

By: Representative Howell

To: Ways and Means

HOUSE BILL NO. 1620

1 AN ACT TO EXEMPT FROM AD VALOREM TAXATION ALL COMMODITIES,
2 PRODUCTS, GOODS, WARES AND MERCHANDISE HELD FOR RESALE BY ANY
3 MANUFACTURER, DISTRIBUTOR OR WHOLESALE OR RETAIL MERCHANT; TO
4 BRING FORWARD SECTION 27-7-22.5, MISSISSIPPI CODE OF 1972, WHICH
5 AUTHORIZES AN INCOME TAX CREDIT FOR MANUFACTURERS, DISTRIBUTORS,
6 WHOLESALERS AND RETAIL MERCHANTS FOR A CERTAIN AMOUNT OF AD
7 VALOREM TAXES PAID ON COMMODITIES, PRODUCTS, GOODS, WARES AND
8 MERCHANDISE HELD FOR RESALE; TO BRING FORWARD SECTIONS 27-17-9 AND
9 27-17-365, MISSISSIPPI CODE OF 1972, WHICH PROVIDE FOR THE
10 IMPOSITION OF VARIOUS LOCAL PRIVILEGE TAXES; TO BRING FORWARD
11 SECTION 27-31-1, MISSISSIPPI CODE OF 1972, WHICH EXEMPTS VARIOUS
12 TYPES OF PROPERTY FROM AD VALOREM TAXATION; TO BRING FORWARD
13 SECTIONS 27-31-51, 27-31-53, 27-31-55, 27-31-57, 27-31-59 AND
14 27-31-61, MISSISSIPPI CODE OF 1972, WHICH PROVIDE THE LAWS
15 GOVERNING FREE PORT WAREHOUSE AD VALOREM TAX EXEMPTIONS; TO BRING
16 FORWARD SECTION 27-31-101, MISSISSIPPI CODE OF 1972, WHICH
17 AUTHORIZES COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL GOVERNING
18 AUTHORITIES TO GRANT AD VALOREM TAX EXEMPTIONS FOR CERTAIN NEW
19 ENTERPRISES; AND FOR RELATED PURPOSES.

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

21 **SECTION 1.** From and after January 1, 2007, all commodities,
22 products, goods, wares and merchandise held for resale by any
23 manufacturer, distributor or wholesale or retail merchant shall be
24 exempt from ad valorem taxation.

25 **SECTION 2.** Section 27-7-22.5, Mississippi Code of 1972, is
26 brought forward as follows:

27 27-7-22.5. (1) For any manufacturer, distributor, wholesale
28 or retail merchant who pays to a county, municipality, school
29 district, levee district or any other taxing authority of the
30 state or a political subdivision thereof, ad valorem taxes imposed
31 on commodities, products, goods, wares and merchandise held for
32 resale, a credit against the income taxes imposed under this
33 chapter shall be allowed for the portion of the ad valorem taxes
34 so paid in the amounts prescribed in subsection (2).

35 (2) The tax credit allowed by this section shall not exceed
36 the amounts set forth in paragraphs (a) through (d) of this
37 subsection; may be claimed only in the year in which the ad
38 valorem taxes are paid; and may be claimed for each location where
39 such commodities, products, goods, wares and merchandise are found
40 and upon which the ad valorem taxes have been paid.

41 (a) For the 1994 taxable year, the tax credit for each
42 location of the taxpayer shall not exceed the lesser of Two
43 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
44 State of Mississippi that are attributable to such location.

45 (b) For the 1995 taxable year, the tax credit for each
46 location of the taxpayer shall not exceed the lesser of Three
47 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
48 State of Mississippi that are attributable to such location.

49 (c) For the 1996 taxable year, the tax credit for each
50 location of the taxpayer shall not exceed the lesser of Four
51 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
52 State of Mississippi that are attributable to such location.

53 (d) For the 1997 taxable year and each taxable year
54 thereafter, the tax credit for each location of the taxpayer shall
55 not exceed the lesser of Five Thousand Dollars (\$5,000.00) or the
56 amount of income taxes due the State of Mississippi that are
57 attributable to such location.

58 (3) Any amount of ad valorem taxes paid by a taxpayer that
59 is applied toward the tax credit allowed in this section may not
60 be used as a deduction by the taxpayer for state income tax
61 purposes. In the case of a taxpayer that is a partnership or S
62 corporation, the credit may be applied only to the tax
63 attributable to partnership or S corporation income derived from
64 the taxpayer.

65 **SECTION 3.** Section 27-17-9, Mississippi Code of 1972, is
66 brought forward as follows:

67 27-17-9. (1) Every person desiring to engage in any
68 business, or exercise any privilege hereinafter specified, if such
69 business is located outside a municipality, shall first, before
70 commencing the same, apply for, pay for and procure from the tax
71 collector of the county in which such business is located, or if
72 such business is located within a municipality, shall apply for,
73 pay for and procure from the tax collector of the municipality, a
74 privilege license authorizing him to engage in the business or
75 exercise the privileges specified therein, and the amount of tax
76 shown in subsection (2) of this section, except as otherwise
77 specifically established in this chapter, is hereby imposed for
78 the privilege of engaging or continuing in the business set out
79 therein.

80 (2) (a) The amount of a privilege license shall be Twenty
81 Dollars (\$20.00) annually for a business having three (3) or fewer
82 employees.

83 (b) The amount of a privilege license shall be Thirty
84 Dollars (\$30.00) annually for a business having more than three
85 (3) but fewer than eleven (11) employees.

86 (c) The amount of a privilege license shall be Thirty
87 Dollars (\$30.00) annually plus an additional assessment of Three
88 Dollars (\$3.00) for each employee over ten (10) employees, not to
89 exceed a maximum payment of One Hundred Fifty Dollars (\$150.00),
90 for a business (other than a manufacturer) having eleven (11) or
91 more employees.

92 (d) The amount of a privilege license shall be Eighty
93 Dollars (\$80.00) annually for a manufacturer having eleven (11) or
94 more employees; manufacturers having ten (10) or fewer employees
95 shall pay an annual privilege license pursuant to paragraph (a) or
96 (b) of this subsection (2), whichever is applicable.

97 **SECTION 4.** Section 27-17-365, Mississippi Code of 1972, is
98 brought forward as follows:

99 27-17-365. (1) From October 1, 1984, through September 30,
100 1985, there shall be levied a tax upon each person operating a
101 wholesale or retail store for the sale of goods, wares and
102 merchandise, in an amount equal to the local privilege tax levied
103 upon such person for the preceding year; however, any person
104 acquiring a license under this section for the first time, prior
105 to October 1, 1985, shall pay the tax at such time in accordance
106 with subsection (2) of this section. Any person who, between
107 October 1, 1984, and April 3, 1985, paid a tax levied under this
108 section in excess of the tax prescribed in this subsection shall
109 be entitled to a refund of all such excess taxes paid. Refunds
110 shall be made by the tax collector at the request of the taxpayer
111 upon a showing of proof of overpayment of taxes.

112 (2) Beginning October 1, 1985, and thereafter, there shall
113 be levied a tax upon each person operating a wholesale or retail
114 store for the sale of goods, wares and merchandise, as follows:

115	Where the value of stock never exceeds \$7,000.00	\$20.00
116	Where the value of stock sometimes exceeds \$7,000.00, but	
117	never exceeds \$10,000.00	\$25.00
118	Where the value of stock sometimes exceeds \$10,000.00, but	
119	never exceeds \$12,000.00	\$32.50
120	Where the value of stock sometimes exceeds \$12,000.00, but	
121	never exceeds \$15,000.00	\$40.00
122	Where the value of stock sometimes exceeds \$15,000.00, but	
123	never exceeds \$20,000.00	\$50.00
124	Where the value of stock sometimes exceeds \$20,000.00, but	
125	never exceeds \$25,000.00	\$62.50
126	Where the value of stock sometimes exceeds \$25,000.00, but	
127	never exceeds \$30,000.00	\$75.00
128	Where the value of stock sometimes exceeds \$30,000.00, but	
129	never exceeds \$40,000.00	\$92.50
130	Where the value of stock sometimes exceeds \$40,000.00, but	
131	never exceeds \$50,000.00	\$150.00

132	Where the value of stock sometimes exceeds \$50,000.00, but	
133	never exceeds \$60,000.00	\$200.00
134	Where the value of stock sometimes exceeds \$60,000.00, but	
135	never exceeds \$70,000.00	\$250.00
136	Where the value of stock sometimes exceeds \$70,000.00, but	
137	never exceeds \$80,000.00	\$300.00
138	Where the value of stock sometimes exceeds \$80,000.00, but	
139	never exceeds \$90,000.00	\$340.00
140	Where the value of stock sometimes exceeds \$90,000.00, but	
141	never exceeds \$100,000.00	\$380.00
142	Where the value of stock sometimes exceeds \$100,000.00, but	
143	never exceeds \$125,000.00	\$440.00
144	Where the value of stock sometimes exceeds \$125,000.00, but	
145	never exceeds \$150,000.00	\$560.00
146	Where the value of stock sometimes exceeds \$150,000.00, but	
147	never exceeds \$175,000.00	\$680.00
148	Where the value of stock sometimes exceeds \$175,000.00, but	
149	never exceeds \$200,000.00	\$800.00
150	Where the value of stock sometimes exceeds \$200,000.00, but	
151	never exceeds \$225,000.00	\$920.00
152	Where the value of stock sometimes exceeds \$225,000.00, but	
153	never exceeds \$250,000.00	\$1,040.00
154	Where the value of stock sometimes exceeds \$250,000.00, but	
155	never exceeds \$300,000.00	\$1,200.00
156	Where the value of stock sometimes exceeds \$300,000.00, but	
157	never exceeds \$350,000.00	\$1,360.00
158	Where the value of stock sometimes exceeds \$350,000.00, but	
159	never exceeds \$400,000.00	\$1,520.00
160	Where the value of stock sometimes exceeds \$400,000.00, but	
161	never exceeds \$450,000.00	\$1,680.00
162	Where the value of stock sometimes exceeds \$450,000.00	
163	\$1,840.00

164 In computing this tax the value of the stock shall be taken
165 at its assessed value as determined for ad valorem taxation, and
166 shall include goods held on consignment.

167 (3) A store shall be a place of business operated by a
168 person dealing in goods, wares and merchandise and located in a
169 permanent building, and if such person does not own the building
170 he shall have a lease, or contract, under the terms of which he is
171 given the right of occupancy for a period of not less than ninety
172 (90) days.

173 (4) This section shall apply to cooperative associations
174 selling merchandise for a profit.

175 (5) The issuance of a license herein provided shall be
176 restricted to a person who maintains a store as defined in this
177 section, open at reasonable hours, for sale to the public of such
178 goods, wares or merchandise as may be handled. The application
179 for the license required by this chapter shall state that the
180 conditions imposed by this section will be complied with.

181 (6) A license issued under the provisions of this section
182 shall be revoked by the officer issuing it, if an investigation by
183 him or at his instance, or on the complaint of any citizen of this
184 state, that the conditions imposed by this section have not been,
185 or, are not being complied with.

186 **SECTION 5.** Section 27-31-1, Mississippi Code of 1972, is
187 brought forward as follows:

188 27-31-1. The following shall be exempt from taxation:

189 (a) All cemeteries used exclusively for burial
190 purposes.

191 (b) All property, real or personal, belonging to the
192 State of Mississippi or any of its political subdivisions, except
193 property of a municipality not being used for a proper municipal
194 purpose and located outside the county or counties in which such
195 municipality is located. A proper municipal purpose within the

196 meaning of this section shall be any authorized governmental or
197 corporate function of a municipality.

198 (c) All property, real or personal, owned by units of
199 the Mississippi National Guard, or title to which is vested in
200 trustees for the benefit of any unit of the Mississippi National
201 Guard; provided such property is used exclusively for such unit,
202 or for public purposes, and not for profit.

203 (d) All property, real or personal, belonging to any
204 religious society, or ecclesiastical body, or any congregation
205 thereof, or to any charitable society, or to any historical or
206 patriotic association or society, or to any garden or pilgrimage
207 club or association and used exclusively for such society or
208 association and not for profit; not exceeding, however, the amount
209 of land which such association or society may own as provided in
210 Section 79-11-33. All property, real or personal, belonging to
211 any rural waterworks system or rural sewage disposal system
212 incorporated under the provisions of Section 79-11-1. All
213 property, real or personal, belonging to any college or
214 institution for the education of youths, used directly and
215 exclusively for such purposes, provided that no such college or
216 institution for the education of youths shall have exempt from
217 taxation more than six hundred forty (640) acres of land;
218 provided, however, this exemption shall not apply to commercial
219 schools and colleges or trade institutions or schools where the
220 profits of same inure to individuals, associations or
221 corporations. All property, real or personal, belonging to an
222 individual, institution or corporation and used for the operation
223 of a grammar school, junior high school, high school or military
224 school. All property, real or personal, owned and occupied by a
225 fraternal and benevolent organization, when used by such
226 organization, and from which no rentals or other profits accrue to
227 the organization, but any part rented or from which revenue is
228 received shall be taxed.

229 (e) All property, real or personal, held and occupied
230 by trustees of public schools, and school lands of the respective
231 townships for the use of public schools, and all property kept in
232 storage for the convenience and benefit of the State of
233 Mississippi in warehouses owned or leased by the State of
234 Mississippi, wherein said property is to be sold by the Alcoholic
235 Beverage Control Division of the State Tax Commission of the State
236 of Mississippi.

237 (f) All property, real or personal, whether belonging
238 to religious or charitable or benevolent organizations, which is
239 used for hospital purposes, and nurses' homes where a part
240 thereof, and which maintain one or more charity wards that are for
241 charity patients, and where all the income from said hospitals and
242 nurses' homes is used entirely for the purposes thereof and no
243 part of the same for profit.

244 (g) The wearing apparel of every person; and also
245 jewelry and watches kept by the owner for personal use to the
246 extent of One Hundred Dollars (\$100.00) in value for each owner.

247 (h) Provisions on hand for family consumption.

248 (i) All farm products grown in this state for a period
249 of two (2) years after they are harvested, when in the possession
250 of or the title to which is in the producer, except the tax of
251 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
252 levied by the Board of Commissioners of the Mississippi Levee
253 District; and lint cotton for five (5) years, and cottonseed,
254 soybeans, oats, rice and wheat for one (1) year regardless of
255 ownership.

256 (j) All guns and pistols kept by the owner for private
257 use.

258 (k) All poultry in the hands of the producer.

259 (l) Household furniture, including all articles kept in
260 the home by the owner for his own personal or family use; but this

261 shall not apply to hotels, rooming houses or rented or leased
262 apartments.

263 (m) All cattle and oxen.

264 (n) All sheep, goats and hogs.

265 (o) All horses, mules and asses.

266 (p) Farming tools, implements and machinery, when used
267 exclusively in the cultivation or harvesting of crops or timber.

268 (q) All property of agricultural and mechanical
269 associations and fairs used for promoting their objects, and where
270 no part of the proceeds is used for profit.

271 (r) The libraries of all persons.

272 (s) All pictures and works of art, not kept for or
273 offered for sale as merchandise.

274 (t) The tools of any mechanic necessary for carrying on
275 his trade.

276 (u) All state, county, municipal, levee, drainage and
277 all school bonds or other governmental obligations, and all bonds
278 and/or evidences of debts issued by any church or church
279 organization in this state, and all notes and evidences of
280 indebtedness which bear a rate of interest not greater than the
281 maximum rate per annum applicable under the law; and all money
282 loaned at a rate of interest not exceeding the maximum rate per
283 annum applicable under the law; and all stock in or bonds of
284 foreign corporations or associations shall be exempt from all ad
285 valorem taxes.

286 (v) All lands and other property situated or located
287 between the Mississippi River and the levee shall be exempt from
288 the payment of any and all road taxes levied or assessed under any
289 road laws of this state.

290 (w) Any and all money on deposit in either national
291 banks, state banks or trust companies, on open account, savings
292 account or time deposit.

293 (x) All wagons, carts, drays, carriages and other horse
294 drawn vehicles, kept for the use of the owner.

295 (y) (1) Boats, seines and fishing equipment used in
296 fishing and shrimping operations and in the taking or catching of
297 oysters.

298 (2) All towboats, tugboats and barges documented
299 under the laws of the United States, except watercraft of every
300 kind and character used in connection with gaming operations.

301 (z) All materials used in the construction and/or
302 conversion of vessels in this state; vessels while under
303 construction and/or conversion; vessels while in the possession of
304 the manufacturer, builder or converter, for a period of twelve
305 (12) months after completion of construction and/or conversion,
306 and as used herein the term "vessel" shall include ships, offshore
307 drilling equipment, dry docks, boats and barges, except watercraft
308 of every kind and character used in connection with gaming
309 operations.

310 (aa) Sixty-six and two-thirds percent (66-2/3%) of
311 nuclear fuel and reprocessed, recycled or residual nuclear fuel
312 by-products, fissionable or otherwise, used or to be used in
313 generation of electricity by persons defined as public utilities
314 in Section 77-3-3.

315 (bb) All growing nursery stock.

316 (cc) A semitrailer used in interstate commerce.

317 (dd) All property, real or personal, used exclusively
318 for the housing of and provision of services to elderly persons,
319 disabled persons, mentally impaired persons or as a nursing home,
320 which is owned, operated and managed by a not-for-profit
321 corporation, qualified under Section 501(c)(3) of the Internal
322 Revenue Code, whose membership or governing body is appointed or
323 confirmed by a religious society or ecclesiastical body or any
324 congregation thereof.

325 (ee) All vessels while in the hands of bona fide
326 dealers as merchandise and which are not being operated upon the
327 waters of this state shall be exempt from ad valorem taxes. As
328 used in this paragraph, the terms "vessel" and "waters of this
329 state" shall have the meaning ascribed to such terms in Section
330 59-21-3.

331 (ff) All property, real or personal, owned by a
332 nonprofit organization that: (i) is qualified as tax exempt under
333 Section 501(c)(4) of the Internal Revenue Code of 1986, as
334 amended; (ii) assists in the implementation of the national
335 contingency plan or area contingency plan, and which is created in
336 response to the requirements of Title IV, Subtitle B of the Oil
337 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily
338 in programs to contain, clean up and otherwise mitigate spills of
339 oil or other substances occurring in the United States coastal or
340 tidal waters; and (iv) is used for the purposes of the
341 organization.

342 (gg) If a municipality changes its boundaries so as to
343 include within the boundaries of such municipality the project
344 site of any project as defined in Section 57-75-5(f)(iv)1, all
345 real and personal property located on the project site within the
346 boundaries of such municipality that is owned by a business
347 enterprise operating such project, shall be exempt from ad valorem
348 taxation for a period of time not to exceed thirty (30) years upon
349 receiving approval for such exemption by the Mississippi Major
350 Economic Impact Authority. The provisions of this subsection
351 shall not be construed to authorize a breach of any agreement
352 entered into pursuant to Section 21-1-59.

353 (hh) All leases, lease contracts or lease agreements
354 (including, but not limited to, subleases, sublease contracts and
355 sublease agreements), and leaseholds or leasehold interests
356 (including, but not limited to, subleaseholds and subleasehold
357 interests), of or with respect to any and all property (real,

358 personal or mixed) constituting all or any part of a facility for
359 the manufacture, production, generation, transmission and/or
360 distribution of electricity, and any real property related
361 thereto, shall be exempt from ad valorem taxation during the
362 period as the United States is both the title owner of the
363 property and a sublessee of or with respect to the property;
364 however, the exemption authorized by this paragraph (hh) shall not
365 apply to any entity to whom the United States sub-subleases its
366 interest in the property nor to any entity to whom the United
367 States assigns its sublease interest in the property. As used in
368 this paragraph, the term "United States" includes an agency or
369 instrumentality of the United States of America. This paragraph
370 (hh) shall apply to all assessments for ad valorem taxation for
371 the 2003 calendar year and each calendar year thereafter.

372 (ii) All property, real, personal or mixed, including
373 fixtures and leaseholds, used by Mississippi nonprofit entities
374 qualified, on or before January 1, 2005, under Section 501(c)(3)
375 of the Internal Revenue Code to provide support and operate
376 technology incubators for research and development start-up
377 companies, telecommunication start-up companies and/or other
378 technology start-up companies, utilizing technology spun-off from
379 research and development activities of the public colleges and
380 universities of this state, State of Mississippi governmental
381 research or development activities resulting therefrom located
382 within the State of Mississippi.

383 (jj) All property, real, personal or mixed, including
384 fixtures and leaseholds, of start-up companies (as described in
385 paragraph (ii) of this section) for the period of time, not to
386 exceed five (5) years, that the start-up company remains a tenant
387 of a technology incubator (as described in paragraph (ii) of this
388 section).

389 **SECTION 6.** Section 27-31-51, Mississippi Code of 1972, is
390 brought forward as follows:

391 27-31-51. (1) As used in Sections 27-31-51 through
392 27-31-61:

393 (a) "Warehouse" or "storage facility" shall not apply
394 to caves or cavities in the earth, whether natural or artificial;

395 (b) "Governing authorities" means the board of
396 supervisors of the county wherein the warehouse or storage
397 facility is located or the governing authorities of the
398 municipality wherein the warehouse or storage facility is located,
399 as the case may be;

400 (c) "Tax assessor" means the tax assessor of each
401 taxing jurisdiction in which the warehouse or storage facility may
402 be located.

403 (2) All warehouses, public or private, or other storage
404 facilities in the State of Mississippi regularly engaged in the
405 handling and storage of personal property in structures or in
406 places adopted for such handling and storage which is consigned or
407 transferred to such warehouse or storage facility for storage and
408 handling shall be eligible for licensing under the provisions of
409 Sections 27-31-51 through 27-31-61 as a "free port warehouse."

410 (3) Such licenses shall be issued by the governing
411 authorities to such warehouse or storage facility as will qualify
412 under the definition of "free port warehouse" as herein defined,
413 upon application by the warehouse or storage facility operator.

414 **SECTION 7.** Section 27-31-53, Mississippi Code of 1972, is
415 brought forward as follows:

416 **[Through June 30, 2013, this section shall read as follows:]**

417 27-31-53. All or a portion of the assessed value of personal
418 property in transit through this state which is (1) moving in
419 interstate commerce through or over the territory of the State of
420 Mississippi, or (2) which was consigned or transferred to a
421 licensed "free port warehouse," public or private, within the
422 State of Mississippi for storage in transit to a final destination
423 outside the State of Mississippi, whether specified when

424 transportation begins or afterward, may, in the discretion of the
425 board of supervisors of the county wherein the warehouse or
426 storage facility is located, and in the discretion of the
427 governing authorities of the municipality wherein the warehouse or
428 storage facility is located, as the case may be, and for such
429 period of time as the respective governing body may prescribe, be
430 exempt from all ad valorem taxes imposed by the respective county
431 or municipality and the property exempted therefrom shall not be
432 deemed to have acquired a situs in the State of Mississippi for
433 the purposes of such taxation. The governing authorities may
434 exempt all or a portion of the assessed value of such property.
435 Such property shall not be deprived of such exemption because
436 while in a warehouse the property is bound, divided, broken in
437 bulk, labeled, relabeled or repackaged.

438 **[From and after July 1, 2013, this section shall read as**
439 **follows:]**

440 27-31-53. All personal property in transit through this
441 state which is (1) moving in interstate commerce through or over
442 the territory of the State of Mississippi, or (2) which was
443 consigned or transferred to a licensed "free port warehouse,"
444 public or private, within the State of Mississippi for storage in
445 transit to a final destination outside the State of Mississippi,
446 whether specified when transportation begins or afterward, may, in
447 the discretion of the board of supervisors of the county wherein
448 the warehouse or storage facility is located, and in the
449 discretion of the governing authorities of the municipality
450 wherein the warehouse or storage facility is located, as the case
451 may be, and for such period of time as the respective governing
452 body may prescribe, be exempt from all ad valorem taxes imposed by
453 the respective county or municipality and the property exempted
454 therefrom shall not be deemed to have acquired a situs in the
455 State of Mississippi for the purposes of such taxation. Such
456 property shall not be deprived of exemption because while in a

457 warehouse the property is bound, divided, broken in bulk, labeled,
458 relabeled or repackaged.

459 **SECTION 8.** Section 27-31-55, Mississippi Code of 1972, is
460 brought forward as follows:

461 **[Through June 30, 2013, this section shall read as follows:]**

462 27-31-55. Each licensed "free port warehouse" shall file
463 with the tax assessor of each taxing jurisdiction in which such
464 warehouse or storage facility may be located an inventory of all
465 personal property consigned or transferred to such warehouse or
466 storage facility and located therein on January 1 of each year.
467 Such inventory shall be submitted on such forms and in such manner
468 as the tax assessor may prescribe and shall contain a separate
469 statement of all property eligible for exemption under Sections
470 27-31-51 through 27-31-61 and a separate statement of all property
471 consigned or transferred to such warehouse or storage facility.
472 Such inventory shall be submitted by not later than March 31 of
473 each year. Exemption shall be allowed for all eligible property
474 in the amount authorized by the governing authorities, but
475 accurate records shall be kept of all personal property shipped
476 from any such warehouse or storage facility, together with the
477 point of final destination of the same, and reports thereof shall
478 be filed with such taxing authorities of this state and in such
479 form and manner as the tax assessor may prescribe. At the
480 conclusion of each calendar year each licensee under Sections
481 27-31-51 through 27-31-61 shall calculate the actual percentage of
482 all personal property consigned or transferred to the warehouse or
483 storage facility which was shipped to a final destination outside
484 the state in relation to the total of all such personal property
485 shipped to any destination during such year. Such percentage
486 reduced proportionately by any partial exemption authorized by the
487 governing authorities shall then be applied to the total value of
488 all property contained in the inventory of such warehouse or
489 storage facility as of January 1 of such year which was consigned

490 or transferred to such warehouse or storage facility. If the
491 result thus obtained shall be less than the value of property for
492 which exemption was allowed, then the amount of such difference
493 shall be deducted from the amount of the exemption previously
494 allowed and taxes shall be levied and collected thereon by the tax
495 collecting officers concerned.

496 **[From and after July, 2013, this section shall read as**
497 **follows:]**

498 27-31-55. Each licensed "free port warehouse" shall file
499 with the tax assessor of each taxing jurisdiction in which such
500 warehouse or storage facility may be located an inventory of all
501 personal property consigned or transferred to such warehouse or
502 storage facility and located therein on January 1 of each year.
503 Such inventory shall be submitted on such forms and in such manner
504 as the tax assessor may prescribe and shall contain a separate
505 statement of all property eligible for exemption under Sections
506 27-31-51 through 27-31-61 and a separate statement of all property
507 consigned or transferred to such warehouse or storage facility.
508 Such inventory shall be submitted by not later than March 31 of
509 each year. Exemption shall be allowed for all eligible property,
510 but accurate records shall be kept of all personal property
511 shipped from any such warehouse or storage facility, together with
512 the point of final destination of the same, and reports thereof
513 shall be filed with such taxing authorities of this state and in
514 such form and manner as the tax assessor may prescribe. At the
515 conclusion of each calendar year each licensee under Sections
516 27-31-51 through 27-31-61 shall calculate the actual percentage of
517 all personal property consigned or transferred to the warehouse or
518 storage facility which was shipped to a final destination outside
519 the state in relation to the total of all such personal property
520 shipped to any destination during such year. Such percentage
521 shall then be applied to the total value of all property contained
522 in the inventory of such warehouse or storage facility as of

523 January 1 of such year which was consigned or transferred to such
524 warehouse or storage facility. If the result thus obtained shall
525 be less than the value of property for which exemption was
526 allowed, then the amount of such difference shall be deducted from
527 the amount of the exemption previously allowed and taxes shall be
528 levied and collected thereon by the tax collecting officers
529 concerned.

530 **SECTION 9.** Section 27-31-57, Mississippi Code of 1972, is
531 brought forward as follows:

532 27-31-57. The tax assessor shall have full power and
533 authority to require the keeping of all records and the making of
534 all reports necessary to the accomplishment of the purpose of
535 Sections 27-31-51 through 27-31-61, and all books and records of
536 any licensee shall be subject to the inspection of duly authorized
537 agents of the ad valorem taxing authorities of the jurisdiction or
538 jurisdictions wherein such licensee is located. The violation by
539 the licensee of any of the terms and provisions of Sections
540 27-31-51 through 27-31-61 shall authorize the revocation of the
541 license of any licensee by the tax assessor. In the event any
542 license shall be revoked, then the exemption provided for therein
543 shall thereby be annulled for the year in which such license may
544 be revoked.

545 **SECTION 10.** Section 27-31-59, Mississippi Code of 1972, is
546 brought forward as follows:

547 27-31-59. Each licensee shall pay to the governing
548 authorities for each license which may be issued or renewed a fee
549 in the amount of Ten Dollars (\$10.00) for each issuance or renewal
550 thereof.

551 **SECTION 11.** Section 27-31-61, Mississippi Code of 1972, is
552 brought forward as follows:

553 27-31-61. The exemption granted in Sections 27-31-51 through
554 27-31-61 shall be in addition to all other exemptions heretofore
555 granted by the laws of the State of Mississippi.

556 **SECTION 12.** Section 27-31-101, Mississippi Code of 1972, is
557 brought forward as follows:

558 27-31-101. (1) County boards of supervisors and municipal
559 authorities are hereby authorized and empowered, in their
560 discretion, to grant exemptions from ad valorem taxation, except
561 state ad valorem taxation; however, such governing authorities
562 shall not exempt ad valorem taxes for school district purposes on
563 tangible property used in, or necessary to, the operation of the
564 manufacturers and other new enterprises enumerated by classes in
565 this section, except to the extent authorized in Sections
566 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
567 taxes the products of the manufacturers or other new enterprises
568 or automobiles and trucks belonging to the manufacturers or other
569 new enterprises operating on and over the highways of the State of
570 Mississippi. The time of such exemption shall be for a period not
571 to exceed a total of ten (10) years which shall begin on the date
572 of completion of the new enterprise for which the exemption is
573 granted; however, boards of supervisors and municipal authorities,
574 in lieu of granting the exemption for one (1) period of ten (10)
575 years, may grant the exemption in a period of less than ten (10)
576 years. When the initial exemption period granted is less than ten
577 (10) years, the boards of supervisors and municipal authorities
578 may grant a subsequent consecutive period or periods to follow the
579 initial period of exemption, provided that the total of all
580 periods of exemption shall not exceed ten (10) years. The date of
581 completion of the new enterprise, from which the initial period of
582 exemption shall begin, shall be the date on which operations of
583 the new enterprise begin. The initial request for an exemption
584 must be made in writing by June 1 of the year immediately
585 following the year in which the date of completion of a new
586 enterprise occurs. If the initial request for the exemption is
587 not timely made, the board of supervisors or municipal authorities
588 may grant a subsequent request for the exemption and, in such

589 case, the exemption shall begin on the anniversary date of
590 completion of the enterprise in the year in which the request is
591 made and may be for a period of time extending not more than ten
592 (10) years from the date of completion of the new enterprise. Any
593 subsequent request for the exemption must be made in writing by
594 June 1 of the year in which it is granted.

595 (2) Any board of supervisors or municipal authority which
596 has granted an exemption for a period of less than ten (10) years
597 may grant subsequent periods of exemption to run consecutively
598 with the initial exemption period, or a subsequently granted
599 exemption period, but in no case shall the total of the exemption
600 periods granted for a new enterprise exceed ten (10) years. Any
601 consecutive period of exemption shall be granted by entry of an
602 order by the board or the authority granting the consecutive
603 exemption on its minutes, reflecting the granting of the
604 consecutive exemption period and the dates upon which such
605 consecutive exemption period begins and expires. The entry of
606 this order granting the consecutive period of exemption shall be
607 made before the expiration of the exemption period immediately
608 preceding the consecutive exemption period being granted.

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

- 612 (a) Warehouse and/or distribution centers;
- 613 (b) Manufacturing, processors and refineries;
- 614 (c) Research facilities;
- 615 (d) Corporate regional and national headquarters
616 meeting minimum criteria established by the Department of Economic
617 and Community Development;
- 618 (e) Movie industry studios meeting minimum criteria
619 established by the Mississippi Development Authority;

620 (f) Air transportation and maintenance facilities
621 meeting minimum criteria established by the Mississippi
622 Development Authority;

623 (g) Recreational facilities that impact tourism meeting
624 minimum criteria established by the Mississippi Development
625 Authority;

626 (h) Data/information processing enterprises meeting
627 minimum criteria established by the Mississippi Development
628 Authority;

629 (i) Technology intensive enterprises or facilities
630 meeting criteria established by the Mississippi Development
631 Authority; and

632 (j) Telecommunications enterprises meeting minimum
633 criteria established by the Mississippi Development Authority.

634 The term "telecommunications enterprises" means entities engaged
635 in the creation, display, management, storage, processing,
636 transmission or distribution for compensation of images, text,
637 voice, video or data by wire or by wireless means, or entities
638 engaged in the construction, design, development, manufacture,
639 maintenance or distribution for compensation of devices, products,
640 software or structures used in the above activities. Companies
641 organized to do business as commercial broadcast radio stations,
642 television stations or news organizations primarily serving
643 in-state markets shall not be included within the definition of
644 the term "telecommunications enterprises."

645 **SECTION 13.** Nothing in this act shall affect or defeat any
646 claim, assessment, appeal, suit, right or cause of action for
647 taxes due or accrued under the ad valorem tax laws before the date
648 on which this act becomes effective, whether such claims,
649 assessments, appeals, suits or actions have been begun before the
650 date on which this act becomes effective or are begun thereafter;
651 and the provisions of the ad valorem tax laws are expressly
652 continued in full force, effect and operation for the purpose of

653 the assessment, collection and enrollment of liens for any taxes
654 due or accrued and the execution of any warrant under such laws
655 before the date on which this act becomes effective, and for the
656 imposition of any penalties, forfeitures or claims for failure to
657 comply with such laws.

658 **SECTION 14.** This act shall take effect and be in force from
659 and after January 1, 2007.