

MISSISSIPPI INDIVIDUAL INCOME TAX CHECKLIST

MARCH 2019

Please use this checklist as a quick reference to taxable and deductible items for STATE income tax purposes. There might be some differences in the treatment of these items for federal tax purposes, be careful. If you have any questions or suggestions, please contact the Income Tax Bureau. Updates will be distributed as they are needed.

Mississippi Individual Income Tax Checklist

INCOME ITEMS

Every subject listed below is a type of income received by an individual taxpayer. This income could be in the form of cash or other non-cash items, such as non-cash prizes. This table is only true for state income tax purposes. Note: "T" denotes that the item is "Taxable" and is required to be included in gross income. "NT" denotes that the item is "Not Taxable" and may be excluded from gross income. You must look to the state income tax forms to determine where this income is to be reported.

-A-

Advances	T
Agreements not to compete	T
Agricultural program subsidies	NT
Alimony (Not taxable on divorce decrees after December 31, 2018)	T
Allowances for dependents of military	NT
Amounts withheld from wages	T
Annuities - after retirement	NT
Annuities - before retirement	T
Annuities - Railroad retirement	NT
Armed Forces pay	T
Awards and prizes - cash or FMV of non-cash	T

-B-

Back pay	T
Baptismal offerings	T
Bartering	T
Benefits under veterans' acts	NT
Bequests and devises	NT
Bonuses	T
Bribes	T
Business profits	T

-C-

Cancellation of debts	T
Capital gains	T
Certificate of Deposit - interest	T
Child support	NT
Clergy fees	T
Clergy - home allowance	NT
Combat or hazardous duty pay - military	NT

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Commissions	T
Compensation	T
Constructively received income	T
Contest awards or prizes	T
Contractors - bonus for completion of contract	T

-D-

Damages recovered for physical injury	NT
Devises and bequests	NT
Directors' fees	T
Disability payments - employer paid premiums	T
Disability payments - taxpayer paid premiums	NT
Dividends	T

-E-

Election official pay	T
Embezzlement proceeds	T
Endowment policy benefits	T
Executor's fees	T
Expense reimbursements - non-deductible expenses	T
Expense reimbursements - over standard rates	T
Extortion proceeds	T

-F-

Farm income	T
Farm subsidies	T
Federal Social Security Act benefits	NT
Fellowship grants - generally	NT
Fiduciary fees	T
Foster care payments	NT

-G-

G. I. Bill benefits	NT
Gain from property sale	T
Gambling winnings – Mississippi casino	NT
Gambling winnings – non Mississippi casino	T
Gifts - cash	T
Gifts - income from	T
Government subsidies	T
Group term life insurance - paid by employer over \$50,000	T

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-H-

Hazardous duty pay - military	NT
Health insurance premium paid by employer	NT
Health Savings Account – qualified expenses	NT
Health Savings Account – non qualified withdrawals	T
Hobby income	T

-I-

Illegal transactions	T
Illness - employee compensation	T
Income assigned to another	T
Income tax refunds - federal	NT
Income tax refunds - state	NT
Inheritance	NT
Inheritance - income from	T
Installment sales	T
Insurance - lost income	T
Insurance - non-physical awards	T
Insurance - physical awards	NT
Insurance – property damage	NT
Insurance - punitive awards	T
Interest - insurance awards	T
Interest - Mississippi obligations	NT
Interest - other state obligations	T
Interest - savings account	T
Interest - tax refunds	T
Interest - U. S. Government obligations	NT
Interest - Certificate of Deposits	T

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-J-

Jury pay T
 Jury pay given to employer NT

-K-

-L-

Life Insurance proceeds NT
 Livestock sold T
 Living quarters and meals - compensation T
 Living quarters and meals - convenience of employer NT
 Lodging furnished - convenience of employer NT
 Lottery income T

-M-

Marriage fees received by clergy T
 Marriage settlement - property settlement NT
 Meals - convenience of employer NT
 Military disability payments NT
 Military Reserve pay T
 Moving expense reimbursement T
 Mutual fund dividends T

-N-

National Guard pay - see adjustment to income T
 Notary public fees T

-O-

Old age benefits - Social Security NT
 Overtime pay T

-P-

Parsonage rental allowance NT
 Partnership income T
 Pensions NT
 Per diem allowances to military NT
 Prizes T
 Proceeds from life insurance NT

Mississippi Individual Income Tax Checklist

Produce consumed by farmer and family NT
 Profit from sales of property T

-Q-

Qualified Disaster Relief Payments NT

-R-

Railroad Retirement Act benefits NT
 Recovery of expenses previously deducted T
 Recovery of losses previously deducted T
 Reenlistment bonus military T
 Refund of state income taxes previously deducted NT
 Rents T
 Retirement income – normal distributions NT
 Retirement income – early distributions T
 Royalties T

-S-

Salaries T
 Sale of stock – MS corporation NT
 Sale of stock – non MS corp T
 Scholarship grants –tuition and fees NT
 Scholarship grants – room and board T
 Service pay military T
 Settlements for back pay T
 Severance pay T
 Sick pay T
 Social Security benefits NT
 Stipends T
 Support payments - alimony (Not taxable on divorce decrees after December 31, 2018) T
 Survivor’s benefits Social Security NT

-T-

Taxes of employee paid by employer T
 Tips T
 Tuition under Educational Assistance Programs NT

-U-

Unemployment compensation T
 Uniform allowance military NT
 Unlawful gains or income T

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-V-

Vacation pay	T
Veteran's disability pensions	NT
Veterans' retirement pay	NT

-W-

Wagering income	T
Wages	T
Worker's compensation	NT

-X-

-Y-

-Z-

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ADJUSTMENTS TO GROSS INCOME

Every subject listed below is some type of adjustment to gross income of an individual taxpayer or you could say exclusion to gross income. These adjustments are to be deducted from the gross income of a taxpayer and are similar to federal adjustments to gross income. This table is only true for state income tax purposes. These adjustments should be reported on page 2 of the resident and non-resident forms

Payments to an IRA

You may deduct payments to an IRA to the extent that such payments are deductible for federal income tax purposes. Use the worksheet in your federal income tax instructions to figure our deduction for payments to an IRA.

Payments to Self-employed SEP, SIMPLE, and Qualified Plans

You may deduct contributions to Self-Employed Retirement Plans to the extent that such contributions are deductible for federal income tax purposes. If the contributions or any part thereof, are not deductible for federal income tax purposes, they are not deductible for Mississippi income tax purposes.

Interest Penalty on Early Withdrawal of Savings

Federal Form 1099-INT given to you by your bank or savings and loan association will show the amount of any interest penalty you were charged because you withdrew funds from your time savings deposit before its maturity. The amount of such penalty is deductible.

Alimony Paid SSN of Recipient and State of Recipient

Alimony payments you made are deductible to the extent allowable for federal income tax purposes. Include the name, social security number and state of residency of the individual to whom the alimony was paid. If you paid more than three individuals alimony payments, attach a supplemental schedule and enter the total on this line.

Moving Expenses (Attach Federal Form 3903 or 3903F.)

You may deduct moving expense(s) as an adjustment to gross income to the extent allowable for federal income tax purposes. Attach a copy of Federal Form 3903. Note: Per TCJA, moving expenses will no longer be deductible except for active duty members of the military based on military orders. Miss. Code Ann. §27-7-18(2) provides the deduction from Mississippi income taxes in accordance with federal provisions.

First \$15,000 of National Guard Reserve Pay

Enter the lesser of the National Guard or Reserve pay or the \$15,000 Statutory Exclusion per taxpayer. Report National Guard or Reserve pay on line 54 (line 55).

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Mississippi Prepaid Affordable College Tuition (MPACT) or Mississippi Affordable College Savings (MACS)

Enter the prepaid tuition contract (MPACT) costs you paid during 2018 to the Mississippi Treasury Department on behalf of a student beneficiary and/or the amount contributed to a MACS Program account on behalf of a qualified beneficiary. Under the MACS Program, the maximum annual contribution deductions are \$20,000 for joint filers and \$10,000 for single and other filers. Contributions must be made on or before the deadline for making contributions to an IRA under federal law for such years (by the due date of the return, not including extensions.) Only amounts contributed to these programs are excluded from Mississippi income. Per the TCJA, qualified education expenses for purposes of 529 plans are no longer limited to higher education but will also include elementary and secondary public, private, home school or religious school expenses up to \$10,000 per year.

Self-Employed Health Insurance Premiums

Enter the amount of the Self-Employed Health Insurance Deduction you claimed on your federal income tax return.

Health Savings Account Deduction

Enter the amount deposited into a health savings account plus any accrued interest as defined in the Health Savings Account Act. Any amounts withdrawn other than for the purpose of paying qualified medical expenses or to procure health coverage shall be included in gross income.

Catastrophe Savings Account Deduction

Enter the amount deposited into a catastrophe savings account plus any accrued interest as defined in the Catastrophe Savings Account Act. Any contributions made during 2018 and withdrawn during 2018 should be netted to report total contributions as an adjustment to income. Any amounts withdrawn other than for the purpose of paying qualified catastrophe expenses shall be included in gross income. See Form 80-360, Catastrophe Savings Tax Schedule.

Self-employment Tax Deduction

You may deduct from gross income an amount equal to: Seventeen percent (17%) of the federal self-employment taxes imposed on such individuals for taxable years ending in calendar year 2017; thirty four percent (34%) for taxable years ending in calendar year 2018; and fifty percent (50%) for taxable years ending in calendar year 2019 and thereafter. Enter the amount of the self-employment tax deduction calculated based on what you claimed on your federal income tax return. If applicable, the Federal Schedule SE must be attached to your return.

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First-Time Home Buyers Savings Account Deduction

Enter the amount deposited into a first-time home buyers savings account plus any accrued interest as defined in the First-Time Home Buyers Savings Act. Any amount withdrawn that went to pay ineligible expenses should be reported on Form 80-108, Schedule N.

Agricultural Disaster Program Compensation Deduction

Enter the amount of compensation received from an agricultural disaster program.

ITEMIZED DEDUCTION ITEMS

Every subject listed below is some type of deduction that could be claimed by an individual taxpayer. This deduction could be in the form of cash or other non-cash items. Mississippi allows the filing of federal itemized deductions for state tax purposes with the exceptions of state income taxes, sales taxes allowed in lieu of state income taxes and gaming losses from Mississippi casinos. These items must be added back to itemized deductions for state tax purposes. Note: "D" denotes that the item is "Deductible" and can be included in the itemized deductions. "ND" denotes that the item is "Not Deductible" and cannot be included in the itemized deductions. You must look to the Schedule A to determine where this item is to be reported.

-A-

Abortion expenses - legal	D
Acupuncture expenses	D
Ad Valorem taxes	D
Addiction treatments	D
Adoption expenses (allowed as other credit)	ND
Alcohol treatment expenses	D
Ambulance expenses	D
Anesthetist fees	D
Artificial limbs & teeth	D
Attendant for blind or deaf students	D
Attorney's fees	ND
Automobile upkeep	ND

-B-

Bank overdraft fees	ND
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Mississippi Individual Income Tax Checklist

Beer Taxes	ND
Birth Control Pills	D
Blood donated	ND
Braille books – extra cost of regular cost	D
Bribes	ND
Burglar alarm system	ND
Burial expenses	ND

-C-

Campaign contributions	ND
Campaign expenses	ND
Car insurance premiums	ND
Carrying charges – interest	ND
Casualty losses – car accident	ND
Casualty losses – car accidents due to willful negligence	ND
Casualty losses – earthquakes (If federally declared disaster)	D
Casualty losses – fires, floods (If federally declared disaster)	D
Casualty losses – hurricanes, tornadoes (If federally declared disaster)	D
Casualty losses – pet accidents	ND
Casualty losses – storms, shipwrecks (If federally declared disaster)	D
Casualty losses – thefts, vandalism	ND
Childbirth class	D
Child care	ND
Child support	ND
Chiropractor fees	D
Cigarette taxes	ND
Commuting expenses	ND
Contact lenses	D
Contributions – Boy/Girl Scouts, Boys/Girls Clubs	D
Contributions – Civic leagues, chambers of commerce	ND
Contributions – clubs – social, country, sports	ND
Contributions – governments (for public purpose)	D
Contributions – lodges, fraternal orders	ND
Contributions – non-profit schools, hospitals, volunteer fire depts.	D
Contributions – political groups or candidates	ND
Contributions – public parks, recreation facilities	D
Contributions – religious organizations	D
Contributions – Salvation Army, Red Cross, Goodwill, United Way	D
Cosmetic surgery – face lifts, hair transplants, liposuction	ND
Cosmetic surgery to improve deformity	D
Credit card interest	ND
Crutches	D

-D-

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Dance lessons	ND
Dental expenses	D
Diaper service	ND
Doctor fees	D
Dogs – guide	D
Donations	D
Driver’s license fees	ND
Drugs – over the counter with substantiation	D
Drugs – illegal	ND
Drugs – prescription	D
Dues to professional societies	ND
Dues to social clubs	ND

-E-

Educational expenses	ND
Employment agency fees	ND
Employment related education	ND
Estate taxes	ND
Exchange student – limit of \$50 per school month	D
Eyeglasses expenses	D
Eye surgery	D

-F-

Face lift	ND
False teeth	D
Federal income taxes	ND
FICA taxes	ND
Fertility enhancements	D
Finance charges – home mortgage	D
Fines for law violation	ND
Fire damage	ND
Food	ND
Funeral expenses	ND

-G-

Gaming losses (Mississippi casinos)	ND
Gaming losses (non-Mississippi casinos) to the extent of gaming income.....	D
Gasoline taxes	ND
Gift taxes	ND
Guide Dogs	D
Gynecologist fees	D

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-H-

Health club dues	ND
Health insurance premiums	D
Hearing aids	D
Hobby losses to extent of hobby income	D
Home insurance	ND
Home owners fees	ND
Home repairs	ND
Hospital expenses	D
Hospitalization insurance premiums	D
House rent	ND

-I-

Illegal drugs	ND
Illegal operation, treatment, surgery	ND
Income tax - federal	ND
Income tax - state	ND
Inheritance taxes	ND
Insurance premiums for medical (only if paid after tax)	D
Interest on business loans – only on Schedule C	*
Interest on credit cards	ND
Interest on investments – to the extent of net investment income	D
Interest on mortgage	D
Interest on personal loan	ND
Investment expenses	D
IRA fees	D

-J-

-K-

Kickbacks	ND
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-L-

Labor union dues	ND
Laboratory fees	D
Legal expenses, personal	ND
Licenses, business – subject to limitations	ND
Life insurance premiums	ND
Liquor taxes	ND
Lobbying expenses	ND
Long Term Care expenses (with limits)	D
Loss, casualty– limited by insurance reimbursement (If federally declared disaster).....	D
Lost cash or property	ND

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-M-

Marriage licenses	ND
Maternity clothes	ND
Medical aids	D
Medical expenses	D
Medical insurance premiums (only if paid after tax)	D
Mortgage insurance premiums	ND
Mortgage interest and points	D
Mortgage prepayment penalty	D

-N-

National Guard Reservist's uniform	ND
Nurse's uniforms	ND
Nursemaid for children of employed parents	ND
Nursing Home – for medical reasons only	D

-O-

Optometrist fees	D
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-P-

Penalty payment on taxes	ND
Physician fees	D
Political contributions	ND
Privilege tax	ND
Property tax	D
Prosthetic limbs	D
Psychiatric care	D

-Q-

-R-

Railroad Retirement taxes	ND
Real property tax	D
Remedial reading	D
Rent, home or apartment	ND
Repairs to personal residence	ND
Ring lost from owner's finger (casualty loss)	ND

-S-

Safe deposit box rental (for income producing property)	ND
Safe deposit box rental (for personal property)	ND
Sales tax	ND
Self-employment tax	D
Shifting soil damage	ND
Small tools & supplies used in work	ND

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Social activities (personal)	ND
Social Security taxes	ND
Sterilization- legal	D
Stop smoking programs	D
Subscription to professional journals – subject to limitation	ND

-T-

Tax penalty payments	ND
Tax return preparation fee	ND
Taxes – custom duties	ND
Taxes – estate	ND
Taxes – federal excise	ND
Taxes - foreign	D
Taxes – gift	ND
Taxes – income – federal	ND
Taxes – income – state	ND
Taxes – Medicare	ND
Taxes – property	D
Taxes – Railroad Retirement	ND
Taxes – sales	ND
Taxes – social security	ND
Taxes – tobacco	ND
Teeth Whitening	ND
Termite damage or treatment	ND
Theft loss	ND
Tools required in work	ND
Tornado damage (casualty loss) – subject to insurance (If federally declared disaster)	D
Transplants	D
Transportation for medical care	D
Travel (commuting expenses)	ND
Tuition	ND

-U-

Union dues & expenses	ND
Uniforms, work clothes	ND
Utilities	ND

-V-

Vacation	ND
Vitamins	ND
Vitamins prescribed by doctor	D

-W-

Weight Loss Program	ND
Wheelchair	D

Mississippi Individual Income Tax Checklist

Work Clothes, uniforms ND
Work Shoes ND

-X-

X rays D

-Y-

-Z-