



MISSISSIPPI DEPARTMENT OF REVENUE

Tax Policy and Economic Development Notice 80-22-003 October 26, 2022

Children's Promise Act/Pregnancy Resource Act Notice – 2023

The Children's Promise Act authorizes a credit for businesses that donate to an Eligible Charitable Organization (ECO) or an Educational Services Charitable Organization (ESCO). Miss. Code Ann. Section 27-7-22.41 was amended to increase the aggregate credits that may be allocated for contributions to ECOs and ESCOs to \$18,000,000 for the 2023 calendar year.

Under the Children's Promise Act, up to \$9,000,000 of the tax credits allocated during the 2023 calendar year may be allocated for contributions to ECOs that are either licensed by or under contract with the MS Department of Child Protection Services and provide services related to adoption and/or foster care related activities. No more than twenty-five percent (25%) of the credits may be allocated for contributions to a single ECO, resulting in a per ECO cap of \$2,250,000.

Under the Children's Promise Act, up to \$9,000,000 of the tax credits allocated during the 2023 calendar year may be allocated for contributions to ESCOs. No more than four and a half percent (4.5%) of the credits may be allocated for contributions to a single ESCO, resulting in a per ESCO cap of \$405,000.

The Pregnancy Resource Act authorizes a credit for businesses that donate to a Pregnancy Resource Charitable Organization (PRCO). The Act was established in HB 1685 of the 2022 Regular Session and allows aggregate credits of \$3,500,000 to be allocated for contributions to PRCOs for the 2023 calendar year. No more than fifty percent (50%) of the credits may be allocated for contributions to a single PRCO, resulting in a per PRCO cap of \$1,750,000.

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.

Application must be made on the official forms. There are three different applications for the three types of charitable organizations. Each type of application should only include contributions to that same type of charitable organization. For example, the 2023 Application for Allocations to Eligible Charitable Organizations can only be used for contributions to ECOs, etc. If an application contains ECO, ESCO, or PRCO contributions entered on the incorrect form, then that single contribution will be removed from consideration for the allocation. The applications will only include one alternative charitable organization for each contribution made. Additional information, including the applications, technical bulletin, and a listing of all ECOs, ESCOs and PRCOs, is located at <https://www.dor.ms.gov/business/eligible-charitable-organizations-childrens-promise-act>.

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 applications for the 2023 calendar year on Sunday, 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 3rd, applications by hand delivery or mail will be accepted beginning January 3rd 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 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 2023 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, 2023, may send a test e-mail to contributiontaxcredit@dor.ms.gov during regular business hours. The Department's email system is unable to accept emails over 15MB.