

**Title 35, Part III, Subpart 1,
Chapter 12 Credit for Income Tax Paid to Another State**

- 100 Pursuant to Miss. Code Ann. Section 27-7-77, Mississippi residents are required to include their total gross income from all sources on their Mississippi income tax return, regardless of where the income was earned or realized. Mississippi residents who earned income in other states and are required to pay an income tax to another state(s) on income that is also subject to Mississippi income tax are allowed a credit for income tax paid to another state against Mississippi tax due. The credit must be claimed in the same taxable year in which the tax is paid to the other state. Non-residents are not allowed this credit.
- 101 “Another state” or “other state” means a state in the United States other than Mississippi, a territory of the United States or the District of Columbia. This credit does not apply to taxes paid to any foreign country or to taxes imposed by any city, county or other local taxing jurisdiction.
- 102 The amount of the credit is subject to the following limitations:
1. The credit may not exceed the amount of income tax due the State of Mississippi.
 2. The credit may not exceed the amount of income tax actually paid to the other state. (Any income tax credits allowed by another state will not be treated as taxes actually paid.)
 3. The credit may not exceed an amount computed by applying the highest applicable Mississippi rates to the net taxable income reported to the other state. Highest rates are meant to mean the highest rates at which the net taxable income reported to the other state is taxable by the State of Mississippi.
- 103 Copies of withholding statements are not sufficient documentation, as they indicate the amount withheld by the other state not the actual tax liability to the other state. The required documentation, as outlined below, must be attached to the Mississippi Individual Income Tax Return to claim the credit or the credit may be disallowed.
1. The Tax Credit For Income Tax Paid To One Or More Other States form; and
 2. A copy of the actual income tax return(s) filed with the other state(s); or
 3. Documentation of the amount of tax paid to another state on the taxpayer’s behalf by another entity, such as a federal schedule K-1. This will only be accepted in instances where the other state’s return is not required to be filed by the taxpayer.
- 104 If a taxpayer amends the amount of income tax paid to the other state on which the Mississippi credit was based, the taxpayer must file an amended Mississippi Individual Income Tax Return to recalculate the amount of credit allowed.
- 105 (Reserved)

35.III.1.12 revised effective January 7, 2019