

By: Representatives Smith (39th), Myers,
Dixon

To: Ways and Means

HOUSE BILL NO. 1537
(As Sent to Governor)

1 AN ACT TO BE ENTITLED THE MISSISSIPPI HEALTH CARE INDUSTRY
2 ZONE ACT; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO
3 CERTIFY HEALTH CARE INDUSTRY ZONES IN AREAS THAT ARE LOCATED
4 WITHIN A FIVE-MILE RADIUS OF THREE CONTIGUOUS COUNTIES WHICH HAVE
5 CERTIFICATES OF NEED OF MORE THAN 375 ACUTE CARE HOSPITAL BEDS OR
6 A COUNTY WITH A HOSPITAL WITH A MINIMUM CAPITAL INVESTMENT OF
7 \$250,000,000.00 FOR WHICH CONSTRUCTION IS COMPLETED BEFORE JULY 1,
8 2017; TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO
9 CERTIFY HEALTH CARE INDUSTRY FACILITIES IN THE HEALTH CARE
10 INDUSTRY ZONE AND CERTAIN BUSINESSES AS QUALIFIED BUSINESSES UNDER
11 THE ACT; TO PROVIDE THAT SUCH QUALIFIED BUSINESSES SHALL BE
12 ELIGIBLE FOR AN ACCELERATED STATE INCOME TAX DEPRECIATION
13 DEDUCTION, FOR CERTAIN SALES TAX EXEMPTIONS, FOR AN AD VALOREM TAX
14 EXEMPTION AND FOR A FEE-IN-LIEU OF AD VALOREM TAXES; TO PROVIDE
15 THAT IF THE QUALIFIED BUSINESS HAS NOT CREATED THE REQUISITE
16 NUMBER OF JOBS REQUIRED BY THIS ACT, THE HEALTH CARE INDUSTRY ZONE
17 CERTIFICATION MAY BE REVOKED BY THE MISSISSIPPI DEVELOPMENT
18 AUTHORITY AFTER FIVE YEARS HAVE ELAPSED FROM THE EFFECTIVE DATE OF
19 CERTIFICATION; TO PROVIDE THAT A REVOCATION UNDER THIS SECTION
20 SHALL NOT ACT RETROACTIVELY TO REMOVE ANY INCENTIVES GRANTED BY
21 THIS ACT; TO AMEND SECTION 27-31-101, MISSISSIPPI CODE OF 1972, TO
22 AUTHORIZE COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL AUTHORITIES
23 TO GRANT AN AD VALOREM TAX EXEMPTION TO HEALTH CARE INDUSTRY
24 FACILITIES; TO AMEND SECTION 27-31-104, MISSISSIPPI CODE OF 1972,
25 TO AUTHORIZE COUNTY BOARDS OF SUPERVISORS AND THE GOVERNING
26 AUTHORITIES OF MUNICIPALITIES TO GRANT A FEE-IN-LIEU OF AD VALOREM
27 TAXES TO QUALIFIED BUSINESSES AS DEFINED IN THIS ACT THAT MEET
28 MINIMUM CRITERIA ESTABLISHED BY THE MISSISSIPPI DEVELOPMENT
29 AUTHORITY; TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
30 TO EXEMPT FROM SALES TAXATION SALES OF MATERIALS USED IN THE
31 CONSTRUCTION OF A HEALTH CARE INDUSTRY FACILITY, AS DEFINED IN
32 THIS ACT, OR ANY ADDITION OR IMPROVEMENT THEREON, AND SALES OF ANY
33 MACHINERY AND EQUIPMENT NOT LATER THAN THREE MONTHS AFTER THE
34 COMPLETION OF CONSTRUCTION OF THE FACILITY, OR ANY ADDITION
35 THEREON, TO BE USED IN THE FACILITY, TO QUALIFIED BUSINESSES, AS
36 DEFINED IN THIS ACT; AND FOR RELATED PURPOSES.

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

38 **SECTION 1.** This chapter shall be known and may be cited as
39 the "Mississippi Health Care Industry Zone Act."

40 **SECTION 2.** In this act:



41 (a) "Health care industry facility" means a business
42 engaged in the research and development of pharmaceuticals,
43 biologics, biotechnology, diagnostic imaging, medical supplies,
44 medical equipment or medicine and related manufacturing or
45 processing, medical service providers, medical product
46 distribution, or laboratory testing that creates a minimum of
47 twenty-five (25) new full-time jobs and/or Ten Million Dollars
48 (\$10,000,000.00) of capital investment after July 1, 2012.

49 (b) "MDA" means the Mississippi Development Authority.

50 (c) "Health care industry zone" means a geographical
51 area certified by the MDA as provided for in Section 3 of this
52 act.

53 (d) "Local government unit" means any county or
54 incorporated city, town or village in the State of Mississippi.

55 (e) "Person" means a natural person, partnership,
56 limited liability company, association, corporation, business
57 trust or other business entity.

58 (f) "Qualified Business" means a business or health
59 care industry facility that meets the requirements of Section 4 of
60 this act and any other requirements of this act.

61 **SECTION 3.** (1) The MDA may certify an area as a health care
62 industry zone if the following requirements are met:

63 (a) The area is located within:

64 (i) Three (3) contiguous counties which have
65 certificates of need of more than three hundred seventy-five (375)
66 acute care hospital beds; and/or

67 (ii) A county which has a hospital with a minimum
68 capital investment of Two Hundred Fifty Million Dollars
69 (\$250,000,000.00) and for which construction is completed before
70 July 1, 2017;

71 (b) The health care industry facility is located within
72 a five-mile radius of a facility with a certificate of need for
73 hospital beds; and



74 (c) The zoning of the local government unit allows the
75 construction or operation in the proposed health care industry
76 zone of the health care industry facility.

77 (2) The MDA may adopt and promulgate such rules and
78 regulations, in compliance with the Mississippi Administrative
79 Procedures Law, as are necessary for the efficient and effective
80 administration of this section in keeping with the purposes for
81 which it is enacted.

82 **SECTION 4.** (1) Businesses and health care industry
83 facilities shall apply to the MDA for certification as a qualified
84 business. If the health care industry facility or business is
85 located in a health care industry zone and meets the requirements
86 of this act, the MDA shall certify it as a qualified business.

87 (2) A health care industry facility or business certified by
88 the MDA as a qualified business within a health care industry zone
89 that constructs or renovates a health care facility within a
90 health care industry zone shall qualify for the following:

91 (a) An accelerated state income tax depreciation
92 deduction. The accelerated depreciation deduction shall be
93 computed by accelerating depreciation period required by
94 Mississippi Administrative Code, to a ten-year depreciation
95 period.

96 (b) A sales tax exemption as authorized in Section
97 27-65-101(pp).

98 (c) A fee-in-lieu of taxes as authorized in Section
99 27-31-104.

100 (d) An ad valorem tax exemption as authorized in
101 Section 27-31-101.

102 **SECTION 5.** If the qualified business has not created the
103 requisite number of jobs required by this act, the health care
104 industry zone certification may be revoked by MDA after five (5)
105 years have elapsed from the effective date of certification. A



106 revocation under this section shall not act retroactively to
107 remove any incentives granted by this act.

108 **SECTION 6.** Sections 1 through 7 of this act shall be
109 repealed from and after July 1, 2022.

110 **SECTION 7.** Section 27-31-101, Mississippi Code of 1972, is
111 amended as follows:

112 **[Through June 30, 2022, this section shall read as follows:]**

113 27-31-101. (1) County boards of supervisors and municipal
114 authorities are hereby authorized and empowered, in their
115 discretion, to grant exemptions from ad valorem taxation, except
116 state ad valorem taxation; however, such governing authorities
117 shall not exempt ad valorem taxes for school district purposes on
118 tangible property used in, or necessary to, the operation of the
119 manufacturers and other new enterprises enumerated by classes in
120 this section, except to the extent authorized in Sections
121 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
122 taxes the products of the manufacturers or other new enterprises
123 or automobiles and trucks belonging to the manufacturers or other
124 new enterprises operating on and over the highways of the State of
125 Mississippi. The time of such exemption shall be for a period not
126 to exceed a total of ten (10) years which shall begin on the date
127 of completion of the new enterprise for which the exemption is
128 granted; however, boards of supervisors and municipal authorities,
129 in lieu of granting the exemption for one (1) period of ten (10)
130 years, may grant the exemption in a period of less than ten (10)
131 years. When the initial exemption period granted is less than ten
132 (10) years, the boards of supervisors and municipal authorities
133 may grant a subsequent consecutive period or periods to follow the
134 initial period of exemption, provided that the total of all
135 periods of exemption shall not exceed ten (10) years. The date of
136 completion of the new enterprise, from which the initial period of
137 exemption shall begin, shall be the date on which operations of
138 the new enterprise begin. The initial request for an exemption



139 must be made in writing by June 1 of the year immediately
140 following the year in which the date of completion of a new
141 enterprise occurs. If the initial request for the exemption is
142 not timely made, the board of supervisors or municipal authorities
143 may grant a subsequent request for the exemption and, in such
144 case, the exemption shall begin on the anniversary date of
145 completion of the enterprise in the year in which the request is
146 made and may be for a period of time extending not more than ten
147 (10) years from the date of completion of the new enterprise. Any
148 subsequent request for the exemption must be made in writing by
149 June 1 of the year in which it is granted.

150 (2) Any board of supervisors or municipal authority which
151 has granted an exemption for a period of less than ten (10) years
152 may grant subsequent periods of exemption to run consecutively
153 with the initial exemption period, or a subsequently granted
154 exemption period, but in no case shall the total of the exemption
155 periods granted for a new enterprise exceed ten (10) years. Any
156 consecutive period of exemption shall be granted by entry of an
157 order by the board or the authority granting the consecutive
158 exemption on its minutes, reflecting the granting of the
159 consecutive exemption period and the dates upon which such
160 consecutive exemption period begins and expires. The entry of
161 this order granting the consecutive period of exemption shall be
162 made before the expiration of the exemption period immediately
163 preceding the consecutive exemption period being granted.

164 (3) The new enterprises which may be exempt are enumerated
165 as and limited to the following, as determined by the Department
166 of Revenue:

- 167 (a) Warehouse and/or distribution centers;
168 (b) Manufacturing, processors and refineries;
169 (c) Research facilities;



170 (d) Corporate regional and national headquarters
171 meeting minimum criteria established by the Mississippi
172 Development Authority;

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

175 (f) Air transportation and maintenance facilities
176 meeting minimum criteria established by the Mississippi
177 Development Authority;

178 (g) Recreational facilities that impact tourism meeting
179 minimum criteria established by the Mississippi Development
180 Authority;

181 (h) Data/information processing enterprises meeting
182 minimum criteria established by the Mississippi Development
183 Authority;

184 (i) Technology intensive enterprises or facilities
185 meeting criteria established by the Mississippi Development
186 Authority;

187 (j) Health care industry facilities as defined in
188 Section 2 of this act; and

189 (k) Telecommunications enterprises meeting minimum
190 criteria established by the Mississippi Development Authority.
191 The term "telecommunications enterprises" means entities engaged
192 in the creation, display, management, storage, processing,
193 transmission or distribution for compensation of images, text,
194 voice, video or data by wire or by wireless means, or entities
195 engaged in the construction, design, development, manufacture,
196 maintenance or distribution for compensation of devices, products,
197 software or structures used in the above activities. Companies
198 organized to do business as commercial broadcast radio stations,
199 television stations or news organizations primarily serving
200 in-state markets shall not be included within the definition of
201 the term "telecommunications enterprises."



202 **[From and after July 1, 2022, this section shall read as**

203 **follows:]**

204 27-31-101. (1) County boards of supervisors and municipal
205 authorities are hereby authorized and empowered, in their
206 discretion, to grant exemptions from ad valorem taxation, except
207 state ad valorem taxation; however, such governing authorities
208 shall not exempt ad valorem taxes for school district purposes on
209 tangible property used in, or necessary to, the operation of the
210 manufacturers and other new enterprises enumerated by classes in
211 this section, except to the extent authorized in Sections
212 27-31-104 and 27-31-105(2), nor shall they exempt from ad valorem
213 taxes the products of the manufacturers or other new enterprises
214 or automobiles and trucks belonging to the manufacturers or other
215 new enterprises operating on and over the highways of the State of
216 Mississippi. The time of such exemption shall be for a period not
217 to exceed a total of ten (10) years which shall begin on the date
218 of completion of the new enterprise for which the exemption is
219 granted; however, boards of supervisors and municipal authorities,
220 in lieu of granting the exemption for one (1) period of ten (10)
221 years, may grant the exemption in a period of less than ten (10)
222 years. When the initial exemption period granted is less than ten
223 (10) years, the boards of supervisors and municipal authorities
224 may grant a subsequent consecutive period or periods to follow the
225 initial period of exemption, provided that the total of all
226 periods of exemption shall not exceed ten (10) years. The date of
227 completion of the new enterprise, from which the initial period of
228 exemption shall begin, shall be the date on which operations of
229 the new enterprise begin. The initial request for an exemption
230 must be made in writing by June 1 of the year immediately
231 following the year in which the date of completion of a new
232 enterprise occurs. If the initial request for the exemption is
233 not timely made, the board of supervisors or municipal authorities
234 may grant a subsequent request for the exemption and, in such



235 case, the exemption shall begin on the anniversary date of
236 completion of the enterprise in the year in which the request is
237 made and may be for a period of time extending not more than ten
238 (10) years from the date of completion of the new enterprise. Any
239 subsequent request for the exemption must be made in writing by
240 June 1 of the year in which it is granted.

241 (2) Any board of supervisors or municipal authority which
242 has granted an exemption for a period of less than ten (10) years
243 may grant subsequent periods of exemption to run consecutively
244 with the initial exemption period, or a subsequently granted
245 exemption period, but in no case shall the total of the exemption
246 periods granted for a new enterprise exceed ten (10) years. Any
247 consecutive period of exemption shall be granted by entry of an
248 order by the board or the authority granting the consecutive
249 exemption on its minutes, reflecting the granting of the
250 consecutive exemption period and the dates upon which such
251 consecutive exemption period begins and expires. The entry of
252 this order granting the consecutive period of exemption shall be
253 made before the expiration of the exemption period immediately
254 preceding the consecutive exemption period being granted.

255 (3) The new enterprises which may be exempt are enumerated
256 as and limited to the following, as determined by the Department
257 of Revenue:

- 258 (a) Warehouse and/or distribution centers;
259 (b) Manufacturing, processors and refineries;
260 (c) Research facilities;
261 (d) Corporate regional and national headquarters
262 meeting minimum criteria established by the Mississippi
263 Development Authority;
264 (e) Movie industry studios meeting minimum criteria
265 established by the Mississippi Development Authority;



266 (f) Air transportation and maintenance facilities
267 meeting minimum criteria established by the Mississippi
268 Development Authority;

269 (g) Recreational facilities that impact tourism meeting
270 minimum criteria established by the Mississippi Development
271 Authority;

272 (h) Data/information processing enterprises meeting
273 minimum criteria established by the Mississippi Development
274 Authority;

275 (i) Technology intensive enterprises or facilities
276 meeting criteria established by the Mississippi Development
277 Authority; and

278 (j) Telecommunications enterprises meeting minimum
279 criteria established by the Mississippi Development Authority.
280 The term "telecommunications enterprises" means entities engaged
281 in the creation, display, management, storage, processing,
282 transmission or distribution for compensation of images, text,
283 voice, video or data by wire or by wireless means, or entities
284 engaged in the construction, design, development, manufacture,
285 maintenance or distribution for compensation of devices, products,
286 software or structures used in the above activities. Companies
287 organized to do business as commercial broadcast radio stations,
288 television stations or news organizations primarily serving
289 in-state markets shall not be included within the definition of
290 the term "telecommunications enterprises."

291 **SECTION 8.** Section 27-31-104, Mississippi Code of 1972, is
292 amended as follows:

293 **[Through June 30, 2022, this section shall read as follows:]**

294 27-31-104. (1) County boards of supervisors and municipal
295 authorities are hereby authorized and empowered to grant a
296 fee-in-lieu of taxes, including taxes levied for school purposes,
297 for projects totaling over One Hundred Million Dollars
298 (\$100,000,000.00). In addition to those new enterprises



299 enumerated in Section 27-31-101, Mississippi Code of 1972, the
300 term "projects," as used in this section, shall include:

301 (a) A private company (as such term is defined in
302 Section 57-61-5, Mississippi Code of 1972) having a minimum
303 capital investment of One Hundred Million Dollars
304 (\$100,000,000.00).

305 (b) A qualified business (as such term is defined in
306 Section 2 of this act) meeting minimum criteria established by the
307 Mississippi Development Authority.

308 (2) The fee-in-lieu shall be negotiated by and given final
309 approval by the Mississippi Development Authority.

310 (3) The minimum sum allowable as a fee-in-lieu shall not be
311 less than one-third (1/3) of the ad valorem levy, including ad
312 valorem taxes for school district purposes, and except as
313 otherwise provided, the sum allowed shall be apportioned between
314 the county or municipality, as appropriate, and the school
315 districts in such amounts as may be determined by the county board
316 of supervisors or municipal governing authority, as the case may
317 be, however, from the sum allowed the apportionment to school
318 districts shall not be less than the school districts' pro rata
319 share based upon the proportion that the millage imposed for the
320 school districts by the appropriate levying authority bears to the
321 millage imposed by such levying authority for all other county or
322 municipal purposes. The agreement shall be for a term of not more
323 than ten (10) years.

324 (4) The fee-in-lieu may be a stated fraction or percentage
325 of the ad valorem taxes otherwise payable or a stated dollar
326 amount. If the fee is a fraction or percentage of the ad valorem
327 tax levy, it shall be annually computed on all ad valorem taxes
328 otherwise payable, including school taxes, as the same may vary
329 from year to year based upon changes in the millage rate or
330 assessed value and shall not be less than one-third (1/3) of that
331 amount. If the fee is a stated dollar amount, said amount shall



332 be the higher of the sum provided for fixed payment or one-third
333 (1/3) of the total of all ad valorem taxes otherwise payable as
334 annually determined during each year of the fee-in-lieu.

335 (5) For a project as defined in Section 57-75-5(f)(xxi) and
336 located in a county that is a member of a regional economic
337 development alliance created under Section 57-64-1 et seq., the
338 members of the regional economic development alliance may divide
339 the sum allowed as a fee-in-lieu in a manner as determined by the
340 alliance agreement, and the boards of supervisors of the member
341 counties may then apportion the sum allowed between school
342 district purposes and all other county purposes.

343 (6) For a project as defined in Section 57-75-5(f)(xxvi),
344 the board of supervisors of the county in which the project is
345 located may negotiate with the school district in which the
346 project is located and apportion to the school district an amount
347 of the fee-in-lieu that is agreed upon in the negotiations
348 different than the amount provided for in subsection (3) of this
349 section.

350 **[From and after July 1, 2022, this section shall read as**
351 **follows:]**

352 27-31-104. (1) County boards of supervisors and municipal
353 authorities are hereby authorized and empowered to grant a
354 fee-in-lieu of taxes, including taxes levied for school purposes,
355 for projects totaling over One Hundred Million Dollars
356 (\$100,000,000.00). In addition to those new enterprises
357 enumerated in Section 27-31-101, Mississippi Code of 1972, the
358 term "projects," as used in this section, shall include a private
359 company (as such term is defined in Section 57-61-5, Mississippi
360 Code of 1972) having a minimum capital investment of One Hundred
361 Million Dollars (\$100,000,000.00).

362 (2) The fee-in-lieu shall be negotiated by and given final
363 approval by the Mississippi Development Authority.



364 (3) The minimum sum allowable as a fee-in-lieu shall not be
365 less than one-third (1/3) of the ad valorem levy, including ad
366 valorem taxes for school district purposes, and except as
367 otherwise provided, the sum allowed shall be apportioned between
368 the county or municipality, as appropriate, and the school
369 districts in such amounts as may be determined by the county board
370 of supervisors or municipal governing authority, as the case may
371 be, however, from the sum allowed the apportionment to school
372 districts shall not be less than the school districts' pro rata
373 share based upon the proportion that the millage imposed for the
374 school districts by the appropriate levying authority bears to the
375 millage imposed by such levying authority for all other county or
376 municipal purposes. The agreement shall be for a term of not more
377 than ten (10) years.

378 (4) The fee-in-lieu may be a stated fraction or percentage
379 of the ad valorem taxes otherwise payable or a stated dollar
380 amount. If the fee is a fraction or percentage of the ad valorem
381 tax levy, it shall be annually computed on all ad valorem taxes
382 otherwise payable, including school taxes, as the same may vary
383 from year to year based upon changes in the millage rate or
384 assessed value and shall not be less than one-third (1/3) of that
385 amount. If the fee is a stated dollar amount, said amount shall
386 be the higher of the sum provided for fixed payment or one-third
387 (1/3) of the total of all ad valorem taxes otherwise payable as
388 annually determined during each year of the fee-in-lieu.

389 (5) For a project as defined in Section 57-75-5(f)(xxi) and
390 located in a county that is a member of a regional economic
391 development alliance created under Section 57-64-1 et seq., the
392 members of the regional economic development alliance may divide
393 the sum allowed as a fee-in-lieu in a manner as determined by the
394 alliance agreement, and the boards of supervisors of the member
395 counties may then apportion the sum allowed between school
396 district purposes and all other county purposes.



397 (6) For a project as defined in Section 57-75-5(f) (xxvi),
398 the board of supervisors of the county in which the project is
399 located may negotiate with the school district in which the
400 project is located and apportion to the school district an amount
401 of the fee-in-lieu that is agreed upon in the negotiations
402 different than the amount provided for in subsection (3) of this
403 section.

404 **SECTION 9.** Section 27-65-101, Mississippi Code of 1972, is
405 amended as follows:

406 **[Through June 30, 2022, this section shall read as follows:]**

407 27-65-101. (1) The exemptions from the provisions of this
408 chapter which are of an industrial nature or which are more
409 properly classified as industrial exemptions than any other
410 exemption classification of this chapter shall be confined to
411 those persons or property exempted by this section or by the
412 provisions of the Constitution of the United States or the State
413 of Mississippi. No industrial exemption as now provided by any
414 other section except Section 57-3-33 shall be valid as against the
415 tax herein levied. Any subsequent industrial exemption from the
416 tax levied hereunder shall be provided by amendment to this
417 section. No exemption provided in this section shall apply to
418 taxes levied by Section 27-65-15 or 27-65-21.

419 The tax levied by this chapter shall not apply to the
420 following:

421 (a) Sales of boxes, crates, cartons, cans, bottles and
422 other packaging materials to manufacturers and wholesalers for use
423 as containers or shipping materials to accompany goods sold by
424 said manufacturers or wholesalers where possession thereof will
425 pass to the customer at the time of sale of the goods contained
426 therein and sales to anyone of containers or shipping materials
427 for use in ships engaged in international commerce.

428 (b) Sales of raw materials, catalysts, processing
429 chemicals, welding gases or other industrial processing gases



430 (except natural gas) to a manufacturer for use directly in
431 manufacturing or processing a product for sale or rental or
432 repairing or reconditioning vessels or barges of fifty (50) tons
433 load displacement and over. For the purposes of this exemption,
434 electricity used directly in the electrolysis process in the
435 production of sodium chlorate shall be considered a raw material.
436 This exemption shall not apply to any property used as fuel except
437 to the extent that such fuel comprises by-products which have no
438 market value.

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

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

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

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

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

458 (h) Sales of raw materials, catalysts, processing
459 chemicals, welding gases or other industrial processing gases
460 (except natural gas) used or consumed directly in manufacturing,
461 repairing, cleaning, altering, reconditioning or improving such



462 rail rolling stock (and component parts thereof). This exemption
463 shall not apply to any property used as fuel.

464 (i) Sales of machinery or tools or repair parts
465 therefor or replacements thereof, fuel or supplies used directly
466 in manufacturing, converting or repairing ships, vessels or barges
467 of three thousand (3,000) tons load displacement and over, but not
468 to include office and plant supplies or other equipment not
469 directly used on the ship, vessel or barge being built, converted
470 or repaired. For purposes of this exemption, "ships, vessels or
471 barges" shall not include floating structures described in Section
472 27-65-18.

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

479 (k) Sales of materials used in the construction of a
480 building, or any addition or improvement thereon, and sales of any
481 machinery and equipment not later than three (3) months after the
482 completion of construction of the building, or any addition
483 thereon, to be used therein, to qualified businesses, as defined
484 in Section 57-51-5, which are located in a county or portion
485 thereof designated as an enterprise zone pursuant to Sections
486 57-51-1 through 57-51-15.

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

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



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

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

502 (p) Sales of materials used in the construction of a
503 building, or any addition or improvement thereon, and sales of any
504 machinery and equipment not later than three (3) months after the
505 completion of construction of the building, or any addition
506 thereon, to be used therein, to qualified companies, certified as
507 such by the Mississippi Development Authority under Section
508 57-53-1.

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

521 (r) Sales of component materials used in the
522 construction of a building, or any addition or improvement
523 thereon, and sales of any machinery and equipment not later than
524 three (3) months after the completion of the building, addition or
525 improvement thereon, to be used therein, for any company
526 establishing or transferring its national or regional headquarters
527 from within or outside the State of Mississippi and creating a



528 minimum of thirty-five (35) jobs at the new headquarters in this
529 state. The Department of Revenue shall establish criteria and
530 prescribe procedures to determine if a company qualifies as a
531 national or regional headquarters for the purpose of receiving the
532 exemption provided in this paragraph.

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

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

541 (u) Sales of machinery and equipment to nonprofit
542 organizations if the organization:

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

545 (ii) Assists in the implementation of the
546 contingency plan or area contingency plan, and which is created in
547 response to the requirements of Title IV, Subtitle B of the Oil
548 Pollution Act of 1990, Public Law 101-380; and

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

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

556 (v) Sales or leases of materials and equipment to
557 approved business enterprises as provided under the Growth and
558 Prosperity Act.

559 (w) From and after July 1, 2001, sales of pollution
560 control equipment to manufacturers or custom processors for



561 industrial use. For the purposes of this exemption, "pollution
562 control equipment" means equipment, devices, machinery or systems
563 used or acquired to prevent, control, monitor or reduce air, water
564 or groundwater pollution, or solid or hazardous waste as required
565 by federal or state law or regulation.

566 (x) Sales or leases to a manufacturer of motor vehicles
567 or powertrain components operating a project that has been
568 certified by the Mississippi Major Economic Impact Authority as a
569 project as defined in Section 57-75-5(f)(iv)1, Section
570 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
571 equipment; special tooling such as dies, molds, jigs and similar
572 items treated as special tooling for federal income tax purposes;
573 or repair parts therefor or replacements thereof; repair services
574 thereon; fuel, supplies, electricity, coal and natural gas used
575 directly in the manufacture of motor vehicles or motor vehicle
576 parts or used to provide climate control for manufacturing areas.

577 (y) Sales or leases of component materials, machinery
578 and equipment used in the construction of a building, or any
579 addition or improvement thereon to an enterprise operating a
580 project that has been certified by the Mississippi Major Economic
581 Impact Authority as a project as defined in Section
582 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi) or Section
583 57-75-5(f)(xxii) and any other sales or leases required to
584 establish or operate such project.

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

587 (aa) The gross income from the stripping and painting
588 of commercial aircraft engaged in foreign or interstate
589 transportation business.

590 (bb) [Repealed]

591 (cc) Sales or leases to an enterprise owning or
592 operating a project that has been designated by the Mississippi
593 Major Economic Impact Authority as a project as defined in Section



594 57-75-5(f) (xviii) of machinery and equipment; special tooling such
595 as dies, molds, jigs and similar items treated as special tooling
596 for federal income tax purposes; or repair parts therefor or
597 replacements thereof; repair services thereon; fuel, supplies,
598 electricity, coal and natural gas used directly in the
599 manufacturing/production operations of the project or used to
600 provide climate control for manufacturing/production areas.

601 (dd) Sales or leases of component materials, machinery
602 and equipment used in the construction of a building, or any
603 addition or improvement thereon to an enterprise owning or
604 operating a project that has been designated by the Mississippi
605 Major Economic Impact Authority as a project as defined in Section
606 57-75-5(f) (xviii) and any other sales or leases required to
607 establish or operate such project.

608 (ee) Sales of parts used in the repair and servicing of
609 aircraft not registered in Mississippi engaged exclusively in the
610 business of foreign or interstate transportation to businesses
611 engaged in aircraft repair and maintenance.

612 (ff) Sales of component materials used in the
613 construction of a facility, or any addition or improvement
614 thereon, and sales or leases of machinery and equipment not later
615 than three (3) months after the completion of construction of the
616 facility, or any addition or improvement thereto, to be used in
617 the building or any addition or improvement thereto, to a
618 permanent business enterprise operating a data/information
619 enterprise in Tier Three areas (as such areas are designated in
620 accordance with Section 57-73-21), meeting minimum criteria
621 established by the Mississippi Development Authority.

622 (gg) Sales of component materials used in the
623 construction of a facility, or any addition or improvement
624 thereto, and sales of machinery and equipment not later than three
625 (3) months after the completion of construction of the facility,
626 or any addition or improvement thereto, to be used in the facility



627 or any addition or improvement thereto, to technology intensive
628 enterprises for industrial purposes in Tier Three areas (as such
629 areas are designated in accordance with Section 57-73-21), as
630 certified by the Department of Revenue. For purposes of this
631 paragraph, an enterprise must meet the criteria provided for in
632 Section 27-65-17(1) (f) in order to be considered a technology
633 intensive enterprise.

634 (hh) Sales of component materials used in the
635 replacement, reconstruction or repair of a building or facility
636 that has been destroyed or sustained extensive damage as a result
637 of a disaster declared by the Governor, sales of machinery and
638 equipment to be used therein to replace machinery or equipment
639 damaged or destroyed as a result of such disaster, including, but
640 not limited to, manufacturing or processing machinery and
641 equipment which is permanently attached to the ground or to a
642 permanent foundation and which is not by its nature intended to be
643 housed within a building structure, to enterprises or companies
644 that were eligible for the exemptions authorized in paragraph (q),
645 (r), (ff) or (gg) of this subsection during initial construction
646 of the building that was destroyed or damaged, which enterprises
647 or companies are certified by the Department of Revenue as being
648 eligible for the exemption granted in this paragraph.

649 (ii) Sales of software or software services transmitted
650 by the Internet to a destination outside the State of Mississippi
651 where the first use of such software or software services by the
652 purchaser occurs outside the State of Mississippi.

653 (jj) Gross income of public storage warehouses derived
654 from the temporary storage of raw materials that are to be used in
655 an eligible facility as defined in Section 27-7-22.35.

656 (kk) Sales of component building materials and
657 equipment for initial construction of facilities or expansion of
658 facilities as authorized under Sections 57-113-1 through 57-113-7
659 and Sections 57-113-21 through 57-113-27.



660 (ll) Sales and leases of machinery and equipment
661 acquired in the initial construction to establish facilities as
662 authorized in Sections 57-113-1 through 57-113-7.

663 (mm) Sales and leases of replacement hardware, software
664 or other necessary technology to operate a data center as
665 authorized under Sections 57-113-21 through 57-113-27.

666 (nn) Sales of component materials used in the
667 construction of a building, or any addition or improvement
668 thereon, and sales or leases of machinery and equipment not later
669 than three (3) months after the completion of the construction of
670 the facility, to be used in the facility, to permanent business
671 enterprises operating a facility producing renewable crude oil
672 from biomass harvested or produced, in whole or in part, in
673 Mississippi, which businesses meet minimum criteria established by
674 the Mississippi Development Authority. As used in this paragraph,
675 the term "biomass" shall have the meaning ascribed to such term in
676 Section 57-113-1.

677 (oo) Sales of supplies, equipment and other personal
678 property to an organization that is exempt from taxation under
679 Section 501(c)(3) of the Internal Revenue Code and is the host
680 organization coordinating a professional golf tournament played or
681 to be played in this state and the supplies, equipment or other
682 personal property will be used for purposes related to the golf
683 tournament and related activities.

684 (pp) Sales of materials used in the construction of a
685 health care industry facility, as defined in Section 2 of this
686 act, or any addition or improvement thereon, and sales of any
687 machinery and equipment not later than three (3) months after the
688 completion of construction of the facility, or any addition
689 thereon, to be used therein, to qualified businesses, as defined
690 in Section 2 of this act.

691 (2) Sales of component materials used in the construction of
692 a building, or any addition or improvement thereon, sales of



693 machinery and equipment to be used therein, and sales of
694 manufacturing or processing machinery and equipment which is
695 permanently attached to the ground or to a permanent foundation
696 and which is not by its nature intended to be housed within a
697 building structure, not later than three (3) months after the
698 initial start-up date, to permanent business enterprises engaging
699 in manufacturing or processing in Tier Two areas and Tier One
700 areas (as such areas are designated in accordance with Section
701 57-73-21), which businesses are certified by the Department of
702 Revenue as being eligible for the exemption granted in this
703 subsection, shall be exempt from one-half (1/2) of the taxes
704 imposed on such transactions under this chapter.

705 (3) Sales of component materials used in the construction of
706 a facility, or any addition or improvement thereon, and sales or
707 leases of machinery and equipment not later than three (3) months
708 after the completion of construction of the facility, or any
709 addition or improvement thereto, to be used in the building or any
710 addition or improvement thereto, to a permanent business
711 enterprise operating a data/information enterprise in Tier Two
712 areas and Tier One areas (as such areas are designated in
713 accordance with Section 57-73-21), which businesses meet minimum
714 criteria established by the Mississippi Development Authority,
715 shall be exempt from one-half (1/2) of the taxes imposed on such
716 transaction under this chapter.

717 (4) Sales of component materials used in the construction of
718 a facility, or any addition or improvement thereto, and sales of
719 machinery and equipment not later than three (3) months after the
720 completion of construction of the facility, or any addition or
721 improvement thereto, to be used in the building or any addition or
722 improvement thereto, to technology intensive enterprises for
723 industrial purposes in Tier Two areas and Tier One areas (as such
724 areas are designated in accordance with Section 57-73-21), which
725 businesses are certified by the Department of Revenue as being



726 eligible for the exemption granted in this subsection, shall be
727 exempt from one-half (1/2) of the taxes imposed on such
728 transactions under this chapter. For purposes of this subsection,
729 an enterprise must meet the criteria provided for in Section
730 27-65-17(1)(f) in order to be considered a technology intensive
731 enterprise.

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

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

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

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

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

741 (v) "Equipment used in the deployment of broadband
742 technologies" means any equipment capable of being used for or in
743 connection with the transmission of information at a rate, prior
744 to taking into account the effects of any signal degradation, that
745 is not less than three hundred eighty-four (384) kilobits per
746 second in at least one (1) direction, including, but not limited
747 to, asynchronous transfer mode switches, digital subscriber line
748 access multiplexers, routers, servers, multiplexers, fiber optics
749 and related equipment.

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

755 (c) Sales of equipment to telecommunications
756 enterprises after June 30, 2003, and before July 1, 2013, that is
757 installed in Tier Two and Tier Three areas and used in the



758 deployment of broadband technologies shall be exempt from the
759 taxes imposed on such transactions under this chapter.

760 (6) Sales of component materials used in the replacement,
761 reconstruction or repair of a building that has been destroyed or
762 sustained extensive damage as a result of a disaster declared by
763 the Governor, sales of machinery and equipment to be used therein
764 to replace machinery or equipment damaged or destroyed as a result
765 of such disaster, including, but not limited to, manufacturing or
766 processing machinery and equipment which is permanently attached
767 to the ground or to a permanent foundation and which is not by its
768 nature intended to be housed within a building structure, to
769 enterprises that were eligible for the partial exemptions provided
770 for in subsections (2), (3) and (4) of this section during initial
771 construction of the building that was destroyed or damaged, which
772 enterprises are certified by the Department of Revenue as being
773 eligible for the partial exemption granted in this subsection,
774 shall be exempt from one-half (1/2) of the taxes imposed on such
775 transactions under this chapter.

776 **[From and after July 1, 2022, this section shall read as**
777 **follows:]**

778 27-65-101. (1) The exemptions from the provisions of this
779 chapter which are of an industrial nature or which are more
780 properly classified as industrial exemptions than any other
781 exemption classification of this chapter shall be confined to
782 those persons or property exempted by this section or by the
783 provisions of the Constitution of the United States or the State
784 of Mississippi. No industrial exemption as now provided by any
785 other section except Section 57-3-33 shall be valid as against the
786 tax herein levied. Any subsequent industrial exemption from the
787 tax levied hereunder shall be provided by amendment to this
788 section. No exemption provided in this section shall apply to
789 taxes levied by Section 27-65-15 or 27-65-21.



790 The tax levied by this chapter shall not apply to the
791 following:

792 (a) Sales of boxes, crates, cartons, cans, bottles and
793 other packaging materials to manufacturers and wholesalers for use
794 as containers or shipping materials to accompany goods sold by
795 said manufacturers or wholesalers where possession thereof will
796 pass to the customer at the time of sale of the goods contained
797 therein and sales to anyone of containers or shipping materials
798 for use in ships engaged in international commerce.

799 (b) Sales of raw materials, catalysts, processing
800 chemicals, welding gases or other industrial processing gases
801 (except natural gas) to a manufacturer for use directly in
802 manufacturing or processing a product for sale or rental or
803 repairing or reconditioning vessels or barges of fifty (50) tons
804 load displacement and over. For the purposes of this exemption,
805 electricity used directly in the electrolysis process in the
806 production of sodium chlorate shall be considered a raw material.
807 This exemption shall not apply to any property used as fuel except
808 to the extent that such fuel comprises by-products which have no
809 market value.

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

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

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



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

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

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

835 (i) Sales of machinery or tools or repair parts
836 therefor or replacements thereof, fuel or supplies used directly
837 in manufacturing, converting or repairing ships, vessels or barges
838 of three thousand (3,000) tons load displacement and over, but not
839 to include office and plant supplies or other equipment not
840 directly used on the ship, vessel or barge being built, converted
841 or repaired. For purposes of this exemption, "ships, vessels or
842 barges" shall not include floating structures described in Section
843 27-65-18.

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

850 (k) Sales of materials used in the construction of a
851 building, or any addition or improvement thereon, and sales of any
852 machinery and equipment not later than three (3) months after the
853 completion of construction of the building, or any addition



854 thereon, to be used therein, to qualified businesses, as defined
855 in Section 57-51-5, which are located in a county or portion
856 thereof designated as an enterprise zone pursuant to Sections
857 57-51-1 through 57-51-15.

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

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

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

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

873 (p) Sales of materials used in the construction of a
874 building, or any addition or improvement thereon, and sales of any
875 machinery and equipment not later than three (3) months after the
876 completion of construction of the building, or any addition
877 thereon, to be used therein, to qualified companies, certified as
878 such by the Mississippi Development Authority under Section
879 57-53-1.

880 (q) Sales of component materials used in the
881 construction of a building, or any addition or improvement
882 thereon, sales of machinery and equipment to be used therein, and
883 sales of manufacturing or processing machinery and equipment which
884 is permanently attached to the ground or to a permanent foundation
885 and which is not by its nature intended to be housed within a
886 building structure, not later than three (3) months after the



887 initial start-up date, to permanent business enterprises engaging
888 in manufacturing or processing in Tier Three areas (as such term
889 is defined in Section 57-73-21), which businesses are certified by
890 the Department of Revenue as being eligible for the exemption
891 granted in this paragraph (q).

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

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

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

912 (u) Sales of machinery and equipment to nonprofit
913 organizations if the organization:

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

916 (ii) Assists in the implementation of the
917 contingency plan or area contingency plan, and which is created in
918 response to the requirements of Title IV, Subtitle B of the Oil
919 Pollution Act of 1990, Public Law 101-380; and



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

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

927 (v) Sales or leases of materials and equipment to
928 approved business enterprises as provided under the Growth and
929 Prosperity Act.

930 (w) From and after July 1, 2001, sales of pollution
931 control equipment to manufacturers or custom processors for
932 industrial use. For the purposes of this exemption, "pollution
933 control equipment" means equipment, devices, machinery or systems
934 used or acquired to prevent, control, monitor or reduce air, water
935 or groundwater pollution, or solid or hazardous waste as required
936 by federal or state law or regulation.

937 (x) Sales or leases to a manufacturer of motor vehicles
938 or powertrain components operating a project that has been
939 certified by the Mississippi Major Economic Impact Authority as a
940 project as defined in Section 57-75-5(f)(iv)1, Section
941 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
942 equipment; special tooling such as dies, molds, jigs and similar
943 items treated as special tooling for federal income tax purposes;
944 or repair parts therefor or replacements thereof; repair services
945 thereon; fuel, supplies, electricity, coal and natural gas used
946 directly in the manufacture of motor vehicles or motor vehicle
947 parts or used to provide climate control for manufacturing areas.

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



953 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi) or Section
954 57-75-5(f)(xxii) and any other sales or leases required to
955 establish or operate such project.

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

958 (aa) The gross income from the stripping and painting
959 of commercial aircraft engaged in foreign or interstate
960 transportation business.

961 (bb) [Repealed]

962 (cc) Sales or leases to an enterprise owning or
963 operating a project that has been designated by the Mississippi
964 Major Economic Impact Authority as a project as defined in Section
965 57-75-5(f)(xviii) of machinery and equipment; special tooling such
966 as dies, molds, jigs and similar items treated as special tooling
967 for federal income tax purposes; or repair parts therefor or
968 replacements thereof; repair services thereon; fuel, supplies,
969 electricity, coal and natural gas used directly in the
970 manufacturing/production operations of the project or used to
971 provide climate control for manufacturing/production areas.

972 (dd) Sales or leases of component materials, machinery
973 and equipment used in the construction of a building, or any
974 addition or improvement thereon to an enterprise owning or
975 operating a project that has been designated by the Mississippi
976 Major Economic Impact Authority as a project as defined in Section
977 57-75-5(f)(xviii) and any other sales or leases required to
978 establish or operate such project.

979 (ee) Sales of parts used in the repair and servicing of
980 aircraft not registered in Mississippi engaged exclusively in the
981 business of foreign or interstate transportation to businesses
982 engaged in aircraft repair and maintenance.

983 (ff) Sales of component materials used in the
984 construction of a facility, or any addition or improvement
985 thereon, and sales or leases of machinery and equipment not later



986 than three (3) months after the completion of construction of the
987 facility, or any addition or improvement thereto, to be used in
988 the building or any addition or improvement thereto, to a
989 permanent business enterprise operating a data/information
990 enterprise in Tier Three areas (as such areas are designated in
991 accordance with Section 57-73-21), meeting minimum criteria
992 established by the Mississippi Development Authority.

993 (gg) Sales of component materials used in the
994 construction of a facility, or any addition or improvement
995 thereto, and sales of machinery and equipment not later than three
996 (3) months after the completion of construction of the facility,
997 or any addition or improvement thereto, to be used in the facility
998 or any addition or improvement thereto, to technology intensive
999 enterprises for industrial purposes in Tier Three areas (as such
1000 areas are designated in accordance with Section 57-73-21), as
1001 certified by the Department of Revenue. For purposes of this
1002 paragraph, an enterprise must meet the criteria provided for in
1003 Section 27-65-17(1) (f) in order to be considered a technology
1004 intensive enterprise.

1005 (hh) Sales of component materials used in the
1006 replacement, reconstruction or repair of a building or facility
1007 that has been destroyed or sustained extensive damage as a result
1008 of a disaster declared by the Governor, sales of machinery and
1009 equipment to be used therein to replace machinery or equipment
1010 damaged or destroyed as a result of such disaster, including, but
1011 not limited to, manufacturing or processing machinery and
1012 equipment which is permanently attached to the ground or to a
1013 permanent foundation and which is not by its nature intended to be
1014 housed within a building structure, to enterprises or companies
1015 that were eligible for the exemptions authorized in paragraph (q),
1016 (r), (ff) or (gg) of this subsection during initial construction
1017 of the building that was destroyed or damaged, which enterprises



1018 or companies are certified by the Department of Revenue as being
1019 eligible for the exemption granted in this paragraph.

1020 (ii) Sales of software or software services transmitted
1021 by the Internet to a destination outside the State of Mississippi
1022 where the first use of such software or software services by the
1023 purchaser occurs outside the State of Mississippi.

1024 (jj) Gross income of public storage warehouses derived
1025 from the temporary storage of raw materials that are to be used in
1026 an eligible facility as defined in Section 27-7-22.35.

1027 (kk) Sales of component building materials and
1028 equipment for initial construction of facilities or expansion of
1029 facilities as authorized under Sections 57-113-1 through 57-113-7
1030 and Sections 57-113-21 through 57-113-27.

1031 (ll) Sales and leases of machinery and equipment
1032 acquired in the initial construction to establish facilities as
1033 authorized in Sections 57-113-1 through 57-113-7.

1034 (mm) Sales and leases of replacement hardware, software
1035 or other necessary technology to operate a data center as
1036 authorized under Sections 57-113-21 through 57-113-27.

1037 (nn) Sales of component materials used in the
1038 construction of a building, or any addition or improvement
1039 thereon, and sales or leases of machinery and equipment not later
1040 than three (3) months after the completion of the construction of
1041 the facility, to be used in the facility, to permanent business
1042 enterprises operating a facility producing renewable crude oil
1043 from biomass harvested or produced, in whole or in part, in
1044 Mississippi, which businesses meet minimum criteria established by
1045 the Mississippi Development Authority. As used in this paragraph,
1046 the term "biomass" shall have the meaning ascribed to such term in
1047 Section 57-113-1.

1048 (oo) Sales of supplies, equipment and other personal
1049 property to an organization that is exempt from taxation under
1050 Section 501(c)(3) of the Internal Revenue Code and is the host



1051 organization coordinating a professional golf tournament played or
1052 to be played in this state and the supplies, equipment or other
1053 personal property will be used for purposes related to the golf
1054 tournament and related activities.

1055 (2) Sales of component materials used in the construction of
1056 a building, or any addition or improvement thereon, sales of
1057 machinery and equipment to be used therein, and sales of
1058 manufacturing or processing machinery and equipment which is
1059 permanently attached to the ground or to a permanent foundation
1060 and which is not by its nature intended to be housed within a
1061 building structure, not later than three (3) months after the
1062 initial start-up date, to permanent business enterprises engaging
1063 in manufacturing or processing in Tier Two areas and Tier One
1064 areas (as such areas are designated in accordance with Section
1065 57-73-21), which businesses are certified by the Department of
1066 Revenue as being eligible for the exemption granted in this
1067 subsection, shall be exempt from one-half (1/2) of the taxes
1068 imposed on such transactions under this chapter.

1069 (3) Sales of component materials used in the construction of
1070 a facility, or any addition or improvement thereon, and sales or
1071 leases of machinery and equipment not later than three (3) months
1072 after the completion of construction of the facility, or any
1073 addition or improvement thereto, to be used in the building or any
1074 addition or improvement thereto, to a permanent business
1075 enterprise operating a data/information enterprise in Tier Two
1076 areas and Tier One areas (as such areas are designated in
1077 accordance with Section 57-73-21), which businesses meet minimum
1078 criteria established by the Mississippi Development Authority,
1079 shall be exempt from one-half (1/2) of the taxes imposed on such
1080 transaction under this chapter.

1081 (4) Sales of component materials used in the construction of
1082 a facility, or any addition or improvement thereto, and sales of
1083 machinery and equipment not later than three (3) months after the



1084 completion of construction of the facility, or any addition or
1085 improvement thereto, to be used in the building or any addition or
1086 improvement thereto, to technology intensive enterprises for
1087 industrial purposes in Tier Two areas and Tier One areas (as such
1088 areas are designated in accordance with Section 57-73-21), which
1089 businesses are certified by the Department of Revenue as being
1090 eligible for the exemption granted in this subsection, shall be
1091 exempt from one-half (1/2) of the taxes imposed on such
1092 transactions under this chapter. For purposes of this subsection,
1093 an enterprise must meet the criteria provided for in Section
1094 27-65-17(1)(f) in order to be considered a technology intensive
1095 enterprise.

1096 (5) (a) For purposes of this subsection:

1097 (i) "Telecommunications enterprises" shall have
1098 the meaning ascribed to such term in Section 57-73-21;

1099 (ii) "Tier One areas" mean counties designated as
1100 Tier One areas pursuant to Section 57-73-21;

1101 (iii) "Tier Two areas" mean counties designated as
1102 Tier Two areas pursuant to Section 57-73-21;

1103 (iv) "Tier Three areas" mean counties designated
1104 as Tier Three areas pursuant to Section 57-73-21; and

1105 (v) "Equipment used in the deployment of broadband
1106 technologies" means any equipment capable of being used for or in
1107 connection with the transmission of information at a rate, prior
1108 to taking into account the effects of any signal degradation, that
1109 is not less than three hundred eighty-four (384) kilobits per
1110 second in at least one (1) direction, including, but not limited
1111 to, asynchronous transfer mode switches, digital subscriber line
1112 access multiplexers, routers, servers, multiplexers, fiber optics
1113 and related equipment.

1114 (b) Sales of equipment to telecommunications
1115 enterprises after June 30, 2003, and before July 1, 2013, that is
1116 installed in Tier One areas and used in the deployment of



1117 broadband technologies shall be exempt from one-half (1/2) of the
1118 taxes imposed on such transactions under this chapter.

1119 (c) Sales of equipment to telecommunications
1120 enterprises after June 30, 2003, and before July 1, 2013, that is
1121 installed in Tier Two and Tier Three areas and used in the
1122 deployment of broadband technologies shall be exempt from the
1123 taxes imposed on such transactions under this chapter.

1124 (6) Sales of component materials used in the replacement,
1125 reconstruction or repair of a building that has been destroyed or
1126 sustained extensive damage as a result of a disaster declared by
1127 the Governor, sales of machinery and equipment to be used therein
1128 to replace machinery or equipment damaged or destroyed as a result
1129 of such disaster, including, but not limited to, manufacturing or
1130 processing machinery and equipment which is permanently attached
1131 to the ground or to a permanent foundation and which is not by its
1132 nature intended to be housed within a building structure, to
1133 enterprises that were eligible for the partial exemptions provided
1134 for in subsections (2), (3) and (4) of this section during initial
1135 construction of the building that was destroyed or damaged, which
1136 enterprises are certified by the Department of Revenue as being
1137 eligible for the partial exemption granted in this subsection,
1138 shall be exempt from one-half (1/2) of the taxes imposed on such
1139 transactions under this chapter.

1140 **SECTION 10.** This act shall take effect and be in force from
1141 and after July 1, 2012.

