calculated on actual donations made, not proposed donations.

Taxpayers planning to apply on January 1, 2021, may send a test e-mail to contributiontaxcredit@dor.ms.gov during regular business hours. The Department will respond with the time received shown on our e-mail system. The Department's email system is unable to accept emails over 25MB.