

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 3070

BY: Committee

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

9 **SECTION 1.** Section 27-65-101, Mississippi Code of 1972, as
10 amended by Senate Bill No. 3215, 2007 Regular Session, is amended
11 as follows:

12 27-65-101. (1) The exemptions from the provisions of this
13 chapter which are of an industrial nature or which are more
14 properly classified as industrial exemptions than any other
15 exemption classification of this chapter shall be confined to
16 those persons or property exempted by this section or by the
17 provisions of the Constitution of the United States or the State
18 of Mississippi. No industrial exemption as now provided by any
19 other section except Section 57-3-33 shall be valid as against the
20 tax herein levied. Any subsequent industrial exemption from the
21 tax levied hereunder shall be provided by amendment to this
22 section. No exemption provided in this section shall apply to
23 taxes levied by Section 27-65-15 or 27-65-21.

24 The tax levied by this chapter shall not apply to the
25 following:

26 (a) Sales of boxes, crates, cartons, cans, bottles and
27 other packaging materials to manufacturers and wholesalers for use

28 as containers or shipping materials to accompany goods sold by
29 said manufacturers or wholesalers where possession thereof will
30 pass to the customer at the time of sale of the goods contained
31 therein and sales to anyone of containers or shipping materials
32 for use in ships engaged in international commerce.

33 (b) Sales of raw materials, catalysts, processing
34 chemicals, welding gases or other industrial processing gases
35 (except natural gas) to a manufacturer for use directly in
36 manufacturing or processing a product for sale or rental or
37 repairing or reconditioning vessels or barges of fifty (50) tons
38 load displacement and over. For the purposes of this exemption,
39 electricity used directly in the electrolysis process in the
40 production of sodium chlorate shall be considered a raw material.
41 This exemption shall not apply to any property used as fuel except
42 to the extent that such fuel comprises by-products which have no
43 market value.

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

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

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

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

58 (g) Sales and rentals of rail rolling stock (and
59 component parts thereof) for ultimate use in interstate commerce

60 and gross income from services with respect to manufacturing,
61 repairing, cleaning, altering, reconditioning or improving such
62 rail rolling stock (and component parts thereof).

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

69 (i) Sales of machinery or tools or repair parts
70 therefor or replacements thereof, fuel or supplies used directly
71 in manufacturing, converting or repairing ships, vessels or barges
72 of three thousand (3,000) tons load displacement and over, but not
73 to include office and plant supplies or other equipment not
74 directly used on the ship, vessel or barge being built, converted
75 or repaired. For purposes of this exemption, "ships, vessels or
76 barges" shall not include floating structures described in Section
77 27-65-18.

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

84 (k) Sales of materials used in the construction of a
85 building, or any addition or improvement thereon, and sales of any
86 machinery and equipment not later than three (3) months after the
87 completion of construction of the building, or any addition
88 thereon, to be used therein, to qualified businesses, as defined
89 in Section 57-51-5, which are located in a county or portion
90 thereof designated as an enterprise zone pursuant to Sections
91 57-51-1 through 57-51-15.

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

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

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

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

107 (p) Sales of materials used in the construction of a
108 building, or any addition or improvement thereon, and sales of any
109 machinery and equipment not later than three (3) months after the
110 completion of construction of the building, or any addition
111 thereon, to be used therein, to qualified companies, certified as
112 such by the Mississippi Development Authority under Section
113 57-53-1.

114 (q) Sales of component materials used in the
115 construction of a building, or any addition or improvement
116 thereon, sales of machinery and equipment to be used therein, and
117 sales of manufacturing or processing machinery and equipment which
118 is permanently attached to the ground or to a permanent foundation
119 and which is not by its nature intended to be housed within a
120 building structure, not later than three (3) months after the
121 initial start-up date, to permanent business enterprises engaging
122 in manufacturing or processing in Tier Three areas (as such term
123 is defined in Section 57-73-21), which businesses are certified by

124 the State Tax Commission as being eligible for the exemption
125 granted in this paragraph (q).

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

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

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

146 (u) Sales of machinery and equipment to nonprofit
147 organizations if the organization:

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

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

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

157 For purposes of this exemption, "machinery and equipment"
158 means any ocean-going vessels, barges, booms, skimmers and other
159 capital equipment used primarily in the operations of nonprofit
160 organizations referred to herein.

161 (v) Sales or leases of materials and equipment to
162 approved business enterprises as provided under the Growth and
163 Prosperity Act.

164 (w) From and after July 1, 2001, sales of pollution
165 control equipment to manufacturers or custom processors for
166 industrial use. For the purposes of this exemption, "pollution
167 control equipment" means equipment, devices, machinery or systems
168 used or acquired to prevent, control, monitor or reduce air, water
169 or groundwater pollution, or solid or hazardous waste as required
170 by federal or state law or regulation.

171 (x) Sales or leases to a manufacturer of motor vehicles
172 operating a project that has been certified by the Mississippi
173 Major Economic Impact Authority as a project as defined in Section
174 57-75-5(f)(iv)1 or Section 57-75-5(f)(xxi) of machinery and
175 equipment; special tooling such as dies, molds, jigs and similar
176 items treated as special tooling for federal income tax purposes;
177 or repair parts therefor or replacements thereof; repair services
178 thereon; fuel, supplies, electricity, coal and natural gas used
179 directly in the manufacture of motor vehicles or motor vehicle
180 parts or used to provide climate control for manufacturing areas.

181 (y) Sales or leases of component materials, machinery
182 and equipment used in the construction of a building, or any
183 addition or improvement thereon to an enterprise operating a
184 project that has been certified by the Mississippi Major Economic
185 Impact Authority as a project as defined in Section

186 57-75-5(f)(iv)1 or Section 57-75-5(f)(xxi) and any other sales or
187 leases required to establish or operate such project.

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

190 (aa) The gross income from the stripping and painting
191 of commercial aircraft engaged in foreign or interstate
192 transportation business.

193 (bb) Sales of production items used in the production
194 of motion pictures such as film; videotape; component building
195 materials used in the construction of a set; makeup; fabric used
196 as or in the making of costumes; clothing, including, shoes,
197 accessories and jewelry used as wardrobes; materials used as set
198 dressing; materials used as props on a set or by an actor;
199 materials used in the creation of special effects; and expendable
200 items purchased for limited use by grip, electric and camera
201 departments such as tape, fasteners and compressed air. For the
202 purposes of this paragraph (bb), the term "motion picture" means a
203 nationally distributed feature-length film, video, television
204 series or commercial made in Mississippi, in whole or in part, for
205 theatrical or television viewing or as a television pilot. The
206 term "motion picture" shall not include the production of
207 television coverage of news and athletic events, or a film, video,
208 television series or commercial that contains any material or
209 performance defined in Section 97-29-103.

210 (cc) Sales or leases to an enterprise owning or
211 operating a project that has been designated by the Mississippi
212 Major Economic Impact Authority as a project as defined in Section
213 57-75-5(f)(xviii) of machinery and equipment; special tooling such
214 as dies, molds, jigs and similar items treated as special tooling
215 for federal income tax purposes; or repair parts therefor or
216 replacements thereof; repair services thereon; fuel, supplies,
217 electricity, coal and natural gas used directly in the

218 manufacturing/production operations of the project or used to
219 provide climate control for manufacturing/production areas.

220 (dd) Sales or leases of component materials, machinery
221 and equipment used in the construction of a building, or any
222 addition or improvement thereon to an enterprise owning or
223 operating a project that has been designated by the Mississippi
224 Major Economic Impact Authority as a project as defined in Section
225 57-75-5(f)(xviii) and any other sales or leases required to
226 establish or operate such project.

227 (ee) Sales of parts used in the repair and servicing of
228 aircraft not registered in Mississippi engaged exclusively in the
229 business of foreign or interstate transportation to businesses
230 engaged in aircraft repair and maintenance.

231 (ff) Sales of component materials used in the
232 construction of a facility, or any addition or improvement
233 thereon, and sales or leases of machinery and equipment not later
234 than three (3) months after the completion of construction of the
235 facility, or any addition or improvement thereto, to be used in
236 the building or any addition or improvement thereto, to a
237 permanent business enterprise operating a data/information
238 enterprise in Tier Three areas (as such areas are designated in
239 accordance with Section 57-73-21), meeting minimum criteria
240 established by the Mississippi Development Authority.

241 (gg) Sales of component materials used in the
242 construction of a facility, or any addition or improvement
243 thereto, and sales of machinery and equipment not later than three
244 (3) months after the completion of construction of the facility,
245 or any addition or improvement thereto, to be used in the facility
246 or any addition or improvement thereto, to technology intensive
247 enterprises for industrial purposes in Tier Three areas (as such
248 areas are designated in accordance with Section 57-73-21), as
249 certified by the State Tax Commission. For purposes of this

250 paragraph, an enterprise must meet the criteria provided for in
251 Section 27-65-17(1)(f) in order to be considered a technology
252 intensive enterprise.

253 (hh) Sales of component materials used in the
254 replacement, reconstruction or repair of a building or facility
255 that has been destroyed or sustained extensive damage as a result
256 of a disaster declared by the Governor, sales of machinery and
257 equipment to be used therein to replace machinery or equipment
258 damaged or destroyed as a result of such disaster, including, but
259 not limited to, manufacturing or processing machinery and
260 equipment which is permanently attached to the ground or to a
261 permanent foundation and which is not by its nature intended to be
262 housed within a building structure, to enterprises or companies
263 that were eligible for the exemptions authorized in paragraph (q),
264 (r), (ff) or (gg) of this subsection during initial construction
265 of the building that was destroyed or damaged, which enterprises
266 or companies are certified by the State Tax Commission as being
267 eligible for the exemption granted in this paragraph.

268 (2) Sales of component materials used in the construction of
269 a building, or any addition or improvement thereon, sales of
270 machinery and equipment to be used therein, and sales of
271 manufacturing or processing machinery and equipment which is
272 permanently attached to the ground or to a permanent foundation
273 and which is not by its nature intended to be housed within a
274 building structure, not later than three (3) months after the
275 initial start-up date, to permanent business enterprises engaging
276 in manufacturing or processing in Tier Two areas and Tier One
277 areas (as such areas are designated in accordance with Section
278 57-73-21), which businesses are certified by the State Tax
279 Commission as being eligible for the exemption granted in this
280 paragraph, shall be exempt from one-half (1/2) of the taxes
281 imposed on such transactions under this chapter.

282 (3) Sales of component materials used in the construction of
283 a facility, or any addition or improvement thereon, and sales or
284 leases of machinery and equipment not later than three (3) months
285 after the completion of construction of the facility, or any
286 addition or improvement thereto, to be used in the building or any
287 addition or improvement thereto, to a permanent business
288 enterprise operating a data/information enterprise in Tier Two
289 areas and Tier One areas (as such areas are designated in
290 accordance with Section 57-73-21), which businesses meet minimum
291 criteria established by the Mississippi Development Authority,
292 shall be exempt from one-half (1/2) of the taxes imposed on such
293 transaction under this chapter.

294 (4) Sales of component materials used in the construction of
295 a facility, or any addition or improvement thereto, and sales of
296 machinery and equipment not later than three (3) months after the
297 completion of construction of the facility, or any addition or
298 improvement thereto, to be used in the building or any addition or
299 improvement thereto, to technology intensive enterprises for
300 industrial purposes in Tier Two areas and Tier One areas (as such
301 areas are designated in accordance with Section 57-73-21), which
302 businesses are certified by the State Tax Commission as being
303 eligible for the exemption granted in this paragraph, shall be
304 exempt from one-half (1/2) of the taxes imposed on such
305 transactions under this chapter. For purposes of this subsection,
306 an enterprise must meet the criteria provided for in Section
307 27-65-17(1)(f) in order to be considered a technology intensive
308 enterprise.

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

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

312 (ii) "Tier One areas" mean counties designated as
313 Tier One areas pursuant to Section 57-73-21;

314 (iii) "Tier Two areas" mean counties designated as
315 Tier Two areas pursuant to Section 57-73-21;

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

318 (v) "Equipment used in the deployment of broadband
319 technologies" means any equipment capable of being used for or in
320 connection with the transmission of information at a rate, prior
321 to taking into account the effects of any signal degradation, that
322 is not less than three hundred eighty-four (384) kilobits per
323 second in at least one direction, including, but not limited to,
324 asynchronous transfer mode switches, digital subscriber line
325 access multiplexers, routers, servers, multiplexers, fiber optics
326 and related equipment.

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

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

337 (6) Sales of component materials used in the replacement,
338 reconstruction or repair of a building that has been destroyed or
339 sustained extensive damage as a result of a disaster declared by
340 the Governor, sales of machinery and equipment to be used therein
341 to replace machinery or equipment damaged or destroyed as a result
342 of such disaster, including, but not limited to, manufacturing or
343 processing machinery and equipment which is permanently attached
344 to the ground or to a permanent foundation and which is not by its
345 nature intended to be housed within a building structure, to

346 enterprises that were eligible for the partial exemptions provided
347 for in subsections (2), (3) and (4) of this section during initial
348 construction of the building that was destroyed or damaged, which
349 enterprises are certified by the State Tax Commission as being
350 eligible for the partial exemption granted in this subsection,
351 shall be exempt from one-half (1/2) of the taxes imposed on such
352 transactions under this chapter.

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

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
2 TO EXEMPT FROM SALES TAXATION SALES OF COMPONENT MATERIALS USED IN
3 THE REPLACEMENT OR REPAIR OF CERTAIN BUILDINGS DESTROYED OR
4 DAMAGED AS A RESULT OF A DISASTER DECLARED BY THE GOVERNOR AND
5 SALES OF CERTAIN MACHINERY OR EQUIPMENT USED TO REPLACE MACHINERY
6 OR EQUIPMENT DAMAGED OR DESTROYED AS A RESULT OF SUCH DISASTER;
7 AND FOR RELATED PURPOSES.