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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2531

1 AN ACT TO AMEND SECTION 57-80-9, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO EXTEND THE
3 STATE TAX EXEMPTIONS UNDER THE GROWTH AND PROSPERITY ACT FOR NOT
4 MORE THAN TWO YEARS FOR BUSINESS ENTERPRISES THAT ARE UNABLE TO
5 UTILIZE THE TAX EXEMPTIONS AS A DIRECT RESULT OF CERTAIN DISASTERS
6 AND TO AUTHORIZE BUSINESS ENTERPRISES THAT PURCHASED PROPERTY OR
7 EQUIPMENT UTILIZING STATE EXEMPTIONS UNDER THE GROWTH AND
8 PROSPERITY ACT TO PURCHASE REPLACEMENT EQUIPMENT AND COMPONENT
9 MATERIALS EXEMPT FROM SALES AND USE TAX; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 57-80-9, Mississippi Code of 1972, is
12 amended as follows:

13 57-80-9. (1) Upon the issuance by the MDA of its
14 certificate of public convenience and necessity, designating
15 certain counties as growth and prosperity counties, any approved
16 business enterprise in any such a growth and prosperity county or
17 any approved business enterprise located within an eligible
18 supervisors district within eight (8) miles of the boundary of the
19 county that meets the criteria of Section 57-80-7(1)(b) shall be
20 exempt from all local taxes levied by the county and all state
21 taxes for a period of ten (10) years or until December 31, 2020,
22 whichever occurs first, and upon consent of any municipality
23 within such county or within such supervisors district and not
24 more than eight (8) miles from the boundary of the county that
25 meets the criteria of Section 57-80-7(1)(b), shall be exempt from
26 all local taxes levied by such municipality for a period of ten
27 (10) years or until December 31, 2020, whichever occurs first;
28 however, if the business enterprise is located in an area that has
29 been declared by the Governor to be a disaster area and as a
30 direct result of the disaster the business enterprise is unable to

31 utilize the exemption from state taxes, the MDA may extend the
32 duration of the exemption from state taxes for not more than two
33 (2) years or until December 31, 2020, whichever occurs first. Any
34 business enterprise that has property or equipment purchased
35 utilizing the state tax exemption that is damaged or destroyed as
36 a result of the disaster may purchase replacement equipment and
37 component building materials exempt from sales and use tax.

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

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

60 (4) Any business enterprise that relocates its present
61 operation and jobs to a growth and prosperity county or an
62 eligible supervisors district and not more than eight (8) miles
63 from the boundary of the county that meets the criteria of Section

64 57-80-7(1)(b) from another county in the state shall not receive
65 any of the exemptions granted in this chapter.

66 (5) If the annualized unemployment rate in a growth and
67 prosperity county falls below one hundred fifty percent (150%) of
68 the state's annualized unemployment rate for three (3) consecutive
69 calendar years, the tax exemptions authorized under Sections
70 57-62-5 through 57-62-15 may not be granted to additional business
71 enterprises.

72 **SECTION 2.** This act shall take effect and be in force from
73 and after July 1, 2007.