

**Adopted
AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

118 **SECTION 1.** (1) As used in this section:

119 (a) "Existing industry" means a manufacturing
120 enterprise that has been operating in this state for not less than
121 two (2) consecutive years that meets minimum criteria established
122 by the Mississippi Development Authority.

123 (b) "Long-term fixed assets" means assets that:

124 (i) Through new technology will improve an
125 enterprise's productivity and competitiveness; and

126 (ii) Meet criteria established by the Mississippi
127 Development Authority.

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

129 (2) (a) There is established the Mississippi Existing
130 Industry Productivity Loan Program to be administered by the MDA
131 for the purpose of providing loans to existing industries to
132 deploy long-term fixed assets that through new technology will
133 improve productivity and competitiveness. An existing industry
134 that accepts a loan under this program shall not reduce employment
135 by more than twenty percent (20%) through the use of the long-term
136 fixed assets for which the loan is granted.

137 (b) An enterprise desiring a loan under this section
138 must submit an application to the MDA. The application shall
139 include:

140 (i) A description of the purpose for which the
141 loan is requested;

142 (ii) The amount of the loan requested;

143 (iii) The estimated total cost of the project;

144 (iv) A two-year business plan for the project;

145 (v) Financial statements or tax returns for the
146 two (2) years immediately prior to the application;

147 (vi) Credit reports on all persons or entities
148 with a twenty percent (20%) or greater interest in the enterprise;
149 and

150 (vii) Any other information required by the MDA.

151 (c) The MDA shall require that binding commitments be
152 entered into requiring that:

153 (i) The minimum requirements of this section and
154 such other requirements as the MDA considers proper shall be met;
155 and

156 (ii) If such requirements are not met, all or a
157 portion of the funds provided by this section as determined by the
158 MDA shall be repaid.

159 (d) The amount of a loan under this section shall not
160 exceed fifty percent (50%) of the total cost of the project.

161 (e) The rate of interest on loans under this section
162 shall be at the true interest cost on the most recent issue of
163 twenty-year state general obligation bonds occurring prior to the
164 date the loan is made.

165 (f) The MDA shall have all powers necessary to
166 implement and administer the program established under this
167 section, and the MDA shall promulgate rules and regulations, in

168 accordance with the Mississippi Administrative Procedures Law,
169 necessary for the implementation of this section.

170 (2) (a) There is created in the State Treasury a special
171 fund to be designated as the "Mississippi Existing Industry
172 Productivity Loan Fund," which shall consist of funds appropriated
173 or otherwise made available by the Legislature in any manner and
174 funds from any other source designated for deposit into such fund.
175 Unexpended amounts remaining in the fund at the end of a fiscal
176 year shall not lapse into the State General Fund, and any
177 investment earnings or interest earned on amounts in the fund
178 shall be deposited to the credit of the fund. Monies in the fund
179 shall be used by the MDA for the purposes described in this
180 section.

181 (b) Monies in the fund which are derived from the
182 proceeds of general obligation bonds may be used to reimburse
183 reasonable actual and necessary costs incurred by the MDA in
184 providing loans under this section through the use of general
185 obligation bonds. An accounting of actual costs incurred for
186 which reimbursement is sought shall be maintained for each loan by
187 the MDA. Reimbursement of reasonable actual and necessary costs
188 shall not exceed three percent (3%) of the proceeds of bonds
189 issued under Sections 2 through 17 of this act. Monies authorized
190 for a particular loan may not be used to reimburse administrative
191 costs for unrelated loans. Reimbursements made under this
192 subsection shall satisfy any applicable federal tax law
193 requirements.

194 **SECTION 2.** As used in Sections 2 through 17 of this act, the
195 following words shall have the meanings ascribed herein unless the
196 context clearly requires otherwise:

197 (a) "Accreted value" of any bonds means, as of any date
198 of computation, an amount equal to the sum of (i) the stated
199 initial value of such bond, plus (ii) the interest accrued thereon

200 from the issue date to the date of computation at the rate,
201 compounded semiannually, that is necessary to produce the
202 approximate yield to maturity shown for bonds of the same
203 maturity.

204 (b) "Act" means Sections 2 through 17 of this act.

205 (c) "State" means the State of Mississippi.

206 (d) "Commission" means the State Bond Commission.

207 **SECTION 3.** (1) The Mississippi Development Authority, at
208 one time, or from time to time, may declare by resolution the
209 necessity for issuance of general obligation bonds of the State of
210 Mississippi to provide funds for the program authorized in Section
211 1 of House Bill No. 1, 2005 Third Extraordinary Session. Upon the
212 adoption of a resolution by the Mississippi Development Authority,
213 declaring the necessity for the issuance of any part or all of the
214 general obligation bonds authorized by this section, the
215 Mississippi Development Authority shall deliver a certified copy
216 of its resolution or resolutions to the commission. Upon receipt
217 of such resolution, the commission, in its discretion, may act as
218 the issuing agent, prescribe the form of the bonds, advertise for
219 and accept bids, issue and sell the bonds so authorized to be sold
220 and do any and all other things necessary and advisable in
221 connection with the issuance and sale of such bonds. The total
222 amount of bonds issued under this act shall not exceed Seven
223 Million Dollars (\$7,000,000.00). No bonds shall be issued under
224 this act after July 1, 2008.

225 (2) The proceeds of bonds issued pursuant to this act shall
226 be deposited into the Mississippi Existing Industry Productivity
227 Loan Fund created pursuant to Section 1 of House Bill No. 1, 2005
228 Third Extraordinary Session. Any investment earnings on bonds
229 issued pursuant to this act shall be used to pay debt service on
230 bonds issued under this act, in accordance with the proceedings
231 authorizing issuance of such bonds.

232 **SECTION 4.** The principal of and interest on the bonds
233 authorized under this act shall be payable in the manner provided
234 in this section. Such bonds shall bear such date or dates, be in
235 such denomination or denominations, bear interest at such rate or
236 rates (not to exceed the limits set forth in Section 75-17-101,
237 Mississippi Code of 1972), be payable at such place or places
238 within or without the State of Mississippi, shall mature
239 absolutely at such time or times not to exceed twenty-five (25)
240 years from date of issue, be redeemable before maturity at such
241 time or times and upon such terms, with or without premium, shall
242 bear such registration privileges, and shall be substantially in
243 such form, all as shall be determined by resolution of the
244 commission.

245 **SECTION 5.** The bonds authorized by this act shall be signed
246 by the chairman of the commission, or by his facsimile signature,
247 and the official seal of the commission shall be affixed thereto,
248 attested by the secretary of the commission. The interest
249 coupons, if any, to be attached to such bonds may be executed by
250 the facsimile signatures of such officers. Whenever any such
251 bonds shall have been signed by the officials designated to sign
252 the bonds who were in office at the time of such signing but who
253 may have ceased to be such officers before the sale and delivery
254 of such bonds, or who may not have been in office on the date such
255 bonds may bear, the signatures of such officers upon such bonds
256 and coupons shall nevertheless be valid and sufficient for all
257 purposes and have the same effect as if the person so officially
258 signing such bonds had remained in office until their delivery to
259 the purchaser, or had been in office on the date such bonds may
260 bear. However, notwithstanding anything herein to the contrary,
261 such bonds may be issued as provided in the Registered Bond Act of
262 the State of Mississippi.

263 **SECTION 6.** All bonds and interest coupons issued under the
264 provisions of this act have all the qualities and incidents of
265 negotiable instruments under the provisions of the Uniform
266 Commercial Code, and in exercising the powers granted by this act,
267 the commission shall not be required to and need not comply with
268 the provisions of the Uniform Commercial Code.

269 **SECTION 7.** The commission shall act as the issuing agent for
270 the bonds authorized under this act, prescribe the form of the
271 bonds, advertise for and accept bids, issue and sell the bonds so
272 authorized to be sold, pay all fees and costs incurred in such
273 issuance and sale, and do any and all other things necessary and
274 advisable in connection with the issuance and sale of such bonds.
275 The commission is authorized and empowered to pay the costs that
276 are incident to the sale, issuance and delivery of the bonds
277 authorized under this act from the proceeds derived from the sale
278 of such bonds. The commission shall sell such bonds on sealed
279 bids at public sale, and for such price as it may determine to be
280 for the best interest of the State of Mississippi, but no such
281 sale shall be made at a price less than par plus accrued interest
282 to the date of delivery of the bonds to the purchaser. All
283 interest accruing on such bonds so issued shall be payable
284 semiannually or annually; however, the first interest payment may
285 be for any period of not more than one (1) year.

286 Notice of the sale of any such bonds shall be published at
287 least one (1) time, not less than ten (10) days before the date of
288 sale, and shall be so published in one or more newspapers
289 published or having a general circulation in the City of Jackson,
290 Mississippi, and in one or more other newspapers or financial
291 journals with a national circulation, to be selected by the
292 commission.

293 The commission, when issuing any bonds under the authority of
294 this act, may provide that bonds, at the option of the State of

295 Mississippi, may be called in for payment and redemption at the
296 call price named therein and accrued interest on such date or
297 dates named therein.

298 **SECTION 8.** The bonds issued under the provisions of this act
299 are general obligations of the State of Mississippi, and for the
300 payment thereof the full faith and credit of the State of
301 Mississippi is irrevocably pledged. If the funds appropriated by
302 the Legislature are insufficient to pay the principal of and the
303 interest on such bonds as they become due, then the deficiency
304 shall be paid by the State Treasurer from any funds in the State
305 Treasury not otherwise appropriated. All such bonds shall contain
306 recitals on their faces substantially covering the provisions of
307 this section.

308 **SECTION 9.** Upon the issuance and sale of bonds under the
309 provisions of this act, the commission shall transfer the proceeds
310 of any such sale or sales to the Mississippi Existing Industry
311 Productivity Loan Fund created in Section 1 of House Bill No. 1,
312 2005 Third Extraordinary Session. The proceeds of such bonds
313 shall be disbursed solely upon the order of the Mississippi
314 Development Authority under such restrictions, if any, as may be
315 contained in the resolution providing for the issuance of the
316 bonds.

317 **SECTION 10.** The bonds authorized under this act may be
318 issued without any other proceedings or the happening of any other
319 conditions or things other than those proceedings, conditions and
320 things which are specified or required by this act. Any
321 resolution providing for the issuance of bonds under the
322 provisions of this act shall become effective immediately upon its
323 adoption by the commission, and any such resolution may be adopted
324 at any regular or special meeting of the commission by a majority
325 of its members.

326 **SECTION 11.** The bonds authorized under the authority of this
327 act may be validated in the Chancery Court of the First Judicial
328 District of Hinds County, Mississippi, in the manner and with the
329 force and effect provided by Chapter 13, Title 31, Mississippi
330 Code of 1972, for the validation of county, municipal, school
331 district and other bonds. The notice to taxpayers required by
332 such statutes shall be published in a newspaper published or
333 having a general circulation in the City of Jackson, Mississippi.

334 **SECTION 12.** Any holder of bonds issued under the provisions
335 of this act or of any of the interest coupons pertaining thereto
336 may, either at law or in equity, by suit, action, mandamus or
337 other proceeding, protect and enforce any and all rights granted
338 under this act, or under such resolution, and may enforce and
339 compel performance of all duties required by this act to be
340 performed, in order to provide for the payment of bonds and
341 interest thereon.

342 **SECTION 13.** All bonds issued under the provisions of this
343 act shall be legal investments for trustees and other fiduciaries,
344 and for savings banks, trust companies and insurance companies
345 organized under the laws of the State of Mississippi, and such
346 bonds shall be legal securities which may be deposited with and
347 shall be received by all public officers and bodies of this state
348 and all municipalities and political subdivisions for the purpose
349 of securing the deposit of public funds.

350 **SECTION 14.** Bonds issued under the provisions of this act
351 and income therefrom shall be exempt from all taxation in the
352 State of Mississippi.

353 **SECTION 15.** The proceeds of the bonds issued under this act
354 shall be used solely for the purposes therein provided, including
355 the costs incident to the issuance and sale of such bonds.

356 **SECTION 16.** The State Treasurer is authorized, without
357 further process of law, to certify to the Department of Finance

358 and Administration the necessity for warrants, and the Department
359 of Finance and Administration is authorized and directed to issue
360 such warrants, in such amounts as may be necessary to pay when due
361 the principal of, premium, if any, and interest on, or the
362 accreted value of, all bonds issued under this act; and the State
363 Treasurer shall forward the necessary amount to the designated
364 place or places of payment of such bonds in ample time to
365 discharge such bonds, or the interest thereon, on the due dates
366 thereof.

367 **SECTION 17.** This act shall be deemed to be full and complete
368 authority for the exercise of the powers therein granted, but this
369 act shall not be deemed to repeal or to be in derogation of any
370 existing law of this state.

371 **SECTION 18.** As used in Sections 18 through 33 of this act,
372 the following words shall have the meanings ascribed herein unless
373 the context clearly requires otherwise:

374 (a) "Accreted value" of any bonds means, as of any date
375 of computation, an amount equal to the sum of (i) the stated
376 initial value of such bond, plus (ii) the interest accrued thereon
377 from the issue date to the date of computation at the rate,
378 compounded semiannually, that is necessary to produce the
379 approximate yield to maturity shown for bonds of the same
380 maturity.

381 (b) "Act" means Sections 18 through 33 of this act.

382 (c) "State" means the State of Mississippi.

383 (d) "Commission" means the State Bond Commission.

384 **SECTION 19.** (1) The Mississippi Development Authority, at
385 one time, or from time to time, may declare by resolution the
386 necessity for issuance of general obligation bonds of the State of
387 Mississippi to provide funds for the program authorized in Section
388 57-1-16. Upon the adoption of a resolution by the Mississippi
389 Development Authority, declaring the necessity for the issuance of

390 any part or all of the general obligation bonds authorized by this
391 section, the Mississippi Development Authority shall deliver a
392 certified copy of its resolution or resolutions to the commission.
393 Upon receipt of such resolution, the commission, in its
394 discretion, may act as the issuing agent, prescribe the form of
395 the bonds, advertise for and accept bids, issue and sell the bonds
396 so authorized to be sold and do any and all other things necessary
397 and advisable in connection with the issuance and sale of such
398 bonds. The total amount of bonds issued under this act shall not
399 exceed Seven Million Dollars (\$7,000,000.00). No bonds authorized
400 under this act shall be issued after July 1, 2009.

401 (2) The proceeds of bonds issued pursuant to this act shall
402 be deposited into the ACE Fund created pursuant to Section
403 57-1-16. Any investment earnings on bonds issued pursuant to this
404 act shall be used to pay debt service on bonds issued under this
405 act, in accordance with the proceedings authorizing issuance of
406 such bonds.

407 **SECTION 20.** The principal of and interest on the bonds
408 authorized under this act shall be payable in the manner provided
409 in this section. Such bonds shall bear such date or dates, be in
410 such denomination or denominations, bear interest at such rate or
411 rates (not to exceed the limits set forth in Section 75-17-101,
412 Mississippi Code of 1972), be payable at such place or places
413 within or without the State of Mississippi, shall mature
414 absolutely at such time or times not to exceed twenty-five (25)
415 years from date of issue, be redeemable before maturity at such
416 time or times and upon such terms, with or without premium, shall
417 bear such registration privileges, and shall be substantially in
418 such form, all as shall be determined by resolution of the
419 commission.

420 **SECTION 21.** The bonds authorized by this act shall be signed
421 by the chairman of the commission, or by his facsimile signature,

422 and the official seal of the commission shall be affixed thereto,
423 attested by the secretary of the commission. The interest
424 coupons, if any, to be attached to such bonds may be executed by
425 the facsimile signatures of such officers. Whenever any such
426 bonds shall have been signed by the officials designated to sign
427 the bonds who were in office at the time of such signing but who
428 may have ceased to be such officers before the sale and delivery
429 of such bonds, or who may not have been in office on the date such
430 bonds may bear, the signatures of such officers upon such bonds
431 and coupons shall nevertheless be valid and sufficient for all
432 purposes and have the same effect as if the person so officially
433 signing such bonds had remained in office until their delivery to
434 the purchaser, or had been in office on the date such bonds may
435 bear. However, notwithstanding anything herein to the contrary,
436 such bonds may be issued as provided in the Registered Bond Act of
437 the State of Mississippi.

438 **SECTION 22.** All bonds and interest coupons issued under the
439 provisions of this act have all the qualities and incidents of
440 negotiable instruments under the provisions of the Uniform
441 Commercial Code, and in exercising the powers granted by this act,
442 the commission shall not be required to and need not comply with
443 the provisions of the Uniform Commercial Code.

444 **SECTION 23.** The commission shall act as the issuing agent
445 for the bonds authorized under this act, prescribe the form of the
446 bonds, advertise for and accept bids, issue and sell the bonds so
447 authorized to be sold, pay all fees and costs incurred in such
448 issuance and sale, and do any and all other things necessary and
449 advisable in connection with the issuance and sale of such bonds.
450 The commission is authorized and empowered to pay the costs that
451 are incident to the sale, issuance and delivery of the bonds
452 authorized under this act from the proceeds derived from the sale
453 of such bonds. The commission shall sell such bonds on sealed

454 bids at public sale, and for such price as it may determine to be
455 for the best interest of the State of Mississippi, but no such
456 sale shall be made at a price less than par plus accrued interest
457 to the date of delivery of the bonds to the purchaser. All
458 interest accruing on such bonds so issued shall be payable
459 semiannually or annually; however, the first interest payment may
460 be for any period of not more than one (1) year.

461 Notice of the sale of any such bonds shall be published at
462 least one (1) time, not less than ten (10) days before the date of
463 sale, and shall be so published in one or more newspapers
464 published or having a general circulation in the City of Jackson,
465 Mississippi, and in one or more other newspapers or financial
466 journals with a national circulation, to be selected by the
467 commission.

468 The commission, when issuing any bonds under the authority of
469 this act, may provide that bonds, at the option of the State of
470 Mississippi, may be called in for payment and redemption at the
471 call price named therein and accrued interest on such date or
472 dates named therein.

473 **SECTION 24.** The bonds issued under the provisions of this
474 act are general obligations of the State of Mississippi, and for
475 the payment thereof the full faith and credit of the State of
476 Mississippi is irrevocably pledged. If the funds appropriated by
477 the Legislature are insufficient to pay the principal of and the
478 interest on such bonds as they become due, then the deficiency
479 shall be paid by the State Treasurer from any funds in the State
480 Treasury not otherwise appropriated. All such bonds shall contain
481 recitals on their faces substantially covering the provisions of
482 this section.

483 **SECTION 25.** Upon the issuance and sale of bonds under the
484 provisions of this act, the commission shall transfer the proceeds
485 of any such sale or sales to the ACE Fund created in Section

486 57-1-16. The proceeds of such bonds shall be disbursed solely
487 upon the order of the Mississippi Development Authority under such
488 restrictions, if any, as may be contained in the resolution
489 providing for the issuance of the bonds.

490 **SECTION 26.** The bonds authorized under this act may be
491 issued without any other proceedings or the happening of any other
492 conditions or things other than those proceedings, conditions and
493 things which are specified or required by this act. Any
494 resolution providing for the issuance of bonds under the
495 provisions of this act shall become effective immediately upon its
496 adoption by the commission, and any such resolution may be adopted
497 at any regular or special meeting of the commission by a majority
498 of its members.

499 **SECTION 27.** The bonds authorized under the authority of this
500 act may be validated in the Chancery Court of the First Judicial
501 District of Hinds County, Mississippi, in the manner and with the
502 force and effect provided by Chapter 13, Title 31, Mississippi
503 Code of 1972, for the validation of county, municipal, school
504 district and other bonds. The notice to taxpayers required by
505 such statutes shall be published in a newspaper published or
506 having a general circulation in the City of Jackson, Mississippi.

507 **SECTION 28.** Any holder of bonds issued under the provisions
508 of this act or of any of the interest coupons pertaining thereto
509 may, either at law or in equity, by suit, action, mandamus or
510 other proceeding, protect and enforce any and all rights granted
511 under this act, or under such resolution, and may enforce and
512 compel performance of all duties required by this act to be
513 performed, in order to provide for the payment of bonds and
514 interest thereon.

515 **SECTION 29.** All bonds issued under the provisions of this
516 act shall be legal investments for trustees and other fiduciaries,
517 and for savings banks, trust companies and insurance companies

518 organized under the laws of the State of Mississippi, and such
519 bonds shall be legal securities which may be deposited with and
520 shall be received by all public officers and bodies of this state
521 and all municipalities and political subdivisions for the purpose
522 of securing the deposit of public funds.

523 **SECTION 30.** Bonds issued under the provisions of this act
524 and income therefrom shall be exempt from all taxation in the
525 State of Mississippi.

526 **SECTION 31.** The proceeds of the bonds issued under this act
527 shall be used solely for the purposes therein provided, including
528 the costs incident to the issuance and sale of such bonds.

529 **SECTION 32.** The State Treasurer is authorized, without
530 further process of law, to certify to the Department of Finance
531 and Administration the necessity for warrants, and the Department
532 of Finance and Administration is authorized and directed to issue
533 such warrants, in such amounts as may be necessary to pay when due
534 the principal of, premium, if any, and interest on, or the
535 accreted value of, all bonds issued under this act; and the State
536 Treasurer shall forward the necessary amount to the designated
537 place or places of payment of such bonds in ample time to
538 discharge such bonds, or the interest thereon, on the due dates
539 thereof.

540 **SECTION 33.** This act shall be deemed to be full and complete
541 authority for the exercise of the powers therein granted, but this
542 act shall not be deemed to repeal or to be in derogation of any
543 existing law of this state.

544 **SECTION 34.** Section 57-1-16, Mississippi Code of 1972, is
545 amended as follows:

546 57-1-16. (1) As used in this section:

547 (a) "Extraordinary economic development opportunity"
548 means a new or expanded business or industry which maintains a

549 strong financial condition and minimal credit risk and creates
550 substantial employment * * *.

551 (b) "Local economic development entities" means public
552 or private nonprofit local economic development entities,
553 including, but not limited to, chambers of commerce, local
554 authorities, commissions or other entities created by local and
555 private legislation or districts created pursuant to Section
556 19-5-99.

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

558 (2) (a) There is hereby created in the State Treasury a
559 special fund to be designated as the ACE Fund, which shall consist
560 of money from any public or private source designated for deposit
561 into such fund. Unexpended amounts remaining in the fund at the
562 end of a fiscal year shall not lapse into the State General Fund,
563 and any interest earned on amounts in the fund shall be deposited
564 to the credit of the fund. The purpose of the fund shall be to
565 assist in maximizing extraordinary economic development
566 opportunities related to any new or expanded business or industry.
567 Such funds may be used to make grants to local economic
568 development entities to assist any new or expanding business or
569 industry that meets the criteria provided in this section when
570 such assistance aids the consummation of a project within the
571 State of Mississippi.

572 (b) Monies in the fund which are derived from the
573 proceeds of general obligation bonds may be used to reimburse
574 reasonable actual and necessary costs incurred by the MDA in
575 providing assistance under this section through the use of general
576 obligation bonds. An accounting of actual costs incurred for
577 which reimbursement is sought shall be maintained for each grant
578 by the MDA. Reimbursement of reasonable actual and necessary
579 costs for a grant shall not exceed three percent (3%) of the
580 proceeds of bonds issued for such grant. Monies authorized for a

581 particular grant may not be used to reimburse administrative costs
582 for unrelated grants. Reimbursements made under this subsection
583 shall satisfy any applicable federal tax law requirements.

584 (3) The MDA shall establish a grant program to make grants
585 from the ACE Fund created under this section. Local economic
586 development entities may apply to the MDA for a grant under this
587 section in the manner provided for in subsection (4) of this
588 section.

589 (4) (a) Any business or industry desiring assistance from a
590 local economic development entity under this section shall submit
591 an application to the local economic development entity which
592 shall include, at a minimum:

593 (i) Evidence that the business or industry meets
594 the definition of an extraordinary economic development
595 opportunity;

596 (ii) A demonstration that the business or industry
597 is at an economic disadvantage by locating the new or expanded
598 project in the county; * * *

599 (iii) A description, including the cost, of the
600 requested assistance;

601 (iv) A description of the purpose for which the
602 assistance is requested;

603 (v) A two-year business plan;

604 (vi) Financial statements or tax returns for the
605 three (3) years immediately prior to the application;

606 (vii) Credit reports on all persons or entities
607 with a twenty percent (20%) or greater interest in the business or
608 industry; and

609 (viii) Any other information required by the MDA.

610 (b) The MDA shall require that binding commitments be
611 entered into requiring that:

612 (i) The minimum requirements of this section and
613 such other requirements as the MDA considers proper shall be met;
614 and

615 (ii) If such requirements are not met, all or a
616 portion of the funds provided by this section as determined by the
617 MDA shall be repaid.

618 (c) Upon receipt of the application from a business or
619 industry, the local economic development entity may apply to the
620 MDA for assistance under this section. Such application must
621 contain evidence that the business or industry meets the
622 definition of an extraordinary economic development opportunity, a
623 demonstration that the business or industry is at an economic
624 disadvantage by locating the new or expanded project in the
625 county, a description, including the cost, of the requested
626 assistance, and a statement of what efforts have been made or are
627 being made by the business or industry for securing or qualifying
628 for other local, state, federal or private funds for the project.

629 (d) The MDA shall have sole discretion in the awarding
630 of ACE funds, provided that the business or industry and the local
631 economic development entity have met the statutory requirements of
632 this section.

633 (5) The MDA shall promulgate rules and regulations, in
634 accordance with the Mississippi Administrative Procedures Law, for
635 the implementation of this section. However, before the
636 implementation of any such rules and regulations, they shall be
637 submitted to a committee consisting of five (5) members of the
638 Senate Finance Committee and five (5) members of the House of
639 Representatives Ways and Means Committee, appointed by the
640 respective committee chairmen.

641 **SECTION 35.** Section 57-61-25, Mississippi Code of 1972, is
642 amended as follows:

643 57-61-25. (1) The seller is authorized to borrow, on the
644 credit of the state upon receipt of a resolution from the
645 Mississippi Development Authority requesting the same, money not
646 exceeding the aggregate sum of Three Hundred Six Million Dollars
647 (\$306,000,000.00), not including money borrowed to refund
648 outstanding bonds, notes or replacement notes, as may be necessary
649 to carry out the purposes of this chapter. The rate of interest
650 on any such bonds or notes which are not subject to taxation shall
651 not exceed the rates set forth in Section 75-17-101, Mississippi
652 Code of 1972, for general obligation bonds.

653 (2) As evidence of indebtedness authorized in this chapter,
654 general or limited obligation bonds of the state shall be issued
655 from time to time, to provide monies necessary to carry out the
656 purposes of this chapter for such total amounts, in such form, in
657 such denominations payable in such currencies (either domestic or
658 foreign or both) and subject to such terms and conditions of
659 issue, redemption and maturity, rate of interest and time of
660 payment of interest as the seller directs, except that such bonds
661 shall mature or otherwise be retired in annual installments
662 beginning not more than five (5) years from date thereof and
663 extending not more than thirty (30) years from date thereof.

664 (3) All bonds and notes issued under authority of this
665 chapter shall be signed by the chairman of the seller, or by his
666 facsimile signature, and the official seal of the seller shall be
667 affixed thereto, attested by the secretary of the seller.

668 (4) All bonds and notes issued under authority of this
669 chapter may be general or limited obligations of the state, and
670 the full faith and credit of the State of Mississippi as to
671 general obligation bonds, or the revenues derived from projects
672 assisted as to limited obligation bonds, are hereby pledged for
673 the payment of the principal of and interest on such bonds and
674 notes.

675 (5) Such bonds and notes and the income therefrom shall be
676 exempt from all taxation in the State of Mississippi.

677 (6) The bonds may be issued as coupon bonds or registered as
678 to both principal and interest, as the seller may determine. If
679 interest coupons are attached, they shall contain the facsimile
680 signature of the chairman and secretary of the seller.

681 (7) The seller is authorized to provide, by resolution, for
682 the issuance of refunding bonds for the purpose of refunding any
683 debt issued under the provision of this chapter and then
684 outstanding, either by voluntary exchange with the holders of the
685 outstanding debt or to provide funds to redeem and the costs of
686 issuance and retirement of the debt, at maturity or at any call
687 date. The issuance of the refunding bonds, the maturities and
688 other details thereof, the rights of the holders thereof and the
689 duties of the issuing officials in respect to the same shall be
690 governed by the provisions of this section, insofar as they may be
691 applicable.

692 (8) As to bonds issued hereunder and designated as taxable
693 bonds by the seller, any immunity of the state to taxation by the
694 United States government of interest on bonds or notes issued by
695 the state is hereby waived.

696 (9) The proceeds of bonds issued under this chapter after
697 April 9, 2002, may be used to reimburse reasonable actual and
698 necessary costs incurred by the Mississippi Development Authority
699 in administering a program or providing assistance related to a
700 project, or both, for which funding is provided from the use of
701 proceeds of such bonds. An accounting of actual costs incurred
702 for which reimbursement is sought shall be maintained for each
703 project by the Mississippi Development Authority. Reimbursement
704 of reasonable actual and necessary costs for a program or project
705 shall not exceed three percent (3%) of the proceeds of bonds
706 issued for such program or project. Monies authorized for a

707 particular program or project may not be used to reimburse
708 administrative costs for unrelated programs or projects.
709 Reimbursements under this subsection shall satisfy any applicable
710 federal tax law requirements.

711 **SECTION 36.** Section 57-61-34, Mississippi Code of 1972, is
712 amended as follows:

713 57-61-34. Notwithstanding any provision of this chapter to
714 the contrary, the Mississippi Development Authority shall utilize
715 not more than Sixteen Million Dollars (\$16,000,000.00) out of the
716 proceeds of bonds authorized to be issued in this chapter to be
717 made available as interest-bearing loans to municipalities or
718 private companies to aid in the establishment of business
719 incubation centers and the creation of new and expanding research
720 and development and technology-based business and industry.

721 In exercising the power given it under this section, the
722 Mississippi Development Authority shall work in conjunction with
723 the University Research Center and may contract with the center to
724 provide space and assistance to business incubation centers as the
725 center is authorized to do pursuant to Section 57-13-13.

726 The requirements of Section 57-61-9 shall not apply to any
727 loan made under this section. The Mississippi Development
728 Authority shall establish criteria and guidelines to govern loans
729 made pursuant to this section.

730 **SECTION 37.** Section 57-61-36, Mississippi Code of 1972, is
731 amended as follows:

732 57-61-36. (1) Notwithstanding any provision of this chapter
733 to the contrary, the Mississippi Development Authority shall
734 utilize not more than Twelve Million Five Hundred Thousand Dollars
735 (\$12,500,000.00) out of the proceeds of bonds authorized to be
736 issued in this chapter for the purpose of making grants to
737 municipalities through a development infrastructure grant fund to
738 complete infrastructure related to new or expanded industry.

739 (2) Notwithstanding any provision of this chapter to the
740 contrary, the Mississippi Development Authority may utilize not
741 more than Seven Million Dollars (\$7,000,000.00) out of the
742 proceeds of bonds authorized to be issued in this chapter for the
743 purpose of making interest-bearing loans to any agency,
744 department, institution, instrumentality or political subdivision
745 of the state; or any agency, department, institution or
746 instrumentality of any political subdivision of the state; or any
747 business, organization, corporation, association or other legal
748 entity meeting criteria established by the department, through a
749 housing development revolving loan fund, to construct or repair
750 housing for low or moderate income earners; provided, however,
751 that the department may not utilize any bond proceeds authorized
752 under this chapter for the purpose of making any loans to the
753 Mississippi Home Corporation for any purpose whatsoever. No more
754 than forty percent (40%) of the additional bonds authorized by
755 Chapter 559, Laws of 1998, may be used for multiple family housing
756 activities. Funds authorized under this subsection may be
757 deposited in the Mississippi Affordable Housing Development Fund
758 authorized in Section 43-33-759 and used for purposes authorized
759 by that section. This subsection (2) shall be repealed from and
760 after July 1, 2006.

761 (3) Notwithstanding any provision of this chapter to the
762 contrary, the Mississippi Development Authority shall utilize not
763 more than Seventeen Million Five Hundred Thousand Dollars
764 (\$17,500,000.00) out of the proceeds of bonds authorized to be
765 issued in this chapter for the purpose of making grants or loans
766 to municipalities through an equipment and public facilities grant
767 and loan fund to aid in infrastructure-related improvements as
768 determined by the Mississippi Development Authority, the purchase
769 of equipment and in the purchase, construction or repair and
770 renovation of public facilities. Any bonds previously issued for

771 the Development Infrastructure Revolving Loan Program which have
772 not been loaned or applied for are eligible to be administered as
773 grants or loans.

774 The requirements of Section 57-61-9 shall not apply to any
775 grant made under this subsection. The Mississippi Development
776 Authority may establish criteria and guidelines to govern grants
777 made pursuant to this subsection.

778 (4) Notwithstanding any provision of this chapter to the
779 contrary, the Mississippi Development Authority may utilize not
780 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
781 of the proceeds of bonds authorized to be issued in this chapter
782 in order to match federal funds available from the United States
783 Department of Agriculture for the purpose of establishing an
784 intermediary relending program to be administered by the
785 Mississippi Development Authority. The Mississippi Development
786 Authority may establish criteria and guidelines to govern loans
787 made under such program. This subsection (4) shall be repealed
788 from and after April 9, 2002.

789 (5) The Mississippi Development Authority may establish a
790 capital access program and may contract with any financial
791 institution to participate in the program upon such terms and
792 conditions as the authority shall consider necessary and proper.
793 The Mississippi Development Authority may establish loss reserve
794 accounts at financial institutions that participate in the program
795 and require payments by the financial institution and the borrower
796 to such loss reserve accounts. All money in such loss reserve
797 accounts is the property of the Mississippi Development Authority.

798 Under the capital access program a participating financial
799 institution may make a loan to any borrower the Mississippi
800 Development Authority determines to be qualified under rules and
801 regulations adopted by the authority and be protected against
802 losses from such loans as provided in the program. Under such

803 rules and regulations as may be adopted by the Mississippi
804 Development Authority, a participating financial institution may
805 submit claims for the reimbursement for losses incurred as a
806 result of default on loans by qualified borrowers.

807 Notwithstanding any provision of this chapter to the
808 contrary, the Mississippi Development Authority may utilize not
809 more than Seven Hundred Fifty Thousand Dollars (\$750,000.00) out
810 of the proceeds of bonds authorized to be issued in this chapter
811 for the purpose of making payments to loan loss reserve accounts
812 established at financial institutions that participate in the
813 capital access program established by the Mississippi Development
814 Authority.

815 (6) Notwithstanding any provision of this chapter to the
816 contrary, the Mississippi Development Authority shall utilize not
817 more than Two Hundred Thousand Dollars (\$200,000.00) out of the
818 proceeds of bonds authorized to be issued in this chapter for the
819 purpose of assisting Warren County, Mississippi, in the
820 continuation and completion of the study for the proposed Kings
821 Point levee.

822 (7) Notwithstanding any provision of this chapter to the
823 contrary, the Mississippi Development Authority shall utilize not
824 more than One Hundred Thousand Dollars (\$100,000.00) out of the
825 proceeds of bonds authorized to be issued in this chapter for the
826 purpose of developing a long-range plan for coordinating the
827 resources of the state institutions of higher learning, the
828 community and junior colleges, the Mississippi Development
829 Authority and other state agencies in order to promote economic
830 development in the state.

831 (8) Notwithstanding any other provision of this chapter to
832 the contrary, the Mississippi Development Authority shall use not
833 more than One Hundred Fifty Thousand Dollars (\$150,000.00) out of
834 the proceeds of bonds authorized to be issued in this chapter for

835 the purpose of providing assistance to municipalities that have
836 received community development block grant funds for repair,
837 renovation and other improvements to buildings for use as
838 community centers. Assistance provided to a municipality under
839 this subsection shall be used by the municipality to match such
840 community development block grant funds. The maximum amount of
841 assistance that may be provided to a municipality under this
842 subsection shall not exceed Seventy-five Thousand Dollars
843 (\$75,000.00) in the aggregate.

844 **SECTION 38.** (1) As used in this section:

845 (a) "Manufacturing enterprise" means an enterprise
846 that:

847 (i) Falls within the definition of the term
848 "manufacturer" in Section 27-65-11; and

849 (ii) Has operated in this state for not less than
850 two (2) years prior to application for the credit authorized by
851 this section; and

852 (b) "Eligible investment" means an investment of at
853 least One Million Dollars (\$1,000,000.00) in buildings or
854 equipment for the manufacturing enterprise.

855 (2) A manufacturing enterprise is allowed a manufacturing
856 investment tax credit for taxes imposed by Section 27-7-5 equal to
857 five percent (5%) of the eligible investments made by the
858 manufacturing enterprise.

859 (3) Any tax credit claimed under this section but not used
860 in any taxable year may be carried forward for five (5) years from
861 the close of the tax year in which the eligible investment was
862 made, but the credit established by this section taken in any one
863 tax year shall not exceed fifty percent (50%) of the taxpayer's
864 state income tax liability which is attributable to income derived
865 from operations in the state for that year reduced by the sum of

866 all other income tax credits allowable to the taxpayer, except
867 credit for tax payments made by or on behalf of the taxpayer.

868 (4) The maximum credit that may be claimed by a taxpayer on
869 any project shall be limited to One Million Dollars
870 (\$1,000,000.00).

871 (5) The credit received under this section is subject to
872 recapture if the property for which the tax credit was received is
873 disposed of, or converted to, other than business use. The amount
874 of the credit subject to recapture is one hundred percent (100%)
875 of the credit in the first year and fifty percent (50%) of the
876 credit in the second year. This subsection shall not apply in
877 cases in which an entire facility is sold.

878 (6) The sale, merger, acquisition, reorganization,
879 bankruptcy or relocation from one county to another county within
880 the state of any manufacturing enterprise may not create new
881 eligibility in any succeeding business entity, but any unused
882 manufacturing investment tax credit may be transferred and
883 continued by any transferee of the enterprise. The State Tax
884 Commission shall determine whether or not qualifying net increases
885 or decreases have occurred or proper transfers of credit have been
886 made and may require reports, promulgate regulations, and hold
887 hearings as needed for substantiation and qualification.

888 (7) No manufacturing enterprise for the transportation,
889 handling, storage, processing or disposal of hazardous waste is
890 eligible to receive the tax credits provided in this section.

891 (8) The credits allowed under this section shall not be used
892 by any business enterprise or corporation other than the
893 manufacturing enterprise actually qualifying for the credits.

894 **SECTION 39.** Section 27-31-101, Mississippi Code of 1972, is
895 amended as follows:

896 27-31-101. (1) County boards of supervisors and municipal
897 authorities are hereby authorized and empowered, in their

898 discretion, to grant exemptions from ad valorem taxation, except
899 state ad valorem taxation; however, such governing authorities
900 shall not exempt ad valorem taxes for school district purposes on
901 tangible property used in, or necessary to, the operation of the
902 manufacturers and other new enterprises enumerated by classes in
903 this section, except to the extent authorized in Sections
904 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
905 taxes the products of the manufacturers or other new enterprises
906 or automobiles and trucks belonging to the manufacturers or other
907 new enterprises operating on and over the highways of the State of
908 Mississippi. The time of such exemption shall be for a period not
909 to exceed a total of ten (10) years which shall begin on the date
910 of completion of the new enterprise for which the exemption is
911 granted; however, boards of supervisors and municipal authorities,
912 in lieu of granting the exemption for one (1) period of ten (10)
913 years, may grant the exemption in a period of less than ten (10)
914 years. When the initial exemption period granted is less than ten
915 (10) years, the boards of supervisors and municipal authorities
916 may grant a subsequent consecutive period or periods to follow the
917 initial period of exemption, provided that the total of all
918 periods of exemption shall not exceed ten (10) years. The date of
919 completion of the new enterprise, from which the initial period of
920 exemption shall begin, shall be the date on which operations of
921 the new enterprise begin. The initial request for an exemption
922 must be made in writing by June 1 of the year immediately
923 following the year in which the date of completion of a new
924 enterprise occurs. If the initial request for the exemption is
925 not timely made, the board of supervisors or municipal authorities
926 may grant a subsequent request for the exemption and, in such
927 case, the exemption shall begin on the anniversary date of
928 completion of the enterprise in the year in which the request is
929 made and may be for a period of time extending not more than ten

930 (10) years from the date of completion of the new enterprise. Any
931 subsequent request for the exemption must be made in writing by
932 June 1 of the year in which it is granted.

933 * * *

934 (2) Any board of supervisors or municipal authority which
935 has granted an exemption for a period of less than ten (10) years
936 may grant subsequent periods of exemption to run consecutively
937 with the initial exemption period, or a subsequently granted
938 exemption period, but in no case shall the total of the exemption
939 periods granted for a new enterprise exceed ten (10) years. Any
940 consecutive period of exemption shall be granted by entry of an
941 order by the board or the authority granting the consecutive
942 exemption on its minutes, reflecting the granting of the
943 consecutive exemption period and the dates upon which such
944 consecutive exemption period begins and expires. The entry of
945 this order granting the consecutive period of exemption shall be
946 made before the expiration of the exemption period immediately
947 preceding the consecutive exemption period being granted.

948 (3) The new enterprises which may be exempt are enumerated
949 as and limited to the following, as determined by the State Tax
950 Commission:

951 (a) Warehouse and/or distribution centers;

952 (b) Manufacturing, processors and refineries;

953 (c) Research facilities;

954 (d) Corporate regional and national headquarters

955 meeting minimum criteria established by the Department of Economic
956 and Community Development;

957 (e) Movie industry studios meeting minimum criteria
958 established by the Mississippi Development Authority;

959 (f) Air transportation and maintenance facilities

960 meeting minimum criteria established by the Mississippi

961 Development Authority;

962 (g) Recreational facilities that impact tourism meeting
963 minimum criteria established by the Mississippi Development
964 Authority; * * *

965 (h) Data/information processing enterprises meeting
966 minimum criteria established by the Mississippi Development
967 Authority;

968 (i) Technology intensive enterprises or facilities
969 meeting criteria established by the Mississippi Development
970 Authority; and

971 (j) Telecommunications enterprises meeting minimum
972 criteria established by the Mississippi Development Authority.
973 The term "telecommunications enterprises" means entities engaged
974 in the creation, display, management, storage, processing,
975 transmission or distribution for compensation of images, text,
976 voice, video or data by wire or by wireless means, or entities
977 engaged in the construction, design, development, manufacture,
978 maintenance or distribution for compensation of devices, products,
979 software or structures used in the above activities. Companies
980 organized to do business as commercial broadcast radio stations,
981 television stations or news organizations primarily serving
982 in-state markets shall not be included within the definition of
983 the term "telecommunications enterprises."

984 **SECTION 40.** Section 27-65-17, Mississippi Code of 1972, is
985 amended as follows:

986 27-65-17. (1) (a) Except as otherwise provided in this
987 section, upon every person engaging or continuing within this
988 state in the business of selling any tangible personal property
989 whatsoever there is hereby levied, assessed and shall be collected
990 a tax equal to seven percent (7%) of the gross proceeds of the
991 retail sales of the business * * *.

992 (b) Retail sales of farm tractors shall be taxed at the
993 rate of one percent (1%) when made to farmers for agricultural
994 purposes.

995 (c) Retail sales of farm implements sold to farmers and
996 used directly in the production of poultry, ratite, domesticated
997 fish as defined in Section 69-7-501, livestock, livestock
998 products, agricultural crops or ornamental plant crops or used for
999 other agricultural purposes shall be taxed at the rate of three
1000 percent (3%) when used on the farm. The three percent (3%) rate
1001 shall also apply to all equipment used in logging, pulpwood
1002 operations or tree farming which is either:

1003 (i) Self-propelled, or * * *

1004 (ii) Mounted so that it is * * * permanently
1005 attached to other equipment which is self-propelled or * * *
1006 permanently attached to other equipment drawn by a vehicle which
1007 is self-propelled.

1008 (d) Except as otherwise provided in subsection (3) of
1009 this section, retail sales of aircraft, automobiles, trucks,
1010 truck-tractors, semitrailers and mobile homes shall be taxed at
1011 the rate of three percent (3%).

1012 (e) Sales of manufacturing machinery or manufacturing
1013 machine parts when made to a manufacturer or custom processor for
1014 plant use only when the machinery and machine parts will be used
1015 exclusively and directly within this state in manufacturing a
1016 commodity for sale, rental or in processing for a fee shall be
1017 taxed at the rate of one and one-half percent (1-1/2%).

1018 (f) Sales of machinery and machine parts when made to a
1019 technology intensive enterprise for plant use only when the
1020 machinery and machine parts will be used exclusively and directly
1021 within this state for industrial purposes, including, but not
1022 limited to, manufacturing or research and development activities,
1023 shall be taxed at the rate of one and one-half percent (1-1/2%).

1024 In order to be considered a technology intensive enterprise for
1025 purposes of this paragraph:

1026 (i) The enterprise shall meet minimum criteria
1027 established by the Mississippi Development Authority;

1028 (ii) The enterprise shall employ at least ten (10)
1029 persons in full-time jobs;

1030 (iii) At least ten percent (10%) of the workforce
1031 in the facility operated by the enterprise shall be scientists,
1032 engineers or computer specialists;

1033 (iv) The enterprise shall manufacture plastics,
1034 chemicals, automobiles, aircraft, computers or electronics; or
1035 shall be a research and development facility, a computer design or
1036 related facility, or a software publishing facility or other
1037 technology intensive facility or enterprise as determined by the
1038 Mississippi Development Authority;

1039 (v) The average wage of all workers employed by
1040 the enterprise at the facility shall be at least one hundred fifty
1041 percent (150%) of the state average annual wage; and

1042 (vi) The enterprise must provide a basic health
1043 care plan to all employees at the facility.

1044 (g) Sales of materials for use in track and track
1045 structures to a railroad whose rates are fixed by the Interstate
1046 Commerce Commission or the Mississippi Public Service Commission
1047 shall be taxed at the rate of three percent (3%).

1048 (h) Sales of tangible personal property to electric
1049 power associations for use in the ordinary and necessary operation
1050 of their generating or distribution systems shall be taxed at the
1051 rate of one percent (1%).

1052 (i) Wholesale sales of beer shall be taxed at the rate
1053 of seven percent (7%), and the retailer shall file a return and
1054 compute the retail tax on retail sales but may take credit for the
1055 amount of the tax paid to the wholesaler on said return covering

1056 the subsequent sales of same property, provided adequate invoices
1057 and records are maintained to substantiate the credit.

1058 (j) Wholesale sales of food and drink for human
1059 consumption to full service vending machine operators to be sold
1060 through vending machines located apart from and not connected with
1061 other taxable businesses shall be taxed at the rate of eight
1062 percent (8%).

1063 (k) Sales of equipment used or designed for the purpose
1064 of assisting disabled persons, such as wheelchair equipment and
1065 lifts, that is mounted or attached to or installed on a private
1066 carrier of passengers or light carrier of property, as defined in
1067 Section 27-51-101, at the time when the private carrier of
1068 passengers or light carrier of property is sold shall be taxed at
1069 the same rate as the sale of such vehicles under this section.

1070 (2) From and after January 1, 1995, retail sales of private
1071 carriers of passengers and light carriers of property, as defined
1072 in Section 27-51-101, shall be taxed an additional two percent
1073 (2%).

1074 (3) In lieu of the tax levied in subsection (1) of this
1075 section, there is levied on retail sales of truck-tractors and
1076 semitrailers used in interstate commerce and registered under the
1077 International Registration Plan (IRP) or any similar reciprocity
1078 agreement or compact relating to the proportional registration of
1079 commercial vehicles entered into as provided for in Section
1080 27-19-143, a tax at the rate of three percent (3%) of the portion
1081 of the sale that is attributable to the usage of such
1082 truck-tractor or semitrailer in Mississippi. The portion of the
1083 retail sale that is attributable to the usage of such
1084 truck-tractor or semitrailer in Mississippi is the retail sales
1085 price of the truck-tractor or semitrailer multiplied by the
1086 percentage of the total miles traveled by the vehicle that are
1087 traveled in Mississippi. The tax levied pursuant to this

1088 subsection (3) shall be collected by the State Tax Commission from
1089 the purchaser of such truck-tractor or semitrailer at the time of
1090 registration of such truck-tractor or semitrailer.

1091 (4) A manufacturer selling at retail in this state shall be
1092 required to make returns of the gross proceeds of such sales and
1093 pay the tax imposed in this section.

1094 (5) Any person exercising any privilege taxable under
1095 Section 27-65-15 and selling his natural resource products at
1096 wholesale or to exempt persons shall pay the tax levied by said
1097 section in lieu of the tax levied by this section.

1098 **SECTION 41.** Section 27-65-19, Mississippi Code of 1972, is
1099 amended as follows:

1100 27-65-19. (1) (a) Except as otherwise provided in this
1101 subsection, upon every person selling to consumers, electricity,
1102 current, power, potable water, steam, coal, natural gas, liquefied
1103 petroleum gas or other fuel, there is hereby levied, assessed and
1104 shall be collected a tax equal to seven percent (7%) of the gross
1105 income of the business. Provided, gross income from sales to
1106 consumers of electricity, current, power, natural gas, liquefied
1107 petroleum gas or other fuel for residential heating, lighting or
1108 other residential noncommercial or nonagricultural use, and sales
1109 of potable water for residential, noncommercial or nonagricultural
1110 use shall be excluded from taxable gross income of the business.
1111 Provided further, upon every such seller using electricity,
1112 current, power, potable water, steam, coal, natural gas, liquefied
1113 petroleum gas or other fuel for nonindustrial purposes, there is
1114 hereby levied, assessed and shall be collected a tax equal to
1115 seven percent (7%) of the cost or value of the product or service
1116 used.

1117 (b) There is hereby levied, assessed and shall be
1118 collected a tax equal to one and one-half percent (1-1/2%) of the
1119 gross income of the business when the electricity, current, power,

1120 steam, coal, natural gas, liquefied petroleum gas or other fuel is
1121 sold to or used by a manufacturer, custom processor, technology
1122 intensive enterprise meeting the criteria provided for in Section
1123 27-65-17(1)(f), or public service company for industrial purposes,
1124 which shall include that used to generate electricity, to operate
1125 an electrical distribution or transmission system, to operate
1126 pipeline compressor or pumping stations or to operate railroad
1127 locomotives; however, sales of fuel used to produce electric power
1128 by a company primarily engaged in the business of producing,
1129 generating or distributing electric power for sale shall be exempt
1130 from sales tax as provided in Section 27-65-107.

1131 (c) The one and one-half percent (1-1/2%) industrial
1132 rate provided for in this subsection shall also apply when the
1133 electricity, current, power, steam, coal, natural gas, liquefied
1134 petroleum gas or other fuel is sold to a producer or processor for
1135 use directly in the production of poultry or poultry products, the
1136 production of livestock and livestock products, the production of
1137 domesticated fish and domesticated fish products, the production
1138 of marine aquaculture products, the production of plants or food
1139 by commercial horticulturists, the processing of milk and milk
1140 products, the processing of poultry and livestock feed, and the
1141 irrigation of farm crops.

1142 (d) The one and one-half percent (1-1/2%) rate provided
1143 for in this subsection shall not apply to sales of fuel for
1144 automobiles, trucks, truck-tractors, buses, farm tractors or
1145 airplanes.

1146 (e) Upon every person operating a telegraph or
1147 telephone business for the transmission of messages or
1148 conversations between points within this state, there is hereby
1149 levied, assessed and shall be collected a tax equal to seven
1150 percent (7%) of the gross income of such business, with no
1151 deduction or allowance for any part of an intrastate rate charge

1152 because of routing across a state line. Charges by one
1153 telecommunications provider to another telecommunications provider
1154 holding a permit issued under Section 27-65-27 for services that
1155 are resold by such other telecommunications provider, including,
1156 but not limited to, access charges, shall not be subject to the
1157 tax levied pursuant to this paragraph (e). However, any sale of a
1158 prepaid telephone calling card or prepaid authorization number, or
1159 both, shall be deemed to be the sale of tangible personal property
1160 subject only to such taxes imposed by law on the sale of tangible
1161 personal property. If the sale of a prepaid telephone calling
1162 card or prepaid authorization number does not take place at the
1163 vendor's place of business, it shall be conclusively determined to
1164 take place at the customer's shipping address. The
1165 reauthorization of a prepaid telephone calling card or a prepaid
1166 authorization number shall be conclusively determined to take
1167 place at the customer's billing address. Except for the
1168 provisions governing the sale of a prepaid telephone calling card
1169 or prepaid authorization number, this paragraph (e) shall not
1170 apply to persons providing mobile telecommunications services that
1171 are taxed pursuant to paragraph (g) of this section.

1172 (f) Upon every person operating a telegraph or
1173 telecommunications business for the transmission of messages or
1174 conversations originating in this state or terminating in this
1175 state via interstate telecommunications, which are charged to the
1176 customer's service address in this state, regardless of where such
1177 amount is billed or paid, there is hereby levied, assessed and
1178 shall be collected a tax equal to seven percent (7%) of the gross
1179 income received by such business from such interstate
1180 telecommunications. However, a person, upon proof that he has
1181 paid a tax in another state on such event, shall be allowed a
1182 credit against the tax imposed in this paragraph (f) on interstate
1183 telecommunications charges to the extent that the amount of such

1184 tax is properly due and actually paid in such other state and to
1185 the extent that the rate of sales tax imposed by and paid to such
1186 other state does not exceed the rate of sales tax imposed by this
1187 paragraph (f). Charges by one telecommunications provider to
1188 another telecommunications provider holding a permit issued under
1189 Section 27-65-27 for services that are resold by such other
1190 telecommunications provider, including, but not limited to, access
1191 charges, shall not be subject to the tax levied pursuant to this
1192 paragraph (f). This paragraph (f) shall not apply to persons
1193 providing mobile telecommunications services that are taxed
1194 pursuant to paragraph (g) of this subsection.

1195 (g) (i) Upon every person providing mobile
1196 telecommunications services in this state there is hereby levied,
1197 assessed and shall be collected:

1198 1. A tax equal to seven percent (7%) of the
1199 gross income received on such services from all charges for
1200 transmission of messages or conversations between points within
1201 any single state as they shall be construed to be within this
1202 state; and

1203 2. A tax equal to seven percent (7%) on the
1204 gross income received from all charges for services that originate
1205 in one state and terminate in any other state.

1206 Charges by one telecommunications provider to another
1207 telecommunications provider holding a permit issued under Section
1208 27-65-27 for services that are resold by such other
1209 telecommunications provider, including, but not limited to, access
1210 charges, shall not be subject to the tax levied pursuant to this
1211 paragraph (g).

1212 (ii) Subject to the provisions of 4 USCS 116(c),
1213 the tax levied by this paragraph (g) shall apply only to those
1214 charges for mobile telecommunications services subject to tax
1215 which are deemed to be provided to a customer by a home service

1216 provider pursuant to 4 USCS 117(a), if the customer's place of
1217 primary use is located within this state.

1218 (iii) A home service provider shall be responsible
1219 for obtaining and maintaining the customer's place of primary use.
1220 The home service provider shall be entitled to rely on the
1221 applicable residential or business street address supplied by such
1222 customer, if the home service provider's reliance is in good
1223 faith; and the home service provider shall be held harmless from
1224 liability for any additional taxes based on a different
1225 determination of the place of primary use for taxes that are
1226 customarily passed on to the customer as a separate itemized
1227 charge. A home service provider shall be allowed to treat the
1228 address used for purposes of the tax levied by this chapter for
1229 any customer under a service contract in effect on August 1, 2002,
1230 as that customer's place of primary use for the remaining term of
1231 such service contract or agreement, excluding any extension or
1232 renewal of such service contract or agreement. Month-to-month
1233 services provided after the expiration of a contract shall be
1234 treated as an extension or renewal of such contract or agreement.

1235 If the commissioner determines that the address used by a
1236 home service provider as a customer's place of primary use does
1237 not meet the definition of the term "place of primary use" as
1238 defined in this paragraph, the commissioner shall give binding
1239 notice to the home service provider to change the place of primary
1240 use on a prospective basis from the date of notice of
1241 determination; however, the customer shall have the opportunity,
1242 prior to such notice of determination, to demonstrate that such
1243 address satisfies such definition.

1244 The commission has the right to collect any taxes due
1245 directly from the home service provider's customer that has failed
1246 to provide an address that meets the definition of the term "place

1247 of primary use" which resulted in a failure of tax otherwise due
1248 being remitted.

1249 (iv) For purposes of this paragraph (g):

1250 1. "Place of primary use" means the street
1251 address representative of where the customer's use of mobile
1252 telecommunications services primarily occurs, which shall be
1253 either the residential street address of the customer or the
1254 primary business street address of the customer.

1255 2. "Customer" means the person or entity that
1256 contracts with the home service provider for mobile
1257 telecommunications services. For determining the place of primary
1258 use, in those instances in which the end user of mobile
1259 telecommunications services is not the contracting party, the end
1260 user of the mobile telecommunications services shall be deemed the
1261 customer. The term "customer" shall not include a reseller of
1262 mobile telecommunications service, or a serving carrier under an
1263 arrangement to serve the customer outside the home service
1264 provider's licensed service area.

1265 3. "Home service provider" means the
1266 facilities-based carrier or reseller with which the customer
1267 contracts for the provision of mobile telecommunications services.

1268 (h) (i) For purposes of this paragraph (h), "bundled
1269 transaction" means a transaction that consists of distinct and
1270 identifiable properties or services which are sold for a single
1271 nonitemized price but which are treated differently for tax
1272 purposes.

1273 (ii) In the case of a bundled transaction that
1274 includes telecommunications services taxed under this section in
1275 which the price of the bundled transaction is attributable to
1276 properties or services that are taxable and nontaxable, the
1277 portion of the price that is attributable to any nontaxable
1278 property or service shall be subject to the tax unless the

1279 provider can reasonably identify that portion from its books and
1280 records kept in the regular course of business.

1281 (iii) In the case of a bundled transaction that
1282 includes telecommunications services subject to tax under this
1283 section in which the price is attributable to properties or
1284 services that are subject to the tax but the tax revenue from the
1285 different properties or services are dedicated to different funds
1286 or purposes, the provider shall allocate the price among the
1287 properties or services:

1288 1. By reasonably identifying the portion of
1289 the price attributable to each of the properties and services from
1290 its books and records kept in the regular course of business; or

1291 2. Based on a reasonable allocation
1292 methodology approved by the commission.

1293 (iv) This paragraph (h) shall not create a right
1294 of action for a customer to require that the provider or the
1295 commission, for purposes of determining the amount of tax
1296 applicable to a bundled transaction, allocate the price to the
1297 different portions of the transaction in order to minimize the
1298 amount of tax charged to the customer. A customer shall not be
1299 entitled to rely on the fact that a portion of the price is
1300 attributable to properties or services not subject to tax unless
1301 the provider elects, after receiving a written request from the
1302 customer in the form required by the provider, to provide
1303 verifiable data based upon the provider's books and records that
1304 are kept in the regular course of business that reasonably
1305 identifies the portion of the price attributable to the properties
1306 or services not subject to the tax.

1307 (2) Persons making sales to consumers of electricity,
1308 current, power, natural gas, liquefied petroleum gas or other fuel
1309 for residential heating, lighting or other residential
1310 noncommercial or nonagricultural use or sales of potable water for

1311 residential, noncommercial or nonagricultural use shall indicate
1312 on each statement rendered to customers that such charges are
1313 exempt from sales taxes.

1314 (3) There is hereby levied, assessed and shall be paid on
1315 transportation charges on shipments moving between points within
1316 this state when paid directly by the consumer, a tax equal to the
1317 rate applicable to the sale of the property being transported.
1318 Such tax shall be reported and paid directly to the State Tax
1319 Commission by the consumer.

1320 **SECTION 42.** Section 27-65-101, Mississippi Code of 1972, is
1321 amended as follows:

1322 27-65-101. (1) The exemptions from the provisions of this
1323 chapter which are of an industrial nature or which are more
1324 properly classified as industrial exemptions than any other
1325 exemption classification of this chapter shall be confined to
1326 those persons or property exempted by this section or by the
1327 provisions of the Constitution of the United States or the State
1328 of Mississippi. No industrial exemption as now provided by any
1329 other section except Section 57-3-33 shall be valid as against the
1330 tax herein levied. Any subsequent industrial exemption from the
1331 tax levied hereunder shall be provided by amendment to this
1332 section. No exemption provided in this section shall apply to
1333 taxes levied by Section 27-65-15 or 27-65-21.

1334 The tax levied by this chapter shall not apply to the
1335 following:

1336 (a) Sales of boxes, crates, cartons, cans, bottles and
1337 other packaging materials to manufacturers and wholesalers for use
1338 as containers or shipping materials to accompany goods sold by
1339 said manufacturers or wholesalers where possession thereof will
1340 pass to the customer at the time of sale of the goods contained
1341 therein and sales to anyone of containers or shipping materials
1342 for use in ships engaged in international commerce.

1343 (b) Sales of raw materials, catalysts, processing
1344 chemicals, welding gases or other industrial processing gases
1345 (except natural gas) to a manufacturer for use directly in
1346 manufacturing or processing a product for sale or rental or
1347 repairing or reconditioning vessels or barges of fifty (50) tons
1348 load displacement and over. For the purposes of this exemption,
1349 electricity used directly in the electrolysis process in the
1350 production of sodium chlorate shall be considered a raw material.
1351 This exemption shall not apply to any property used as fuel except
1352 to the extent that such fuel comprises by-products which have no
1353 market value.

1354 (c) The gross proceeds of sales of dry docks, offshore
1355 drilling equipment for use in oil exploitation or production,
1356 vessels or barges of fifty (50) tons load displacement and over,
1357 when sold by the manufacturer or builder thereof.

1358 (d) Sales to commercial fishermen of commercial fishing
1359 boats of over five (5) tons load displacement and not more than
1360 fifty (50) tons load displacement as registered with the United
1361 States Coast Guard and licensed by the Mississippi Commission on
1362 Marine Resources.

1363 (e) The gross income from repairs to vessels and barges
1364 engaged in foreign trade or interstate transportation.

1365 (f) Sales of petroleum products to vessels or barges
1366 for consumption in marine international commerce or interstate
1367 transportation businesses.

1368 (g) Sales and rentals of rail rolling stock (and
1369 component parts thereof) for ultimate use in interstate commerce
1370 and gross income from services with respect to manufacturing,
1371 repairing, cleaning, altering, reconditioning or improving such
1372 rail rolling stock (and component parts thereof).

1373 (h) Sales of raw materials, catalysts, processing
1374 chemicals, welding gases or other industrial processing gases

1375 (except natural gas) used or consumed directly in manufacturing,
1376 repairing, cleaning, altering, reconditioning or improving such
1377 rail rolling stock (and component parts thereof). This exemption
1378 shall not apply to any property used as fuel.

1379 (i) Sales of machinery or tools or repair parts
1380 therefor or replacements thereof, fuel or supplies used directly
1381 in manufacturing, converting or repairing ships, vessels or barges
1382 of three thousand (3,000) tons load displacement and over, but not
1383 to include office and plant supplies or other equipment not
1384 directly used on the ship, vessel or barge being built, converted
1385 or repaired. For purposes of this exemption, "ships, vessels or
1386 barges" shall not include floating structures described in Section
1387 27-65-18.

1388 (j) Sales of tangible personal property to persons
1389 operating ships in international commerce for use or consumption
1390 on board such ships. This exemption shall be limited to cases in
1391 which procedures satisfactory to the commissioner, ensuring
1392 against use in this state other than on such ships, are
1393 established.

1394 (k) Sales of materials used in the construction of a
1395 building, or any addition or improvement thereon, and sales of any
1396 machinery and equipment not later than three (3) months after the
1397 completion of construction of the building, or any addition
1398 thereon, to be used therein, to qualified businesses, as defined
1399 in Section 57-51-5, which are located in a county or portion
1400 thereof designated as an enterprise zone pursuant to Sections
1401 57-51-1 through 57-51-15.

1402 (l) Sales of materials used in the construction of a
1403 building, or any addition or improvement thereon, and sales of any
1404 machinery and equipment not later than three (3) months after the
1405 completion of construction of the building, or any addition

1406 thereon, to be used therein, to qualified businesses, as defined
1407 in Section 57-54-5.

1408 (m) Income from storage and handling of perishable
1409 goods by a public storage warehouse.

1410 (n) The value of natural gas lawfully injected into the
1411 earth for cycling, repressuring or lifting of oil, or lawfully
1412 vented or flared in connection with the production of oil;
1413 however, if any gas so injected into the earth is sold for such
1414 purposes, then the gas so sold shall not be exempt.

1415 (o) The gross collections from self-service commercial
1416 laundering, drying, cleaning and pressing equipment.

1417 (p) Sales of materials used in the construction of a
1418 building, or any addition or improvement thereon, and sales of any
1419 machinery and equipment not later than three (3) months after the
1420 completion of construction of the building, or any addition
1421 thereon, to be used therein, to qualified companies, certified as
1422 such by the Mississippi Development Authority under Section
1423 57-53-1.

1424 (q) Sales of component materials used in the
1425 construction of a building, or any addition or improvement
1426 thereon, sales of machinery and equipment to be used therein, and
1427 sales of manufacturing or processing machinery and equipment which
1428 is permanently attached to the ground or to a permanent foundation
1429 and which is not by its nature intended to be housed within a
1430 building structure, not later than three (3) months after the
1431 initial start-up date, to permanent business enterprises engaging
1432 in manufacturing or processing in Tier Three areas (as such term
1433 is defined in Section 57-73-21), which businesses are certified by
1434 the State Tax Commission as being eligible for the exemption
1435 granted in this paragraph (q).

1436 (r) Sales of component materials used in the
1437 construction of a building, or any addition or improvement

1438 thereon, and sales of any machinery and equipment not later than
1439 three (3) months after the completion of the building, addition or
1440 improvement thereon, to be used therein, for any company
1441 establishing or transferring its national or regional headquarters
1442 from within or outside the State of Mississippi and creating a
1443 minimum of thirty-five (35) jobs at the new headquarters in this
1444 state. The Tax Commission shall establish criteria and prescribe
1445 procedures to determine if a company qualifies as a national or
1446 regional headquarters for the purpose of receiving the exemption
1447 provided in this paragraph.

1448 (s) The gross proceeds from the sale of semitrailers,
1449 trailers, boats, travel trailers, motorcycles and all-terrain
1450 cycles if exported from this state within forty-eight (48) hours
1451 and registered and first used in another state.

1452 (t) Gross income from the storage and handling of
1453 natural gas in underground salt domes and in other underground
1454 reservoirs, caverns, structures and formations suitable for such
1455 storage.

1456 (u) Sales of machinery and equipment to nonprofit
1457 organizations if the organization:

1458 (i) Is tax-exempt pursuant to Section 501(c)(4) of
1459 the Internal Revenue Code of 1986, as amended;

1460 (ii) Assists in the implementation of the national
1461 contingency plan or area contingency plan, and which is created in
1462 response to the requirements of Title IV, Subtitle B of the Oil
1463 Pollution Act of 1990, Public Law 101-380; and

1464 (iii) Engages primarily in programs to contain,
1465 clean up and otherwise mitigate spills of oil or other substances
1466 occurring in the United States coastal and tidal waters.

1467 For purposes of this exemption, "machinery and equipment"
1468 means any ocean-going vessels, barges, booms, skimmers and other

1469 capital equipment used primarily in the operations of nonprofit
1470 organizations referred to herein.

1471 (v) Sales or leases of materials and equipment to
1472 approved business enterprises as provided under the Growth and
1473 Prosperity Act.

1474 (w) From and after July 1, 2001, sales of pollution
1475 control equipment to manufacturers or custom processors for
1476 industrial use. For the purposes of this exemption, "pollution
1477 control equipment" means equipment, devices, machinery or systems
1478 used or acquired to prevent, control, monitor or reduce air, water
1479 or groundwater pollution, or solid or hazardous waste as required
1480 by federal or state law or regulation.

1481 (x) Sales or leases to a manufacturer of motor vehicles
1482 operating a project that has been certified by the Mississippi
1483 Major Economic Impact Authority as a project as defined in Section
1484 57-75-5(f)(iv)1 of machinery and equipment; special tooling such
1485 as dies, molds, jigs and similar items treated as special tooling
1486 for federal income tax purposes; or repair parts therefor or
1487 replacements thereof; repair services thereon; fuel, supplies,
1488 electricity, coal and natural gas used directly in the manufacture
1489 of motor vehicles or motor vehicle parts or used to provide
1490 climate control for manufacturing areas.

1491 (y) Sales or leases of component materials, machinery
1492 and equipment used in the construction of a building, or any
1493 addition or improvement thereon to an enterprise operating a
1494 project that has been certified by the Mississippi Major Economic
1495 Impact Authority as a project as defined in Section
1496 57-75-5(f)(iv)1 and any other sales or leases required to
1497 establish or operate such project.

1498 (z) Sales of component materials and equipment to a
1499 business enterprise as provided under Section 57-64-33.

1500 (aa) The gross income from the stripping and painting
1501 of commercial aircraft engaged in foreign or interstate
1502 transportation business.

1503 (bb) Sales of production items used in the production
1504 of motion pictures such as film; videotape; component building
1505 materials used in the construction of a set; makeup; fabric used
1506 as or in the making of costumes; clothing, including, shoes,
1507 accessories and jewelry used as wardrobes; materials used as set
1508 dressing; materials used as props on a set or by an actor;
1509 materials used in the creation of special effects; and expendable
1510 items purchased for limited use by grip, electric and camera
1511 departments such as tape, fasteners and compressed air. For the
1512 purposes of this paragraph (bb), the term "motion picture" means a
1513 nationally distributed feature-length film, video, television
1514 series or commercial made in Mississippi, in whole or in part, for
1515 theatrical or television viewing or as a television pilot. The
1516 term "motion picture" shall not include the production of
1517 television coverage of news and athletic events, or a film, video,
1518 television series or commercial that contains any material or
1519 performance defined in Section 97-29-103.

1520 (cc) Sales or leases to an enterprise owning or
1521 operating a project that has been designated by the Mississippi
1522 Major Economic Impact Authority as a project as defined in Section
1523 57-75-5(f)(xviii) of machinery and equipment; special tooling such
1524 as dies, molds, jigs and similar items treated as special tooling
1525 for federal income tax purposes; or repair parts therefor or
1526 replacements thereof; repair services thereon; fuel, supplies,
1527 electricity, coal and natural gas used directly in the
1528 manufacturing/production operations of the project or used to
1529 provide climate control for manufacturing/production areas.

1530 (dd) Sales or leases of component materials, machinery
1531 and equipment used in the construction of a building, or any

1532 addition or improvement thereon to an enterprise owning or
1533 operating a project that has been designated by the Mississippi
1534 Major Economic Impact Authority as a project as defined in Section
1535 57-75-5(f)(xviii) and any other sales or leases required to
1536 establish or operate such project.

1537 (ee) Sales of parts used in the repair and servicing of
1538 aircraft not registered in Mississippi engaged exclusively in the
1539 business of foreign or interstate transportation to businesses
1540 engaged in aircraft repair and maintenance.

1541 (ff) Sales of component materials used in the
1542 construction of a facility, or any addition or improvement
1543 thereon, and sales or leases of machinery and equipment not later
1544 than three (3) months after the completion of construction of the
1545 facility, or any addition or improvement thereto, to be used in
1546 the building or any addition or improvement thereto, to a
1547 permanent business enterprise operating a data/information
1548 enterprise in Tier Three areas (as such areas are designated in
1549 accordance with Section 57-73-21), meeting minimum criteria
1550 established by the Mississippi Development Authority.

1551 (gg) Sales of component materials used in the
1552 construction of a facility, or any addition or improvement
1553 thereto, and sales of machinery and equipment not later than three
1554 (3) months after the completion of construction of the facility,
1555 or any addition or improvement thereto, to be used in the facility
1556 or any addition or improvement thereto, to technology intensive
1557 enterprises for industrial purposes in Tier Three areas (as such
1558 areas are designated in accordance with Section 57-73-21), as
1559 certified by the State Tax Commission. For purposes of this
1560 paragraph, an enterprise must meet the criteria provided for in
1561 Section 27-65-17(1)(f) in order to be considered a technology
1562 intensive enterprise.

1563 (2) Sales of component materials used in the construction of
1564 a building, or any addition or improvement thereon, sales of
1565 machinery and equipment to be used therein, and sales of
1566 manufacturing or processing machinery and equipment which is
1567 permanently attached to the ground or to a permanent foundation
1568 and which is not by its nature intended to be housed within a
1569 building structure, not later than three (3) months after the
1570 initial start-up date, to permanent business enterprises engaging
1571 in manufacturing or processing in Tier Two areas and Tier One
1572 areas (as such areas are designated in accordance with Section
1573 57-73-21), which businesses are certified by the State Tax
1574 Commission as being eligible for the exemption granted in this
1575 paragraph, shall be exempt from one-half (1/2) of the taxes
1576 imposed on such transactions under this chapter.

1577 (3) Sales of component materials used in the construction of
1578 a facility, or any addition or improvement thereon, and sales or
1579 leases of machinery and equipment not later than three (3) months
1580 after the completion of construction of the facility, or any
1581 addition or improvement thereto, to be used in the building or any
1582 addition or improvement thereto, to a permanent business
1583 enterprise operating a data/information enterprise in Tier Two
1584 areas and Tier One areas (as such areas are designated in
1585 accordance with Section 57-73-21), which businesses meet minimum
1586 criteria established by the Mississippi Development Authority,
1587 shall be exempt from one-half (1/2) of the taxes imposed on such
1588 transaction under this chapter.

1589 (4) Sales of component materials used in the construction of
1590 a facility, or any addition or improvement thereto, and sales of
1591 machinery and equipment not later than three (3) months after the
1592 completion of construction of the facility, or any addition or
1593 improvement thereto, to be used in the building or any addition or
1594 improvement thereto, to technology intensive enterprises for

1595 industrial purposes in Tier Two areas and Tier One areas (as such
1596 areas are designated in accordance with Section 57-73-21), which
1597 businesses are certified by the State Tax Commission as being
1598 eligible for the exemption granted in this paragraph, shall be
1599 exempt from one-half (1/2) of the taxes imposed on such
1600 transactions under this chapter. For purposes of this subsection,
1601 an enterprise must meet the criteria provided for in Section
1602 27-65-17(1)(f) in order to be considered a technology intensive
1603 enterprise.

1604 (5) (a) For purposes of this subsection:

1605 (i) "Telecommunications enterprises" shall have
1606 the meaning ascribed to such term in Section 57-73-21 * * *;

1607 (ii) "Tier One areas" mean counties designated as
1608 Tier One areas pursuant to Section 57-73-21 * * *;

1609 (iii) "Tier Two areas" mean counties designated as
1610 Tier Two areas pursuant to Section 57-73-21 * * *;

1611 (iv) "Tier Three areas" mean counties designated
1612 as Tier Three areas pursuant to Section 57-73-21 * * *; and

1613 (v) "Equipment used in the deployment of broadband
1614 technologies" means any equipment capable of being used for or in
1615 connection with the transmission of information at a rate, prior
1616 to taking into account the effects of any signal degradation, that
1617 is not less than three hundred eighty-four (384) kilobits per
1618 second in at least one direction, including, but not limited to,
1619 asynchronous transfer mode switches, digital subscriber line
1620 access multiplexers, routers, servers, multiplexers, fiber optics
1621 and related equipment.

1622 (b) Sales of equipment to telecommunications
1623 enterprises after June 30, 2003, and before July 1, 2013, that is
1624 installed in Tier One areas and used in the deployment of
1625 broadband technologies shall be exempt from one-half (1/2) of the
1626 taxes imposed on such transactions under this chapter.

1627 (c) Sales of equipment to telecommunications
1628 enterprises after June 30, 2003, and before July 1, 2013, that is
1629 installed in Tier Two and Tier Three areas and used in the
1630 deployment of broadband technologies shall be exempt from the
1631 taxes imposed on such transactions under this chapter.

1632 **SECTION 43.** Section 57-73-21, Mississippi Code of 1972, is
1633 amended as follows:

1634 **[In cases involving business enterprises that received or**
1635 **applied for the job tax credit authorized by this section prior to**
1636 **January 1, 2005, this section shall read as follows:]**

1637 57-73-21. (1) Annually by December 31, using the most
1638 current data available from the University Research Center,
1639 Mississippi Department of Employment Security and the United
1640 States Department of Commerce, the State Tax Commission shall rank
1641 and designate the state's counties as provided in this section.
1642 The twenty-eight (28) counties in this state having a combination
1643 of the highest unemployment rate and lowest per capita income for
1644 the most recent thirty-six-month period, with equal weight being
1645 given to each category, are designated Tier Three areas. The
1646 twenty-seven (27) counties in the state with a combination of the
1647 next highest unemployment rate and next lowest per capita income
1648 for the most recent thirty-six-month period, with equal weight
1649 being given to each category, are designated Tier Two areas. The
1650 twenty-seven (27) counties in the state with a combination of the
1651 lowest unemployment rate and the highest per capita income for the
1652 most recent thirty-six-month period, with equal weight being given
1653 to each category, are designated Tier One areas. Counties
1654 designated by the Tax Commission qualify for the appropriate tax
1655 credit for jobs as provided in subsections (2), (3) and (4) of
1656 this section. The designation by the Tax Commission is effective
1657 for the tax years of permanent business enterprises which begin
1658 after the date of designation. For companies which plan an

1659 expansion in their labor forces, the Tax Commission shall
1660 prescribe certification procedures to ensure that the companies
1661 can claim credits in future years without regard to whether or not
1662 a particular county is removed from the list of Tier Three or Tier
1663 Two areas.

1664 (2) Permanent business enterprises primarily engaged in
1665 manufacturing, processing, warehousing, distribution, wholesaling
1666 and research and development, or permanent business enterprises
1667 designated by rule and regulation of the Mississippi Development
1668 Authority as air transportation and maintenance facilities, final
1669 destination or resort hotels having a minimum of one hundred fifty
1670 (150) guest rooms, recreational facilities that impact tourism,
1671 movie industry studios, telecommunications enterprises, data or
1672 information processing enterprises or computer software
1673 development enterprises or any technology intensive facility or
1674 enterprise, in counties designated by the Tax Commission as Tier
1675 Three areas are allowed a job tax credit for taxes imposed by
1676 Section 27-7-5 equal to Two Thousand Dollars (\$2,000.00) annually
1677 for each net new full-time employee job for five (5) years
1678 beginning with years two (2) through six (6) after the creation of
1679 the job. The number of new full-time jobs must be determined by
1680 comparing the monthly average number of full-time employees
1681 subject to the Mississippi income tax withholding for the taxable
1682 year with the corresponding period of the prior taxable year.
1683 Only those permanent businesses that increase employment by ten
1684 (10) or more in a Tier Three area are eligible for the credit.
1685 Credit is not allowed during any of the five (5) years if the net
1686 employment increase falls below ten (10). The Tax Commission
1687 shall adjust the credit allowed each year for the net new
1688 employment fluctuations above the minimum level of ten (10).

1689 (3) Permanent business enterprises primarily engaged in
1690 manufacturing, processing, warehousing, distribution, wholesaling

1691 and research and development, or permanent business enterprises
1692 designated by rule and regulation of the Mississippi Development
1693 Authority as air transportation and maintenance facilities, final
1694 destination or resort hotels having a minimum of one hundred fifty
1695 (150) guest rooms, recreational facilities that impact tourism,
1696 movie industry studios, telecommunications enterprises, data or
1697 information processing enterprises or computer software
1698 development enterprises or any technology intensive facility or
1699 enterprise, in counties that have been designated by the Tax
1700 Commission as Tier Two areas are allowed a job tax credit for
1701 taxes imposed by Section 27-7-5 equal to One Thousand Dollars
1702 (\$1,000.00) annually for each net new full-time employee job for
1703 five (5) years beginning with years two (2) through six (6) after
1704 the creation of the job. The number of new full-time jobs must be
1705 determined by comparing the monthly average number of full-time
1706 employees subject to Mississippi income tax withholding for the
1707 taxable year with the corresponding period of the prior taxable
1708 year. Only those permanent businesses that increase employment by
1709 fifteen (15) or more in Tier Two areas are eligible for the
1710 credit. The credit is not allowed during any of the five (5)
1711 years if the net employment increase falls below fifteen (15).
1712 The Tax Commission shall adjust the credit allowed each year for
1713 the net new employment fluctuations above the minimum level of
1714 fifteen (15).

1715 (4) Permanent business enterprises primarily engaged in
1716 manufacturing, processing, warehousing, distribution, wholesaling
1717 and research and development, or permanent business enterprises
1718 designated by rule and regulation of the Mississippi Development
1719 Authority as air transportation and maintenance facilities, final
1720 destination or resort hotels having a minimum of one hundred fifty
1721 (150) guest rooms, recreational facilities that impact tourism,
1722 movie industry studios, telecommunications enterprises, data or

1723 information processing enterprises or computer software
1724 development enterprises or any technology intensive facility or
1725 enterprise, in counties designated by the Tax Commission as Tier
1726 One areas are allowed a job tax credit for taxes imposed by
1727 Section 27-7-5 equal to Five Hundred Dollars (\$500.00) annually
1728 for each net new full-time employee job for five (5) years
1729 beginning with years two (2) through six (6) after the creation of
1730 the job. The number of new full-time jobs must be determined by
1731 comparing the monthly average number of full-time employees
1732 subject to Mississippi income tax withholding for the taxable year
1733 with the corresponding period of the prior taxable year. Only
1734 those permanent businesses that increase employment by twenty (20)
1735 or more in Tier One areas are eligible for the credit. The credit
1736 is not allowed during any of the five (5) years if the net
1737 employment increase falls below twenty (20). The Tax Commission
1738 shall adjust the credit allowed each year for the net new
1739 employment fluctuations above the minimum level of twenty (20).

1740 (5) In addition to the credits authorized in subsections
1741 (2), (3) and (4), an additional Five Hundred Dollars (\$500.00)
1742 credit for each net new full-time employee or an additional One
1743 Thousand Dollars (\$1,000.00) credit for each net new full-time
1744 employee who is paid a salary, excluding benefits which are not
1745 subject to Mississippi income taxation, of at least one hundred
1746 twenty-five percent (125%) of the average annual wage of the state
1747 or an additional Two Thousand Dollars (\$2,000.00) credit for each
1748 net new full-time employee who is paid a salary, excluding
1749 benefits which are not subject to Mississippi income taxation, of
1750 at least two hundred percent (200%) of the average annual wage of
1751 the state, shall be allowed for any company establishing or
1752 transferring its national or regional headquarters from within or
1753 outside the State of Mississippi. A minimum of thirty-five (35)
1754 jobs must be created to qualify for the additional credit. The

1755 State Tax Commission shall establish criteria and prescribe
1756 procedures to determine if a company qualifies as a national or
1757 regional headquarters for purposes of receiving the credit awarded
1758 in this subsection. As used in this subsection, the average
1759 annual wage of the state is the most recently published average
1760 annual wage as determined by the Mississippi Department of
1761 Employment Security.

1762 (6) In addition to the credits authorized in subsections
1763 (2), (3), (4) and (5), any job requiring research and development
1764 skills (chemist, engineer, etc.) shall qualify for an additional
1765 One Thousand Dollars (\$1,000.00) credit for each net new full-time
1766 employee.

1767 (7) In lieu of the tax credits provided in subsections (2)
1768 through (6), any commercial or industrial property owner which
1769 remediates contaminated property in accordance with Sections
1770 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
1771 imposed by Section 27-7-5 equal to the amounts provided in
1772 subsection (2), (3) or (4) for each net new full-time employee job
1773 for five (5) years beginning with years two (2) through six (6)
1774 after the creation of the job. The number of new full-time jobs
1775 must be determined by comparing the monthly average number of
1776 full-time employees subject to Mississippi income tax withholding
1777 for the taxable year with the corresponding period of the prior
1778 taxable year. This subsection shall be administered in the same
1779 manner as subsections (2), (3) and (4), except the landowner shall
1780 not be required to increase employment by the levels provided in
1781 subsections (2), (3) and (4) to be eligible for the tax credit.

1782 (8) Tax credits for five (5) years for the taxes imposed by
1783 Section 27-7-5 shall be awarded for additional net new full-time
1784 jobs created by business enterprises qualified under subsections
1785 (2), (3), (4), (5), (6) and (7) of this section. Except as
1786 otherwise provided, the Tax Commission shall adjust the credit

1787 allowed in the event of employment fluctuations during the
1788 additional five (5) years of credit.

1789 (9) The sale, merger, acquisition, reorganization,
1790 bankruptcy or relocation from one county to another county within
1791 the state of any business enterprise may not create new
1792 eligibility in any succeeding business entity, but any unused job
1793 tax credit may be transferred and continued by any transferee of
1794 the business enterprise. The Tax Commission shall determine
1795 whether or not qualifying net increases or decreases have occurred
1796 or proper transfers of credit have been made and may require
1797 reports, promulgate regulations, and hold hearings as needed for
1798 substantiation and qualification.

1799 (10) Any tax credit claimed under this section but not used
1800 in any taxable year may be carried forward for five (5) years from
1801 the close of the tax year in which the qualified jobs were
1802 established but the credit established by this section taken in
1803 any one (1) tax year must be limited to an amount not greater than
1804 fifty percent (50%) of the taxpayer's state income tax liability
1805 which is attributable to income derived from operations in the
1806 state for that year.

1807 (11) No business enterprise for the transportation,
1808 handling, storage, processing or disposal of hazardous waste is
1809 eligible to receive the tax credits provided in this section.

1810 (12) The credits allowed under this section shall not be
1811 used by any business enterprise or corporation other than the
1812 business enterprise actually qualifying for the credits.

1813 (13) The tax credits provided for in this section shall be
1814 in addition to any tax credits described in Sections 57-51-13(b),
1815 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
1816 action by the Department of Economic Development prior to July 1,
1817 1989, to any business enterprise determined prior to July 1, 1989,
1818 by the Department of Economic Development to be a qualified

1819 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
1820 a qualified company as described in Section 57-53-1, as the case
1821 may be; however, from and after July 1, 1989, tax credits shall be
1822 allowed only under either this section or Sections 57-51-13(b),
1823 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
1824 employee.

1825 (14) As used in this section, the term "telecommunications
1826 enterprises" means entities engaged in the creation, display,
1827 management, storage, processing, transmission or distribution for
1828 compensation of images, text, voice, video or data by wire or by
1829 wireless means, or entities engaged in the construction, design,
1830 development, manufacture, maintenance or distribution for
1831 compensation of devices, products, software or structures used in
1832 the above activities. Companies organized to do business as
1833 commercial broadcast radio stations, television stations or news
1834 organizations primarily serving in-state markets shall not be
1835 included within the definition of the term "telecommunications
1836 enterprises."

1837 **[In cases involving business enterprises that apply for the**
1838 **job tax credit authorized by this section from and after January**
1839 **1, 2005, this section shall read as follows:]**

1840 57-73-21. (1) Annually by December 31, using the most
1841 current data available from the University Research Center,
1842 Mississippi Department of Employment Security and the United
1843 States Department of Commerce, the State Tax Commission shall rank
1844 and designate the state's counties as provided in this section.
1845 The twenty-eight (28) counties in this state having a combination
1846 of the highest unemployment rate and lowest per capita income for
1847 the most recent thirty-six-month period, with equal weight being
1848 given to each category, are designated Tier Three areas. The
1849 twenty-seven (27) counties in the state with a combination of the
1850 next highest unemployment rate and next lowest per capita income

1851 for the most recent thirty-six-month period, with equal weight
1852 being given to each category, are designated Tier Two areas. The
1853 twenty-seven (27) counties in the state with a combination of the
1854 lowest unemployment rate and the highest per capita income for the
1855 most recent thirty-six-month period, with equal weight being given
1856 to each category, are designated Tier One areas. Counties
1857 designated by the Tax Commission qualify for the appropriate tax
1858 credit for jobs as provided in * * * this section. The
1859 designation by the Tax Commission is effective for the tax years
1860 of permanent business enterprises which begin after the date of
1861 designation. For companies which plan an expansion in their labor
1862 forces, the Tax Commission shall prescribe certification
1863 procedures to ensure that the companies can claim credits in
1864 future years without regard to whether or not a particular county
1865 is removed from the list of Tier Three or Tier Two areas.

1866 (2) Permanent business enterprises * * * in counties
1867 designated by the Tax Commission as Tier Three areas are allowed a
1868 job tax credit for taxes imposed by Section 27-7-5 equal to ten
1869 percent (10%) of the payroll of the enterprise for net new
1870 full-time employee jobs for five (5) years beginning with years
1871 two (2) through six (6) after the creation of the minimum number
1872 of jobs required by this subsection. The number of new full-time
1873 jobs must be determined by comparing the monthly average number of
1874 full-time employees subject to the Mississippi income tax
1875 withholding for the taxable year with the corresponding period of
1876 the prior taxable year. Only those permanent business enterprises
1877 that increase employment by ten (10) or more in a Tier Three area
1878 are eligible for the credit. Credit is not allowed during any of
1879 the five (5) years if the net employment increase falls below ten
1880 (10). The Tax Commission shall adjust the credit allowed each
1881 year for the net new employment fluctuations above the minimum
1882 level of ten (10).

1883 (3) Permanent business enterprises * * * in counties that
1884 have been designated by the Tax Commission as Tier Two areas are
1885 allowed a job tax credit for taxes imposed by Section 27-7-5 equal
1886 to five percent (5%) of the payroll of the enterprise for net new
1887 full-time employee jobs for five (5) years beginning with years
1888 two (2) through six (6) after the creation of the minimum number
1889 of jobs required by this subsection. The number of new full-time
1890 jobs must be determined by comparing the monthly average number of
1891 full-time employees subject to Mississippi income tax withholding
1892 for the taxable year with the corresponding period of the prior
1893 taxable year. Only those permanent business enterprises that
1894 increase employment by fifteen (15) or more in Tier Two areas are
1895 eligible for the credit. The credit is not allowed during any of
1896 the five (5) years if the net employment increase falls below
1897 fifteen (15). The Tax Commission shall adjust the credit allowed
1898 each year for the net new employment fluctuations above the
1899 minimum level of fifteen (15).

1900 (4) Permanent business enterprises * * * in counties
1901 designated by the Tax Commission as Tier One areas are allowed a
1902 job tax credit for taxes imposed by Section 27-7-5 equal to two
1903 and one-half percent (2.5%) of the payroll of the enterprise for
1904 net new full-time employee jobs for five (5) years beginning with
1905 years two (2) through six (6) after the creation of the minimum
1906 number of jobs required by this subsection. The number of new
1907 full-time jobs must be determined by comparing the monthly average
1908 number of full-time employees subject to Mississippi income tax
1909 withholding for the taxable year with the corresponding period of
1910 the prior taxable year. Only those permanent business enterprises
1911 that increase employment by twenty (20) or more in Tier One areas
1912 are eligible for the credit. The credit is not allowed during any
1913 of the five (5) years if the net employment increase falls below
1914 twenty (20). The Tax Commission shall adjust the credit allowed

1915 each year for the net new employment fluctuations above the
1916 minimum level of twenty (20).

1917 (5) In addition to the other credits authorized in this
1918 section, an additional Five Hundred Dollars (\$500.00) credit for
1919 each net new full-time employee or an additional One Thousand
1920 Dollars (\$1,000.00) credit for each net new full-time employee who
1921 is paid a salary, excluding benefits which are not subject to
1922 Mississippi income taxation, of at least one hundred twenty-five
1923 percent (125%) of the average annual wage of the state or an
1924 additional Two Thousand Dollars (\$2,000.00) credit for each net
1925 new full-time employee who is paid a salary, excluding benefits
1926 which are not subject to Mississippi income taxation, of at least
1927 two hundred percent (200%) of the average annual wage of the
1928 state, shall be allowed for any company establishing or
1929 transferring its national or regional headquarters from within or
1930 outside the State of Mississippi. A minimum of thirty-five (35)
1931 jobs must be created to qualify for the additional credit. The
1932 State Tax Commission shall establish criteria and prescribe
1933 procedures to determine if a company qualifies as a national or
1934 regional headquarters for purposes of receiving the credit awarded
1935 in this subsection. As used in this subsection, the average
1936 annual wage of the state is the most recently published average
1937 annual wage as determined by the Mississippi Department of
1938 Employment Security.

1939 (6) In addition to the other credits authorized in this
1940 section, any job requiring research and development skills
1941 (chemist, engineer, etc.) shall qualify for an additional One
1942 Thousand Dollars (\$1,000.00) credit for each net new full-time
1943 employee.

1944 (7) In lieu of the other tax credits provided in this
1945 section, any commercial or industrial property owner which
1946 remediates contaminated property in accordance with Sections

1947 49-35-1 through 49-35-25, is allowed a job tax credit for taxes
1948 imposed by Section 27-7-5 equal to the percentage of payroll
1949 provided in subsection (2), (3) or (4) of this section for * * *
1950 net new full-time employee jobs for five (5) years beginning with
1951 years two (2) through six (6) after the creation of the jobs. The
1952 number of new full-time jobs must be determined by comparing the
1953 monthly average number of full-time employees subject to
1954 Mississippi income tax withholding for the taxable year with the
1955 corresponding period of the prior taxable year. This subsection
1956 shall be administered in the same manner as subsections (2), (3)
1957 and (4), except the landowner shall not be required to increase
1958 employment by the levels provided in subsections (2), (3) and (4)
1959 to be eligible for the tax credit.

1960 (8) (a) Tax credits for five (5) years for the taxes
1961 imposed by Section 27-7-5 shall be awarded for increases in the
1962 annual payroll for net new full-time jobs created by business
1963 enterprises qualified under this section. The Tax Commission
1964 shall adjust the credit allowed in the event of payroll
1965 fluctuations during the additional five (5) years of credit.

1966 (b) Tax credits for five (5) years for the taxes
1967 imposed by Section 27-7-5 shall be awarded for additional net new
1968 full-time jobs created by business enterprises qualified under
1969 subsections * * * (5) and (6) * * * of this section. * * * The
1970 Tax Commission shall adjust the credit allowed in the event of
1971 employment fluctuations during the additional five (5) years of
1972 credit.

1973 (9) The sale, merger, acquisition, reorganization,
1974 bankruptcy or relocation from one county to another county within
1975 the state of any business enterprise may not create new
1976 eligibility in any succeeding business entity, but any unused job
1977 tax credit may be transferred and continued by any transferee of
1978 the business enterprise. The Tax Commission shall determine

1979 whether or not qualifying net increases or decreases have occurred
1980 or proper transfers of credit have been made and may require
1981 reports, promulgate regulations, and hold hearings as needed for
1982 substantiation and qualification.

1983 (10) Any tax credit claimed under this section but not used
1984 in any taxable year may be carried forward for five (5) years from
1985 the close of the tax year in which the qualified jobs were
1986 established but the credit established by this section taken in
1987 any one tax year must be limited to an amount not greater than
1988 fifty percent (50%) of the taxpayer's state income tax liability
1989 which is attributable to income derived from operations in the
1990 state for that year.

1991 (11) No business enterprise for the transportation,
1992 handling, storage, processing or disposal of hazardous waste is
1993 eligible to receive the tax credits provided in this section.

1994 (12) The credits allowed under this section shall not be
1995 used by any business enterprise or corporation other than the
1996 business enterprise actually qualifying for the credits.

1997 (13) As used in this section:

1998 (a) "Business enterprises" means entities primarily
1999 engaged in:

2000 (i) Manufacturing, processing, warehousing,
2001 distribution, wholesaling and research and development, or

2002 (ii) Permanent business enterprises designated by
2003 rule and regulation of the Mississippi Development Authority as
2004 air transportation and maintenance facilities, final destination
2005 or resort hotels having a minimum of one hundred fifty (150) guest
2006 rooms, recreational facilities that impact tourism, movie industry
2007 studios, telecommunications enterprises, data or information
2008 processing enterprises or computer software development
2009 enterprises or any technology intensive facility or enterprise.

2010 (b) "Telecommunications enterprises" means entities
2011 engaged in the creation, display, management, storage, processing,
2012 transmission or distribution for compensation of images, text,
2013 voice, video or data by wire or by wireless means, or entities
2014 engaged in the construction, design, development, manufacture,
2015 maintenance or distribution for compensation of devices, products,
2016 software or structures used in the above activities. Companies
2017 organized to do business as commercial broadcast radio stations,
2018 television stations or news organizations primarily serving
2019 in-state markets shall not be included within the definition of
2020 the term "telecommunications enterprises."

2021 (14) The tax credits provided for in this section shall be
2022 in addition to any tax credits described in Sections 57-51-13(b),
2023 57-53-1(1)(a) and 57-54-9(b) and granted pursuant to official
2024 action by the Department of Economic Development prior to July 1,
2025 1989, to any business enterprise determined prior to July 1, 1989,
2026 by the Department of Economic Development to be a qualified
2027 business as defined in Section 57-51-5(f) or Section 57-54-5(d) or
2028 a qualified company as described in Section 57-53-1, as the case
2029 may be; however, from and after July 1, 1989, tax credits shall be
2030 allowed only under either this section or Sections 57-51-13(b),
2031 57-53-1(1)(a) and Section 57-54-9(b) for each net new full-time
2032 employee.

2033 * * *

2034 **SECTION 44.** Section 57-73-25, Mississippi Code of 1972, is
2035 amended as follows:

2036 57-73-25. (1) A fifty percent (50%) income tax credit shall
2037 be granted to any employer (as defined in subsection (4) of this
2038 section) sponsoring skills training. The fifty percent (50%)
2039 credit shall be granted to employers that participate in
2040 employer-sponsored training programs through any community/junior
2041 college in the district within which the employer is located or

2042 training approved by such community/junior college. The credit is
2043 applied to qualified training expenses, which are expenses related
2044 to instructors, instructional materials and equipment, and the
2045 construction and maintenance of facilities by such employer
2046 designated for training purposes which is attributable to training
2047 provided through such community/junior college or training
2048 approved by such community/junior college. The credits allowed
2049 under this section shall only be used by the actual employer
2050 qualifying for the credits. The credit shall not exceed fifty
2051 percent (50%) of the income tax liability in a tax year and may be
2052 carried forward for the five (5) successive years if the amount
2053 allowable as credit exceeds the income tax liability in a tax
2054 year; however, thereafter, if the amount allowable as a credit
2055 exceeds the tax liability, the amount of excess shall not be
2056 refundable or carried forward to any other taxable year. The
2057 credit authorized under this section shall not exceed Two Thousand
2058 Five Hundred Dollars (\$2,500.00) per employee during any one (1)
2059 year. Nothing in this section shall be interpreted in any manner
2060 as to prevent the continuing operation of state-supported
2061 university programs.

2062 (2) Employer-sponsored training shall include an evaluation
2063 by the local community or junior college that serves the employer
2064 to ensure that the training provided is job related and conforms
2065 to the definition of "skills training" as hereinafter defined.

2066 (3) Employers shall be certified as eligible for the tax
2067 credit by the local community or junior college that serves the
2068 employer and the State Tax Commission.

2069 (4) For the purposes of this section:

2070 (a) "Skills training" means any employer-sponsored
2071 training by an appropriate community/junior college or training
2072 approved by such community/junior college that enhances skills
2073 that improve job performance. If the employer provides

2074 pre-employment training, the portion of the pre-employment
2075 training that involves skills training shall be eligible for the
2076 credit.

2077 (b) "Employer-sponsored training" means training
2078 provided by the appropriate community/junior college in the
2079 district within which the employer is located or training approved
2080 by such community/junior college.

2081 (c) "Employer" means those permanent business
2082 enterprises as defined and set out in Section 57-73-21 * * *.

2083 (5) The tax credits provided for in this section shall be in
2084 addition to all other tax credits heretofore granted by the laws
2085 of the state.

2086 (6) A community/junior college may commit to provide
2087 employer-sponsored skills training programs for an employer for a
2088 multiple number of years, not to exceed five (5) years.

2089 (7) The State Board for Community and Junior Colleges shall
2090 make a report to the Legislature by January 30 of each year
2091 summarizing the number of participants, the junior or community
2092 college through which the training was offered and the type
2093 training offered.

2094 (8) This section shall stand repealed from and after July 1,
2095 2006.

2096 **SECTION 45.** Section 57-10-401, Mississippi Code of 1972, is
2097 amended as follows:

2098 **[In cases involving an economic development project for which**
2099 **the Mississippi Business Finance Corporation has issued bonds for**
2100 **the purpose of financing the approved costs of such project prior**
2101 **to July 1, 1994, this section shall read as follows:]**

2102 57-10-401. As used in Sections 57-10-401 through 57-10-445
2103 the following terms shall have the meanings ascribed to them
2104 herein unless the context clearly indicates otherwise:

2105 (a) "Approved company" means any eligible company
2106 seeking to locate an economic development project in a county,
2107 which eligible company is approved by the corporation.

2108 (b) "Approved costs" means:

2109 (i) Obligations incurred for equipment and labor
2110 and to contractors, subcontractors, builders and materialmen in
2111 connection with the acquisition, construction and installation of
2112 an economic development project;

2113 (ii) The cost of acquiring land or rights in land
2114 and any cost incidental thereto, including recording fees;

2115 (iii) The cost of contract bonds and of insurance
2116 of all kinds that may be required or necessary during the course
2117 of acquisition, construction and installation of an economic
2118 development project which is not paid by the contractor or
2119 contractors or otherwise provided for;

2120 (iv) All costs of architectural and engineering
2121 services, including test borings, surveys, estimates, plans and
2122 specifications, preliminary investigations, and supervision of
2123 construction, as well as for the performance of all the duties
2124 required by or consequent upon the acquisition, construction and
2125 installation of an economic development project;

2126 (v) All costs which shall be required to be paid
2127 under the terms of any contract or contracts for the acquisition,
2128 construction and installation of an economic development project;

2129 (vi) All costs, expenses and fees incurred in
2130 connection with the issuance of bonds pursuant to Sections
2131 57-10-401 through 57-10-445;

2132 (vii) All costs funded by a loan made under the
2133 Mississippi Small Enterprise Development Finance Act; and

2134 (viii) All costs of professionals permitted to be
2135 engaged under the Mississippi Small Enterprise Development Finance
2136 Act for a loan made under such act.

2137 (c) "Assessment" means the job development assessment
2138 fee authorized in Section 57-10-413.

2139 (d) "Bonds" means the revenue bonds, notes or other
2140 debt obligations of the corporation authorized to be issued by the
2141 corporation on behalf of an eligible company or other state
2142 agency.

2143 (e) "Corporation" means the Mississippi Business
2144 Finance Corporation created under Section 57-10-167, Mississippi
2145 Code of 1972.

2146 (f) "Economic development project" means and includes
2147 the acquisition of any equipment or real estate in a county and
2148 the construction and installation thereon, and with respect
2149 thereto, of improvements and facilities necessary or desirable for
2150 improvement of the real estate, including surveys, site tests and
2151 inspections, subsurface site work, excavation, removal of
2152 structures, roadways, cemeteries and other surface obstructions,
2153 filling, grading and provision of drainage, storm water detention,
2154 installation of utilities such as water, sewer, sewage treatment,
2155 gas, electricity, communications and similar facilities, off-site
2156 construction of utility extensions to the boundaries of the real
2157 estate, and the acquisition, construction and installation of
2158 manufacturing, telecommunications, data processing, distribution
2159 or warehouse facilities on the real estate, for lease or financial
2160 arrangement by the corporation to an approved company for use and
2161 occupancy by the approved company or its affiliates for
2162 manufacturing, telecommunications, data processing, distribution
2163 or warehouse purposes. Such term also includes, without
2164 limitation, any project the financing of which has been approved
2165 under the Mississippi Small Enterprise Development Finance Act.

2166 (g) "Eligible company" means any corporation,
2167 partnership, sole proprietorship, business trust, or other entity
2168 which is:

2169 (i) Engaged in manufacturing which meets the
2170 standards promulgated by the corporation under Sections 57-10-401
2171 through 57-10-445;

2172 (ii) A private company approved by the corporation
2173 for a loan under the Mississippi Small Enterprise Development
2174 Finance Act;

2175 (iii) A distribution or warehouse facility
2176 employing a minimum of fifty (50) people or employing a minimum of
2177 twenty (20) people and having a capital investment in such
2178 facility of at least Five Million Dollars (\$5,000,000.00); or

2179 (iv) A telecommunications or data processing
2180 business.

2181 (h) "Executive director" means the Executive Director
2182 of the Mississippi Business Finance Corporation.