HOUSE BILL NO. 1639
(As Passed the House)

1 AN ACT TO PROVIDE THAT A COUNTY THAT IS A MEMBER OF A
2 REGIONAL ECONOMIC DEVELOPMENT ALLIANCE CREATED UNDER THE REGIONAL
3 ECONOMIC DEVELOPMENT ACT SHALL HAVE THE AUTHORITY TO NEGOTIATE A
4 PURCHASE OPTION FOR REAL PROPERTY TO BE USED FOR THE PURPOSES OF
5 THE ALLIANCE; TO PROVIDE THAT A COUNTY MAY PAY ALL COSTS INCURRED
6 FOR THE ACQUISITION OF SUCH AN OPTION REGARDLESS OF WHETHER THE
7 COUNTY EXERCISES THE OPTION AT A LATER DATE; TO PROVIDE THAT AS A
8 PART OF ANY SUCH OPTION, A COUNTY MAY NEGOTIATE THE RIGHT TO ENTER
9 UPON THE REAL PROPERTY BEFORE THE PURCHASE FOR THE PURPOSE OF
10 CONDUCTING ANY PRELIMINARY ENGINEERING, ENVIRONMENTAL AND RELATED
11 SURVEYS OR STUDIES NECESSARY TO EFFECTUATE THE OPTION AND MAY PAY
12 ALL COSTS INCURRED FOR SUCH STUDIES OR OPTIONS REGARDLESS OF
13 WHETHER THE COUNTY EXERCISES THE OPTION AT A LATER DATE; TO
14 PROVIDE THAT A COUNTY THAT IS A MEMBER OF A REGIONAL ECONOMIC
15 DEVELOPMENT ALLIANCE MAY EXERCISE THE POWER OF EMINENT DOMAIN TO
16 ACQUIRE PROPERTY FOR CERTAIN PROJECTS DESCRIBED UNDER THE
17 MISSISSIPPI MAJOR ECONOMIC IMPACT ACT IF THE COUNTY HAS RECEIVED A
18 BINDING COMMITMENT PROVIDING THAT SUCH A PROJECT WILL BE LOCATED
19 IN A COUNTY IN THE REGIONAL ECONOMIC DEVELOPMENT ALLIANCE; TO
20 AMEND SECTION 57-64-7, MISSISSIPPI CODE OF 1972, TO REVISE THE
21 DEFINITION OF THE TERM "PROJECT" FOR PURPOSES OF THE REGIONAL
22 ECONOMIC DEVELOPMENT ACT TO INCLUDE CERTAIN PROJECTS DESCRIBED
23 UNDER THE MISSISSIPPI MAJOR ECONOMIC IMPACT ACT; TO PROVIDE
24 INCENTIVES IN THE FORM OF TEMPORARY EXEMPTIONS FROM LOCAL AD
25 VALOREM TAXES AND STATE INCOME, SALES AND CORPORATION FRANCHISE
26 TAXES FOR BUSINESS ENTERPRISES OPERATING CERTAIN PROJECTS IN
27 COUNTIES THAT ARE MEMBERS OF A REGIONAL ECONOMIC DEVELOPMENT
28 ALLIANCE; TO AMEND SECTIONS 27-7-21, 27-13-5, 27-13-7 AND
29 27-65-101, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
30 FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. A county that is a member of a regional economic
development alliance created under the Regional Economic
Development Act is authorized to negotiate a purchase option for
real property to be used for the purposes of the alliance. A
county may pay all costs incurred for the acquisition of such an
option regardless of whether the county exercises the option at a
later date. As a part of any such option, a county may negotiate
the right to enter upon the real property before the purchase for
the purpose of conducting any preliminary engineering,
environmental and related surveys or studies necessary to
effectuate the option. A county may pay all costs incurred for such surveys or studies regardless of whether the county exercises the option at a later date.

SECTION 2. The board of supervisors of any county that is a member of a regional economic development alliance created under the Regional Economic Development Act may exercise the power of eminent domain for the purpose of acquiring land, property and/or rights-of-way for a project as defined in Section 57-75-5(f)(i) or any facility related to the project as defined in Section 57-75-5(d), or both. The board of supervisors of such a county shall not exercise the authority granted under this section without first receiving a binding commitment providing that such a project will be located in a county that is a member of the regional economic development alliance. The board of supervisors of such a county shall not exercise the power of eminent domain under this section after July 1, 2004.

SECTION 3. Section 57-64-7, Mississippi Code of 1972, is amended as follows:

57-64-7. For the purposes of this chapter, the following words shall be defined as herein provided unless the context requires otherwise:

(a) "Alliance" means a regional economic development alliance created under this chapter.

(b) "Bond" or "bonds" means bonds, notes or other evidence of indebtedness of the local government unit issued pursuant to this chapter.

(c) "Cost of project" means all costs of site preparation and other start-up costs; all costs of construction; all costs of fixtures and of real and personal property required for the purposes of the project and facilities related thereto, including land and any rights or undivided interest therein, easements, franchises, fees, permits, approvals, licenses, and certificates and the securing of such permits, approvals,
licenses, and certificates and all machinery and equipment, including motor vehicles which are used for project functions; and including any cost associated with the closure, post-closure maintenance or corrective action on environmental matters, financing charges and interest prior to and during construction and during such additional period as the alliance may reasonably determine to be necessary for the placing of the project in operation; costs of engineering, surveying, environmental geotechnical, architectural and legal services; costs of plans and specifications and all expenses necessary or incident to determining the feasibility or practicability of the project; administrative expenses; and such other expenses as may be necessary or incidental to the financing authorized in this chapter. The costs of any project may also include funds for the creation of a debt service reserve, a renewal and replacement reserve, bond insurance and credit enhancement, and such other reserves as may be reasonably required by the alliance for the operation of its projects and as may be authorized by any bond resolution or trust agreement or indenture pursuant to the provisions of which the issuance of any such bonds may be authorized. Any obligation or expense incurred for any of the foregoing purposes shall be regarded as a part of the costs of the project and may be paid or reimbursed as such out of the proceeds of user fees, of revenue bonds or notes issued under this chapter for such project, or from other revenues obtained by the alliance.

(d) "County" means any county of this state.

(e) "Foreign governmental unit" means any county, parish, city, town, village, utility district, school district, any community college, any institution of higher learning, any municipal airport authority, regional airport authority, port authority or any other political subdivision of another state.

(f) "Governing body" means the board of supervisors of any county or the governing board of any city, town or village.
As to the state, the term governing body means the State Bond Commission.

(g) "Holder of bonds" or "bondholder" or any similar term means any person who shall be the registered owner of any such bond or bonds which shall at the time be registered.

(h) "Law" means any act or statute, general, special or local, of this state.

(i) "Local government unit" means any county or incorporated city, town or village in the state acting jointly or severally.

(j) "MDA" means the Mississippi Development Authority.

(k) "Municipality" means any incorporated municipality in the state.

(l) "Person" means a natural person, partnership, association, corporation, business trust or other business entity.

(m) "Project" means and includes any of the following which promotes economic development or which assists in the creation of jobs:

1) Acquisition, construction, repair, renovation, demolition or removal of:

   1. Buildings and site improvements (including fixtures);
   2. Potable and nonpotable water supply systems;
   3. Sewage and waste disposal systems;
   4. Storm water drainage and other drainage systems;
   5. Airport facilities;
   6. Rail lines and rail spurs;
   7. Port facilities;
   8. Highways, streets and other roadways;
   9. Fire suppression and prevention systems;
   10. Utility distribution systems, including, but not limited to, water, electricity, natural gas, telephone and...
other information and telecommunications facilities, whether by
wire, fiber or wireless means; provided, however, that electrical,
natural gas, telephone and telecommunication systems shall be
constructed, repaired or renovated only for the purpose of
completing the project and connecting to existing utility systems
(this provision shall not be construed to prevent a city, county
or natural gas district from supplying utility service that it is
authorized to supply in the service area that it is authorized to
serve);

11. Business, industrial and technology parks
and the acquisition of land and acquisition or construction of
improvements to land connected with any of the preceding purposes;

(ii) County purposes authorized by or defined in
Sections 17-5-3 and 19-9-1, (except Section 19-9-1(f));

(iii) Municipal purposes authorized by or defined in
Sections 17-5-3, 17-17-301 et seq., 21-27-23, 21-33-301;

(iv) Refunding of bonds as authorized in Section
21-27-1 et seq.; and

(v) A project as defined in Section 57-75-5(f)(i)
or a facility related to the project as defined in Section
57-75-5(d), or both.

(n) "Resolution" means a resolution, ordinance, act,
record of minutes or other appropriate enactment of a governing
body.

(o) "Revenues" mean any and all taxes, fees, rates,
rentals, profits and receipts collected by, payable to, or
otherwise derived by, the local government units and foreign
governmental units, and all other monies and income of whatsoever
kind or character collected by, payable to, or otherwise derived
by, the local government unit and foreign governmental units in
connection with the economic development projects provided through
this chapter.
(p) "Security" means a bond, note or other evidence of indebtedness issued by a local government unit pursuant to the provisions of this chapter.

(q) "State" means the State of Mississippi.

SECTION 4. (1) For the purposes of this section, the following words and phrases shall have the meanings ascribed in this section unless the context clearly indicates otherwise:

(a) "Business enterprise" means a business enterprise operating a project.

(b) "Local tax" means any county or municipal ad valorem tax imposed on the business enterprise pursuant to law, except the school portion of the tax and any portion of the tax imposed to pay the cost of providing fire and police protection.

(c) "MDA" means the Mississippi Development Authority.

(d) "Project" means a project as defined in Section 57-75-5(f)(i).

(e) "Regional economic development alliance" means a regional economic development alliance created under the Regional Economic Development Act.

(f) "State tax" means any sales and use tax imposed on the business enterprise pursuant to law related to the purchase of component building materials and equipment for initial construction of facilities or expansion of facilities in a county that is a member of a regional economic development alliance, all income tax imposed pursuant to law on income earned by the business enterprise in a county that is a member of a regional economic development alliance, and franchise tax imposed pursuant to law on the value of capital used, invested or employed by the business enterprise in a county that is a member of a regional economic development alliance.

(2) A business enterprise operating a project in a county that is a member of a regional economic development alliance shall be exempt from all local taxes levied by the county and all state
taxes for a period of ten (10) years or until December 31, 2015, whichever occurs first, and upon consent of any municipality within such county, shall be exempt from all local taxes levied by such municipality for a period of ten (10) years or until December 31, 2015, whichever occurs first.

(3) (a) The following conditions, along with any other conditions the MDA shall promulgate from time to time by rule or regulation, shall apply to such exemptions: (a) any exemption provided under this section is nontransferable and cannot be applied, used or assigned to any other person or business or tax account; (b) no business enterprise may claim or use the exemption granted under this section unless that enterprise is in full compliance with all state and local tax laws, and related ordinances and resolutions; and (c) the business enterprise must enter into an agreement with the MDA which sets out, at a minimum the performance requirements of the business enterprise during the term of the exemption and provisions for the recapture of all or a portion of the taxes exempted if the performance requirements of the business enterprise are not met.

(b) Upon entering into such an agreement, the MDA shall forward such agreement to the State Tax Commission and the affected local taxing authorities so that the exemption can be implemented. The State Tax Commission shall promulgate rules and regulations, in accordance with the Mississippi Administrative Procedures Law, for the implementation of both local and state exemptions granted under this section.

(4) Any business enterprise that relocates its present operation and jobs to a county that is a member of a regional economic development alliance from another county in the state shall not receive any of the exemptions granted in this section.

SECTION 5. Section 27-7-21, Mississippi Code of 1972, is amended as follows:
27-7-21. (a) **Allowance of deductions.** In the case of a resident individual, the exemptions provided by this section, as applicable to individuals, shall be allowed as deductions in computing taxable income.

(b) **Single individuals.** In the case of a single individual, a personal exemption of Five Thousand Two Hundred Fifty Dollars ($5,250.00) for the 1979 and 1980 calendar years and Six Thousand Dollars ($6,000.00) for each calendar year thereafter.

(c) **Married individuals.** In the case of married individuals living together, a joint personal exemption of Eight Thousand Dollars ($8,000.00) for the 1979 and 1980 calendar years and Nine Thousand Five Hundred Dollars ($9,500.00) for the 1981 through 1997 calendar years, Ten Thousand Dollars ($10,000.00) for the calendar year 1998, Eleven Thousand Dollars ($11,000.00) for the calendar year 1999, and Twelve Thousand Dollars ($12,000.00) for each calendar year thereafter. A husband and wife living together shall receive but one (1) personal exemption in the amounts provided for in this subsection for each calendar year against their aggregate income.

(d) **Head of family individuals.** In the case of a head of family individual, a personal exemption of Eight Thousand Dollars ($8,000.00) for the 1979 and 1980 calendar years and Nine Thousand Five Hundred Dollars ($9,500.00) for each calendar year thereafter. The term "head of family" means an individual who is single, or married but not living with his spouse for the entire taxable year, who maintains a household which constitutes the principal place of abode of himself and one or more individuals who are dependents under the provisions of Section 152(a) of the Internal Revenue Code of 1954, as amended. The head of family individual shall be entitled to the additional dependent exemption as provided in subsection (e) of this section only to the extent of dependents in excess of the one (1) dependent needed to qualify as head of family.
(e) **Additional exemption for dependents.** In the case of any individual having a dependent, other than husband or wife, an additional personal exemption of One Thousand Five Hundred Dollars ($1,500.00) for each such dependent, except as otherwise provided in subsection (d) of this section. The term "dependent" as used in this subsection shall mean any person or individual who qualifies as a dependent under the provisions of Section 152, Internal Revenue Code of 1954, as amended.

(f) **Additional exemption for taxpayer or spouse aged sixty-five (65) or more.** In the case of any taxpayer or the spouse of the taxpayer who has attained the age of sixty-five (65) before the close of his taxable year, an additional exemption of One Thousand Five Hundred Dollars ($1,500.00).

(g) **Additional exemption for blindness of taxpayer or spouse.** In the case of any taxpayer or the spouse of the taxpayer who is blind at the close of the taxable year, an additional exemption of One Thousand Five Hundred Dollars ($1,500.00). For the purpose of this subsection, an individual is blind only if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty (20) degrees.

(h) **Husband and wife--claiming exemptions.** In the case of husband and wife living together and filing combined returns, the personal and additional exemptions authorized and allowed by this section may be taken by either, or divided between them in any manner they may choose. If the husband and wife fail to choose, the commissioner shall divide the exemptions between husband and wife in an equitable manner. In the case of a husband and wife filing separate returns, the personal and additional exemptions authorized and allowed by this section shall be divided equally between the spouses.
(i) **Nonresidents.** A nonresident individual shall be allowed the same personal and additional exemptions as are authorized for resident individuals in subsection (a) of this section; however, the nonresident individual is entitled only to that proportion of the personal and additional exemptions as his net income from sources within the State of Mississippi bears to his total or entire net income from all sources.

A nonresident individual who is married and whose spouse has income from independent sources must declare the joint income of himself and his spouse from sources within and without Mississippi and claim as a personal exemption that proportion of the authorized personal and additional exemptions which the total net income from Mississippi sources bears to the total net income of both spouses from all sources. If both spouses have income from sources within Mississippi and wish to file separate returns, their combined personal and additional exemptions shall be that proration of the exemption which their combined net income from Mississippi sources is of their total combined net income from all sources. The amount of the personal and additional exemptions so computed may be divided between them in any manner they choose.

In the case of married individuals where one (1) spouse is a resident and the other is a nonresident, the personal exemption of the resident individual shall be prorated on the same basis as if both were nonresidents having net income from within and without the State of Mississippi.

For the purpose of this subsection, the term "net income" means gross income less business expenses incurred in the taxpayer's regular trade or business and computed in accordance with the provisions of the Mississippi Income Tax Law.

(j) **Part-year residents.** An individual who is a resident of Mississippi for only a part of his taxable year by reason of either moving into the state or moving from the state shall be allowed the same personal and additional exemptions as authorized
for resident individuals in subsection (a) of this section; the
part-year resident shall prorate his exemption on the same basis
as nonresidents having net income from within and without the
state.

(k) Estates. In the case of an estate, a specific exemption
of Six Hundred Dollars ($600.00).

(l) Trusts. In the case of a trust which, under its
governing instrument, is required to distribute all of its income
currently, a specific exemption of Three Hundred Dollars
($300.00). In the case of all other trusts, a specific exemption
of One Hundred Dollars ($100.00).

(m) Corporations, foundations, joint ventures, associations.
In the case of a corporation, foundation, joint venture or
association taxable herein, there shall be allowed no specific
exemption, except as provided under the Growth and Prosperity Act
and Section 4 of House Bill No. 1639, 2002 Regular Session.

(n) Status. The status on the last day of the taxable year,
except in the case of the head of family as provided in subsection
(d) of this section, shall determine the right to the exemptions
provided in this section; provided, that a taxpayer shall be
entitled to such exemptions, otherwise allowable, if the husband
or wife or dependent has died during the taxable year.

(o) Fiscal-year taxpayers. Individual taxpayers reporting
on a fiscal year basis shall prorate their exemptions in a manner
established by regulations promulgated by the commissioner.

SECTION 6. Section 27-13-5, Mississippi Code of 1972, is
amended as follows:

27-13-5. (1) Franchise tax levy. Except as otherwise
provided in subsections (3), (4) and (5) of this section, there is
hereby imposed, to be paid and collected as hereinafter provided,
a franchise or excise tax upon every corporation, association or
joint-stock company or partnership treated as a corporation under
the income tax laws or regulations, organized or created for
pecuniary gain, having privileges not possessed by individuals,
and having authorized capital stock now existing in this state, or
hereafter organized, created or established, under and by virtue
of the laws of the State of Mississippi, equal to Two Dollars and
Fifty Cents ($2.50) for each One Thousand Dollars ($1,000.00), or
fraction thereof, of the value of the capital used, invested or
employed in the exercise of any power, privilege or right enjoyed
by such organization within this state, except as hereinafter
provided. In no case shall the franchise tax due for the
accounting period be less than Twenty-five Dollars ($25.00). It
is the purpose of this section to require the payment to the State
of Mississippi of this tax for the right granted by the laws of
this state to exist as such organization, and to enjoy, under the
protection of the laws of this state, the powers, rights,
privileges and immunities derived from the state by the form of
such existence.

(2) Annual report of domestic corporations. Each domestic
corporation shall file, within the time prescribed by Section
79-3-251, an annual report as required by the provisions of
Section 79-3-249.

(3) A corporation that has negotiated a fee-in-lieu as
defined in Section 57-75-5 shall not be subject to the tax levied
by this section on such project; provided, however, that the
fee-in-lieu payment shall be otherwise treated in the same manner
as the payment of franchise taxes.

(4) An approved business enterprise as defined in the Growth
and Prosperity Act shall not be subject to the tax levied by this
section on the value of capital used, invested or employed by the
approved business enterprise in a growth and prosperity county or
supervisors district as provided in the Growth and Prosperity Act.

(5) A business enterprise operating a project as defined in
Section 4 of House Bill No. 1639, 2002 Regular Session, in a
county that is a member of a regional economic development
alliance created under the Regional Economic Development Act shall
not be subject to the tax levied by this section on the value of
capital used, invested or employed by the business enterprise in
such a county as provided in Section 4 of House Bill No. 1639,
2002 Regular Session.

SECTION 7. Section 27-13-7, Mississippi Code of 1972, is
amended as follows:

27-13-7. (1) Franchise tax levy. Except as otherwise
provided in subsections (3), (4) and (5) of this section, there is
hereby imposed, levied and assessed upon every corporation,
association or joint-stock company, or partnership treated as a
corporation under the Income Tax Laws or regulations as
hereinbefore defined, organized and existing under and by virtue
of the laws of some other state, territory or country, or
organized and existing without any specific statutory authority,
now or hereafter doing business or exercising any power, privilege
or right within this state, as hereinbefore defined, a franchise
or excise tax equal to Two Dollars and Fifty Cents ($2.50) of each
One Thousand Dollars ($1,000.00), or fraction thereof, of the
value of capital used, invested or employed within this state,
except as hereinafter provided. In no case shall the franchise
tax due for the accounting period be less than Twenty-five Dollars
($25.00). It is the purpose of this section to require the
payment of a tax by all organizations not organized under the laws
of this state, measured by the amount of capital or its
equivalent, for which such organization receives the benefit and
protection of the government and laws of the state.

(2) Annual report of foreign corporations. Each foreign
corporation authorized to transact business in this state shall
file, within the time prescribed by Section 79-3-251, an annual
report as required by the provisions of Section 79-3-249.

(3) A corporation that has negotiated a fee-in-lieu as
defined in Section 57-75-5 shall not be subject to the tax levied
by this section on such project; provided, however, that the fee-in-lieu payment shall be otherwise treated in the same manner as the payment of franchise taxes.

(4) An approved business enterprise as defined in the Growth and Prosperity Act shall not be subject to the tax levied by this section on the value of capital used, invested or employed by the approved business enterprise in a growth and prosperity county or supervisors district as provided in the Growth and Prosperity Act.

(5) A business enterprise operating a project as defined in Section 4 of House Bill No. 1639, 2002 Regular Session, in a county that is a member of a regional economic development alliance created under the Regional Economic Development Act shall not be subject to the tax levied by this section on the value of capital used, invested or employed by the business enterprise in such a county as provided in Section 4 of House Bill No. 1639, 2002 Regular Session.

SECTION 8. Section 27-65-101, Mississippi Code of 1972, is amended as follows:

27-65-101. (1) The exemptions from the provisions of this chapter which are of an industrial nature or which are more properly classified as industrial exemptions than any other exemption classification of this chapter shall be confined to those persons or property exempted by this section or by the provisions of the Constitution of the United States or the State of Mississippi. No industrial exemption as now provided by any other section except Section 57-3-33 shall be valid as against the tax herein levied. Any subsequent industrial exemption from the tax levied hereunder shall be provided by amendment to this section. No exemption provided in this section shall apply to taxes levied by Section 27-65-15 or 27-65-21.

The tax levied by this chapter shall not apply to the following:
(a) Sales of boxes, crates, cartons, cans, bottles and other packaging materials to manufacturers and wholesalers for use as containers or shipping materials to accompany goods sold by said manufacturers or wholesalers where possession thereof will pass to the customer at the time of sale of the goods contained therein and sales to anyone of containers or shipping materials for use in ships engaged in international commerce.

(b) Sales of raw materials, catalysts, processing chemicals, welding gases or other industrial processing gases (except natural gas) to a manufacturer for use directly in manufacturing or processing a product for sale or rental or repairing or reconditioning vessels or barges of fifty (50) tons load displacement and over. This exemption shall not apply to any property used as fuel except to the extent that such fuel comprises by-products which have no market value.

(c) The gross proceeds of sales of dry docks, offshore drilling equipment for use in oil exploitation or production, vessels or barges of fifty (50) tons load displacement and over, when sold by the manufacturer or builder thereof.

(d) Sales to commercial fishermen of commercial fishing boats of over five (5) tons load displacement and not more than fifty (50) tons load displacement as registered with the United States Coast Guard and licensed by the Mississippi Commission on Marine Resources.

(e) The gross income from repairs to vessels and barges engaged in foreign trade or interstate transportation.

(f) Sales of petroleum products to vessels or barges for consumption in marine international commerce or interstate transportation businesses.

(g) Sales and rentals of rail rolling stock (and component parts thereof) for ultimate use in interstate commerce and gross income from services with respect to manufacturing,
repairing, cleaning, altering, reconditioning or improving such
rail rolling stock (and component parts thereof).

(h) Sales of raw materials, catalysts, processing
chemicals, welding gases or other industrial processing gases
(except natural gas) used or consumed directly in manufacturing,
repairing, cleaning, altering, reconditioning or improving such
rail rolling stock (and component parts thereof). This exemption
shall not apply to any property used as fuel.

(i) Sales of machinery or tools or repair parts
therefor or replacements thereof, fuel or supplies used directly
in manufacturing, converting or repairing ships of three thousand
(3,000) tons load displacement and over, but not to include office
and plant supplies or other equipment not directly used on the
ship being built, converted or repaired.

(j) Sales of tangible personal property to persons
operating ships in international commerce for use or consumption
on board such ships. This exemption shall be limited to cases in
which procedures satisfactory to the commissioner, ensuring
against use in this state other than on such ships, are
established.

(k) Sales of materials used in the construction of a
building, or any addition or improvement thereon, and sales of any
machinery and equipment not later than three (3) months after the
completion of construction of the building, or any addition
thereon, to be used therein, to qualified businesses, as defined
in Section 57-51-5, which are located in a county or portion
thereof designated as an enterprise zone pursuant to Sections
57-51-1 through 57-51-15.

(l) Sales of materials used in the construction of a
building, or any addition or improvement thereon, and sales of any
machinery and equipment not later than three (3) months after the
completion of construction of the building, or any addition
thereon, to be used therein, to qualified businesses, as defined in Section 57-54-5.

(m) Income from storage and handling of perishable goods by a public storage warehouse.

(n) The value of natural gas lawfully injected into the earth for cycling, repressuring or lifting of oil, or lawfully vented or flared in connection with the production of oil; however, if any gas so injected into the earth is sold for such purposes, then the gas so sold shall not be exempt.

(o) The gross collections from self-service commercial laundering, drying, cleaning and pressing equipment.

(p) Sales of materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than three (3) months after the completion of construction of the building, or any addition thereon, to be used therein, to qualified companies, certified as such by the Mississippi Development Authority under Section 57-53-1.

(q) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Three areas (as such term is defined in Section 57-73-21), which businesses are certified by the State Tax Commission as being eligible for the exemption granted in this paragraph (q).

(r) Sales of component materials used in the construction of a building, or any addition or improvement thereon, and sales of any machinery and equipment not later than
three (3) months after the completion of the building, addition or
improvement thereon, to be used therein, for any company
establishing or transferring its national or regional headquarters
from within or outside the State of Mississippi and creating a
minimum of thirty-five (35) jobs at the new headquarters in this
state. The Tax Commission shall establish criteria and prescribe
procedures to determine if a company qualifies as a national or
regional headquarters for the purpose of receiving the exemption
provided in this paragraph.

(s) The gross proceeds from the sale of semitrailers,
trailers, boats, travel trailers, motorcycles and all-terrain
cycles if exported from this state within forty-eight (48) hours
and registered and first used in another state.

(t) Gross income from the storage and handling of
natural gas in underground salt domes and in other underground
reservoirs, caverns, structures and formations suitable for such
storage.

(u) Sales of machinery and equipment to nonprofit
organizations if the organization: (i) is tax-exempt pursuant to
Section 501(c)(4) of the Internal Revenue Code of 1986, as
amended; (ii) assists in the implementation of the national
contingency plan or area contingency plan, and which is created in
response to the requirements of Title IV, Subtitle B of the Oil
Pollution Act of 1990, Public Law 101-380; and (iii) engages
primarily in programs to contain, clean up and otherwise mitigate
spills of oil or other substances occurring in the United States
coastal and tidal waters. For purposes of this exemption,
"machinery and equipment" means any ocean-going vessels, barges,
booms, skimmers and other capital equipment used primarily in the
operations of nonprofit organizations referred to herein.

(v) Sales of component materials and equipment to
approved business enterprises as provided under the Growth and
Prosperity Act.
(w) From and after July 1, 2001, sales of pollution control equipment to manufacturers or custom processors for industrial use. For the purposes of this exemption, "pollution control equipment" means equipment, devices, machinery or systems used or acquired to prevent, control, monitor or reduce air, water or groundwater pollution, or solid or hazardous waste as required by federal or state law or regulation.

(x) Sales or leases to a manufacturer of motor vehicles operating a project that has been certified by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(iv)1 of machinery and equipment; special tooling such as dies, molds, jigs and similar items treated as special tooling for federal income tax purposes; or repair parts therefor or replacements thereof; repair services thereon; fuel, supplies, electricity, coal and natural gas used directly in the manufacture of motor vehicles or motor vehicle parts or used to provide climate control for manufacturing areas.

(y) Sales or leases of component materials, machinery and equipment used in the construction of a building, or any addition or improvement thereon to an enterprise operating a project that has been certified by the Mississippi Major Economic Impact Authority as a project as defined in Section 57-75-5(f)(iv)1 and any other sales or leases required to establish or operate such project.

(z) Sales of component materials and equipment to a business enterprise as provided under Section 4 of House Bill No. 1639, 2002 Regular Session.

(2) Sales of component materials used in the construction of a building, or any addition or improvement thereon, sales of machinery and equipment to be used therein, and sales of manufacturing or processing machinery and equipment which is permanently attached to the ground or to a permanent foundation and which is not by its nature intended to be housed within a
building structure, not later than three (3) months after the initial start-up date, to permanent business enterprises engaging in manufacturing or processing in Tier Two areas and Tier One areas (as such areas are designated in accordance with Section 57-73-21), which businesses are certified by the State Tax Commission as being eligible for the exemption granted in this paragraph, shall be exempt from one-half (1/2) of the taxes imposed on such transactions under this chapter.

**SECTION 9.** This act shall take effect and be in force from and after its passage.