

34 **REPORT OF CONFERENCE COMMITTEE**

35 **# 2**

36 **MR. PRESIDENT AND MR. SPEAKER:**

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38 **We, the undersigned conferees, have had under consideration the amendments to the**  
39 **following entitled BILL:**

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41 **S. B. No. 2922: Historic tax credit and MS Small Business**  
42 **Investment Act; increase amount of credits that may be allocated**  
43 **under.**

44  
45 **We, therefore, respectfully submit the following report and recommendation:**

- 46  
47 **1. That the House recede from its Amendment No. 1.**  
48  
49 **2. That the Senate and House adopt the following amendment:**  
50

51 **SECTION 1.** Section 27-7-22.31, Mississippi Code of 1972, is  
52 amended as follows:

53 27-7-22.31. (1) As used in this section:

54 (a) "Certified historic structure" means a property  
55 located in Mississippi that has been:

56 (i) Listed individually on the National Register  
57 of Historic Places; or

58 (ii) Determined eligible for the National Register  
59 of Historic Places by the Secretary of the United States  
60 Department of the Interior and will be listed within thirty (30)  
61 months of claiming the credit authorized by this section; or

62 (iii) Property designated a Mississippi Landmark  
63 by the Department of Archives and History pursuant to Section  
64 39-7-3 et seq.

65 (b) "Eligible property" means property located in  
66 Mississippi and offered or used for residential or business

67 purposes; however, the term "eligible property" shall not include  
68 a single-family dwelling unless:

69 (i) A certificate evidencing the eligible credit  
70 has been issued to the taxpayer by the department prior to July 1,  
71 2016, that applies to such dwelling; or

72 (ii) The dwelling is designated as a National  
73 Historic Landmark under the National Historic Landmarks Program.

74 (c) "Structure in a certified historic district" means  
75 a structure (and its structural components) located in Mississippi  
76 which:

77 (i) Is listed in the National Register of Historic  
78 Places; or

79 (ii) Has been determined eligible for the National  
80 Register of Historic Places by the Secretary of the United States  
81 Department of the Interior and will be listed within thirty (30)  
82 months of claiming the credit authorized by this section; or

83 (iii) Is located in a registered historic district  
84 listed on the National Register of Historic Places or located in a  
85 potential district that has been determined eligible for the  
86 National Register of Historic Places by the Secretary of the  
87 United States Department of the Interior and will be listed within  
88 thirty (30) months of claiming the credit authorized by this  
89 section, and is certified by the Secretary of the United States  
90 Department of the Interior as being of historic significance to  
91 the district; or

92 (iv) Is certified by the Mississippi Department of  
93 Archives and History as contributing to the historic significance  
94 of:

95 1. A certified historic district listed on  
96 the National Register of Historic Places; or

97 2. A potential district that has been  
98 determined eligible for the National Register of Historic Places  
99 by the Secretary of the United States Department of the Interior  
100 and will be listed within thirty (30) months of claiming the  
101 credit authorized by this section; or

102 3. A local district that has been certified  
103 by the United States Department of the Interior.

104 (d) "Department" means the Department of Archives and  
105 History.

106 (2) Any taxpayer incurring costs and expenses for the  
107 rehabilitation of eligible property, which is a certified historic  
108 structure or a structure in a certified historic district, shall  
109 be entitled to a credit against the taxes imposed pursuant to this  
110 chapter in an amount equal to twenty-five percent (25%) of the  
111 total costs and expenses of rehabilitation incurred after January  
112 1, 2006, which shall include, but not be limited to, qualified  
113 rehabilitation expenditures as defined under Section 47(c)(2)(A)  
114 of the Internal Revenue Code of 1986, as amended, and the related  
115 regulations thereunder:

116 (a) If the costs and expenses associated with  
117 rehabilitation exceed:

118 (i) Five Thousand Dollars (\$5,000.00) in the case  
119 of an owner-occupied dwelling; or

120 (ii) Fifty percent (50%) of the total basis in the  
121 property in the case of all other properties; and

122 (b) The rehabilitation is consistent with the standards  
123 of the Secretary of the United States Department of the Interior  
124 as determined by the department.

125 (3) Any taxpayer eligible for the credit authorized by this  
126 section may claim the credit in phases if:

127 (a) There is a written set of architectural plans and  
128 specifications for all phases of the rehabilitation (written plans  
129 outlining and describing all phases of the rehabilitation shall be  
130 accepted as written plans and specifications);

131 (b) The written set of architectural plans and  
132 specifications are completed before the physical work on the  
133 rehabilitation begins; and

134 (c) It can reasonably be expected that all phases of  
135 the rehabilitation will be completed.

136 (4) (a) (i) If the amount of the tax credit established by  
137 this section exceeds the total state income tax liability for the  
138 year in which the rehabilitated property is placed in service, the  
139 amount that exceeds the total state income tax liability may be  
140 carried forward for the ten (10) succeeding tax years.

141                   (ii) If the amount of the tax credit established  
142 by this section exceeds Two Hundred Fifty Thousand Dollars  
143 (\$250,000.00), the taxpayer may elect to claim a refund in the  
144 amount of seventy-five percent (75%) of the excess credit in lieu  
145 of the ten-year carryforward. The election must be made in the  
146 year in which the rehabilitated property is placed in service.  
147 Refunds will be paid in equal installments over a two-year period  
148 and shall be made from current collections.

149                   (iii) Refund requests shall be submitted to the  
150 Department of Revenue on forms prescribed by the department.  
151 Refunds shall be made from current tax collections.

152                   (b) Not-for-profit entities, including, but not limited  
153 to, nonprofit corporations organized under Section 79-11-101 et  
154 seq. shall be ineligible for the credit authorized by this  
155 section. Credits granted to a partnership, a limited liability  
156 company taxed as a partnership or multiple owners of property  
157 shall be passed through to the partners, members or owners on a  
158 pro rata basis or pursuant to an executed agreement among the  
159 partners, members or owners documenting an alternative  
160 distribution method. Partners, members or other owners of a  
161 pass-through entity are not eligible to elect a refund of excess  
162 credit in lieu of a carryforward of the credit. However, a  
163 partnership or limited liability company taxed as a partnership  
164 may elect to claim a refund of excess credit at the entity level  
165 on a form prescribed by the Department of Revenue. Additionally,

166 excess tax credits that are attributable to rehabilitated property  
167 that was placed in service by a pass-through entity prior to  
168 January 1, 2011, and that have previously been allocated to and  
169 are held by another pass-through entity prior to January 1, 2011,  
170 may be refunded to such other pass-through entity.

171 (5) (a) To claim the credit authorized pursuant to this  
172 section, the taxpayer shall apply to the department which shall  
173 determine the amount of eligible rehabilitation costs and expenses  
174 and whether the rehabilitation is consistent with the standards of  
175 the Secretary of the United States Department of the Interior.  
176 The department shall issue a certificate evidencing the eligible  
177 credit if the taxpayer is found to be eligible for the tax credit.  
178 The taxpayer shall attach the certificate to all income tax  
179 returns on which the credit is claimed. The department shall not  
180 issue certificates evidencing the eligible credit which, when  
181 combined with certificates of eligible credits issued prior to  
182 July 1, 2016, will result in credits being awarded in excess of  
183 Twelve Million Dollars (\$12,000,000.00) in any one (1) state  
184 fiscal year.

185 (b) The aggregate amount of tax credits that may be  
186 awarded under this section shall not exceed \* \* \* One Hundred  
187 Twenty Million Dollars (\$120,000,000.00) and not more than Twelve  
188 Million Dollars (\$12,000,000.00) may be awarded in any one (1)  
189 state fiscal year. A taxpayer who was issued a certificate  
190 evidencing the eligible credit by the department prior to July 1,

191 2016, but who was unable to be awarded the credit due to the limit  
192 on the aggregate amount of credits authorized under this section  
193 prior to July 1, 2016:

194 (i) May be awarded the credit so long as the award  
195 does not cause the aggregate amount of tax credits awarded to  
196 exceed the amounts authorized in this paragraph; and

197 (ii) Shall be given priority for tax credits  
198 awarded after July 1, 2016.

199 (6) (a) The credit received by a taxpayer pursuant to this  
200 section is subject to recapture if:

201 (i) The property is one that has been determined  
202 eligible for the National Register of Historic Places but is not  
203 listed on the National Register of Historic Places within thirty  
204 (30) months of claiming the credit authorized by this section;

205 (ii) The potential district in which the property  
206 is located is not listed on the National Register of Historic  
207 Places within thirty (30) months of claiming the credit authorized  
208 by this section; or

209 (iii) The rehabilitation of the property for which  
210 the credit was granted is abandoned.

211 (b) The taxpayer shall notify the department and the  
212 Department of Revenue if any of the situations that subject the  
213 credit to recapture occur.

214 (7) (a) The board of trustees of the department shall  
215 establish fees to be charged for the services performed by the

216 department under this section and shall publish the fee schedule.  
217 The fees contained in the schedule shall be in amounts reasonably  
218 calculated to recover the costs incurred by the department for the  
219 administration of this section. Any taxpayer desiring to  
220 participate in the tax credits authorized by this section shall  
221 pay the appropriate fee as contained in the fee schedule to the  
222 department, which shall be used by the department, without  
223 appropriation, to offset the administrative costs of the  
224 department associated with its duties under this section.

225 (b) There is hereby created within the State Treasury a  
226 special fund into which shall be deposited all the fees collected  
227 by the department pursuant to this section. Money deposited into  
228 the fund shall not lapse at the end of any fiscal year and  
229 investment earnings on the proceeds in such special fund shall be  
230 deposited into such fund. Money from the fund shall be disbursed  
231 upon warrants issued by the State Fiscal Officer upon requisitions  
232 signed by the executive director of the department to assist the  
233 department in carrying out its duties under this section.

234 (8) This section shall only apply to taxpayers:

235 (a) Who have been issued a certificate evidencing the  
236 eligible credit before December 31, \* \* \* 2020; or

237 (b) Who, before December 31, \* \* \* 2020, have received  
238 a determination in writing from the Mississippi Department of  
239 Archives and History, in accordance with the department's Historic  
240 Preservation Certificate Application, Part 2, that the



241 rehabilitation is consistent with the historic character of the  
242 property and that the property meets the United States Secretary  
243 of the Interior's Standards for Rehabilitation, or will meet the  
244 standards if certain specified conditions are met, and, who are  
245 issued a certificate evidencing the eligible credit on or after  
246 December 31, \* \* \* 2020.

247       **SECTION 2.** Section 27-31-104, Mississippi Code of 1972, as  
248 amended by House Bill No. 1, 2016 First Extraordinary Session, is  
249 amended as follows:

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

251       27-31-104. (1) County boards of supervisors and municipal  
252 authorities are each hereby authorized and empowered to enter into  
253 an agreement with an enterprise granting, and pursuant to such  
254 agreement grant a fee-in-lieu of ad valorem taxes, including ad  
255 valorem taxes levied for school purposes, for projects totaling  
256 over One Hundred Million Dollars (\$100,000,000.00). In addition  
257 to those new enterprises enumerated in Section 27-31-101,  
258 Mississippi Code of 1972, the term "projects," as used in this  
259 section, shall include:

260               (a) A private company (as such term is defined in  
261 Section 57-61-5, Mississippi Code of 1972) having a minimum  
262 capital investment of One Hundred Million Dollars  
263 (\$100,000,000.00); or

264 (b) A qualified business (as such term is defined in  
265 Section 57-117-3) meeting minimum criteria established by the  
266 Mississippi Development Authority.

267 (2) A county board of supervisors may enter into a  
268 fee-in-lieu agreement on behalf of the county and any county  
269 school district, and a municipality may enter into such a  
270 fee-in-lieu agreement on behalf of the municipality and any  
271 municipal school district located in the municipality; however, if  
272 the project is located outside the limits of a municipality but  
273 within the boundaries of the municipal school district, then the  
274 county board of supervisors may enter into such a fee-in-lieu  
275 agreement on behalf of the school district granting a fee-in-lieu  
276 of ad valorem taxes for school district purposes.

277 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
278 evidenced by a written agreement negotiated by the enterprise and  
279 the county board of supervisors and/or municipal authority, as the  
280 case may be, and given final approval by the Mississippi  
281 Development Authority as satisfying the requirements of this  
282 section.

283 (4) The minimum sum allowable as a fee-in-lieu shall not be  
284 less than one-third (1/3) of the ad valorem levy, including ad  
285 valorem taxes for school district purposes, and except as  
286 otherwise provided, the sum allowed shall be apportioned between  
287 the county or municipality, as appropriate, and the school  
288 districts in such amounts as may be determined by the county board

289 of supervisors or municipal governing authority, as the case may  
290 be, however, except as otherwise provided in this section, from  
291 the sum allowed the apportionment to school districts shall not be  
292 less than the school districts' pro rata share based upon the  
293 proportion that the millage imposed for the school districts by  
294 the appropriate levying authority bears to the millage imposed by  
295 such levying authority for all other county or municipal purposes.  
296 Any fee-in-lieu agreement entered into \* \* \* under this section  
297 shall become a binding obligation of the parties to the agreement,  
298 be effective upon its execution by the parties and approval by the  
299 Mississippi Development Authority and \* \* \*, except as otherwise  
300 provided in Section 17-25-23 or Section 57-75-33, or any other  
301 provision of law, continue in effect for a period not to exceed  
302 twenty (20) years commencing on the date that the fee-in-lieu  
303 granted thereunder begins in accordance with the agreement;  
304 however, no particular parcel of land, real property improvement  
305 or item of personal property shall be subject to a fee-in-lieu for  
306 a duration of more than ten (10) years. Any such agreement shall  
307 be binding, according to its terms, on future boards of  
308 supervisors of the county and/or governing authorities of a  
309 municipality, as the case may be, for the duration of the  
310 agreement.

311 (5) The fee-in-lieu may be a stated fraction or percentage  
312 of the ad valorem taxes otherwise payable or a stated dollar  
313 amount. If the fee is a fraction or percentage of the ad valorem

314 tax levy, it shall be annually computed on all ad valorem taxes  
315 otherwise payable, including school taxes, as the same may vary  
316 from year to year based upon changes in the millage rate or  
317 assessed value and shall not be less than one-third (1/3) of that  
318 amount. If the fee is a stated dollar amount, said amount shall  
319 be the higher of the sum provided for fixed payment or one-third  
320 (1/3) of the total of all ad valorem taxes otherwise payable as  
321 annually determined during each year of the fee-in-lieu.

322 (6) Notwithstanding Section 27-31-111, the parties to a  
323 fee-in-lieu may agree on terms and conditions providing for the  
324 reduction, suspension, termination or reinstatement of a  
325 fee-in-lieu agreement or any fee-in-lieu period granted thereunder  
326 upon the cessation of operations by project for twelve (12) or  
327 more consecutive months or due to other conditions set forth in  
328 the agreement.

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

337 (8) For a project as defined in Section 57-75-5(f)(xxvi),  
338 the board of supervisors of the county in which the project is

339 located may negotiate with the school district in which the  
340 project is located and apportion to the school district an amount  
341 of the fee-in-lieu that is agreed upon in the negotiations  
342 different than the amount provided for in subsection (3) of this  
343 section.

344 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
345 the annual amount of the fee-in-lieu apportioned to the county  
346 shall not be less than the amount necessary to pay the debt  
347 service on bonds issued by the county pursuant to Section  
348 57-75-37(3) (c) .

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

351 27-31-104. (1) County boards of supervisors and municipal  
352 authorities are each hereby authorized and empowered to enter into  
353 an agreement with an enterprise granting, and pursuant to such  
354 agreement grant a fee-in-lieu of ad valorem taxes, including ad  
355 valorem taxes levied for school purposes, for projects totaling  
356 over One Hundred Million Dollars (\$100,000,000.00). In addition  
357 to those new enterprises enumerated in Section 27-31-101,  
358 Mississippi Code of 1972, the term "projects," as used in this  
359 section, shall include a private company (as such term is defined  
360 in Section 57-61-5, Mississippi Code of 1972) having a minimum  
361 capital investment of One Hundred Million Dollars  
362 (\$100,000,000.00) .

363           (2) A county board of supervisors may enter into a  
364 fee-in-lieu agreement on behalf of the county and any county  
365 school district, and a municipality may enter into such a  
366 fee-in-lieu agreement on behalf of the municipality and any  
367 municipal school district located in the municipality; however, if  
368 the project is located outside the limits of a municipality but  
369 within the boundaries of the municipal school district, then the  
370 county board of supervisors may enter into such a fee-in-lieu  
371 agreement on behalf of the school district granting a fee-in-lieu  
372 of ad valorem taxes for school district purposes.

373           (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
374 evidenced by a written agreement negotiated by the enterprise and  
375 the county board of supervisors and/or municipal authority, as the  
376 case may be, and given final approval by the Mississippi  
377 Development Authority as satisfying the requirements of this  
378 section.

379           (4) The minimum sum allowable as a fee-in-lieu shall not be  
380 less than one-third (1/3) of the ad valorem levy, including ad  
381 valorem taxes for school district purposes, and except as  
382 otherwise provided, the sum allowed shall be apportioned between  
383 the county or municipality, as appropriate, and the school  
384 districts in such amounts as may be determined by the county board  
385 of supervisors or municipal governing authority, as the case may  
386 be, however, except as otherwise provided in this section, from  
387 the sum allowed the apportionment to school districts shall not be

388 less than the school districts' pro rata share based upon the  
389 proportion that the millage imposed for the school districts by  
390 the appropriate levying authority bears to the millage imposed by  
391 such levying authority for all other county or municipal purposes.  
392 Any fee-in-lieu agreement entered into \* \* \* under this section  
393 shall become a binding obligation of the parties to the agreement,  
394 be effective upon its execution by the parties and approval by the  
395 Mississippi Development Authority and \* \* \*, except as otherwise  
396 provided in Section 17-25-23 or Section 57-75-33, or any other  
397 provision of law, continue in effect for a period not to exceed  
398 twenty (20) years commencing on the date that the fee-in-lieu  
399 granted thereunder begins in accordance with the agreement;  
400 however, no particular parcel of land, real property improvement  
401 or item of personal property shall be subject to a fee-in-lieu for  
402 a duration of more than ten (10) years. Any such agreement shall  
403 be binding, according to its terms, on future boards of  
404 supervisors of the county and/or governing authorities of a  
405 municipality, as the case may be, for the duration of the  
406 agreement.

407 (5) The fee-in-lieu may be a stated fraction or percentage  
408 of the ad valorem taxes otherwise payable or a stated dollar  
409 amount. If the fee is a fraction or percentage of the ad valorem  
410 tax levy, it shall be annually computed on all ad valorem taxes  
411 otherwise payable, including school taxes, as the same may vary  
412 from year to year based upon changes in the millage rate or

413 assessed value and shall not be less than one-third (1/3) of that  
414 amount. If the fee is a stated dollar amount, said amount shall  
415 be the higher of the sum provided for fixed payment or one-third  
416 (1/3) of the total of all ad valorem taxes otherwise payable as  
417 annually determined during each year of the fee-in-lieu.

418 (6) Notwithstanding Section 27-31-111, the parties to a  
419 fee-in-lieu may agree on terms and conditions providing for the  
420 reduction, suspension, termination or reinstatement of a  
421 fee-in-lieu agreement or any fee-in-lieu period granted thereunder  
422 upon the cessation of operations by project for twelve (12) or  
423 more consecutive months or due to other conditions set forth in  
424 the agreement.

425 (7) For a project as defined in Section 57-75-5(f)(xxi) and  
426 located in a county that is a member of a regional economic  
427 development alliance created under Section 57-64-1 et seq., the  
428 members of the regional economic development alliance may divide  
429 the sum allowed as a fee-in-lieu in a manner as determined by the  
430 alliance agreement, and the boards of supervisors of the member  
431 counties may then apportion the sum allowed between school  
432 district purposes and all other county purposes.

433 (8) For a project as defined in Section 57-75-5(f)(xxvi),  
434 the board of supervisors of the county in which the project is  
435 located may negotiate with the school district in which the  
436 project is located and apportion to the school district an amount  
437 of the fee-in-lieu that is agreed upon in the negotiations



438 different than the amount provided for in subsection (3) of this  
439 section.

440 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
441 the annual amount of the fee-in-lieu apportioned to the county  
442 shall not be less than the amount necessary to pay the annual debt  
443 service on bonds issued by the county pursuant to Section  
444 57-75-37(3) (c) .

445 **SECTION 3.** Section 57-26-1, Mississippi Code of 1972, is  
446 amended as follows:

447 57-26-1. As used in Sections 57-26-1 through 57-26-5, the  
448 following terms and phrases shall have the meanings ascribed in  
449 this section unless the context clearly indicates otherwise:

450 (a) "Approved project costs" means actual costs  
451 incurred by an approved participant for land acquisition,  
452 construction, engineering, design and other costs approved by the  
453 Mississippi Development Authority relating to a tourism project;  
454 however, for the purposes of a tourism project described in  
455 paragraph (d)(iv) of this section, such costs include only those  
456 incurred after January 1, 2011, relating to the hotel portion of  
457 the project consisting of facilities used for lodging and common  
458 areas in that portion of the project. All costs must be verified  
459 by an independent third party approved by the MDA. An approved  
460 participant shall pay the costs for the third-party verification  
461 of costs. Approved project costs may not increase regardless of  
462 the actual costs incurred by the project.

463 (b) "Approved participant" means a person, corporation  
464 or other entity issued a certificate by the Mississippi  
465 Development Authority under Section 57-26-5.

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

467 (d) "Tourism project" shall include any of the  
468 following as may be approved by the MDA:

469 (i) Theme parks, water parks, entertainment parks  
470 or outdoor adventure parks, cultural or historical interpretive  
471 educational centers or museums, motor speedways, indoor or outdoor  
472 entertainment centers or complexes, convention centers,  
473 professional sports facilities, spas, attractions created around a  
474 natural phenomenon or scenic landscape and marinas open to the  
475 public with a minimum private investment of not less than Ten  
476 Million Dollars (\$10,000,000.00);

477 (ii) A hotel with a minimum private investment of  
478 Forty Million Dollars (\$40,000,000.00) in land, buildings,  
479 architecture, engineering, fixtures, equipment, furnishings,  
480 amenities and other related soft costs approved by the Mississippi  
481 Development Authority, and having a minimum private investment of  
482 One Hundred Fifty Thousand Dollars (\$150,000.00) per guest room  
483 which amount shall be included within the minimum private  
484 investment of Forty Million Dollars (\$40,000,000.00);

485 (iii) A public golf course with a minimum private  
486 investment of Ten Million Dollars (\$10,000,000.00);

487 (iv) A full service hotel with a minimum private  
488 investment of Fifteen Million Dollars (\$15,000,000.00) in land,  
489 buildings, architecture, engineering, fixtures, equipment,  
490 furnishings, amenities and other related soft costs approved by  
491 the Mississippi Development Authority, and having a minimum  
492 private investment of Two Hundred Thousand Dollars (\$200,000.00)  
493 per guest room or suite which amount shall be included within the  
494 minimum private investment of Fifteen Million Dollars  
495 (\$15,000,000.00), a minimum of twenty-five (25) guest rooms or  
496 suites, and guest amenities such as restaurants, spas and other  
497 amenities as determined by the Mississippi Development Authority;  
498 however, in a county in which the Grammy Museum Mississippi or the  
499 Mississippi Arts and Entertainment Center is located, the minimum  
500 private investment per guest room or suite shall be One Hundred  
501 Fifty Thousand Dollars (\$150,000.00) which amount shall be  
502 included within the minimum private investment of Fifteen Million  
503 Dollars (\$15,000,000.00);

504 (v) A tourism attraction located within an  
505 "entertainment district" as defined in Section 17-29-3 that is  
506 open to the public, has seating to accommodate at least forty (40)  
507 persons, is open at least five (5) days per week from at least  
508 6:00 p.m. until midnight, serves food and beverages, and provides  
509 live entertainment at least three (3) nights per week;

510 (vi) A cultural retail attraction;

511 (vii) A tourism attraction located within a  
512 historic district where the district is listed in the National  
513 Register of Historic Places, where the tourism attraction is open  
514 to the public, has seating to accommodate at least forty (40)  
515 persons, is open at least five (5) days per week from at least  
516 6:00 p.m. until midnight, serves food and beverages, and provides  
517 live entertainment at least three (3) nights per week.

518 The term "tourism project" does not include any licensed  
519 gaming establishment owned, leased or controlled by a business,  
520 corporation or entity having a gaming license issued under Section  
521 75-76-1 et seq.; however, the term "tourism project" may include a  
522 project described in this paragraph (d) that is owned, leased or  
523 controlled by such a business, corporation or entity or in which  
524 the business, corporation or entity has a direct or indirect  
525 financial interest if the project is in excess of development that  
526 the State Gaming Commission requires for the issuance or renewal  
527 of a gaming license and is not part of a licensed gaming  
528 establishment in which gaming activities are conducted.

529 The term "tourism project" does not include any facility  
530 within the project whose primary business is retail sales or any  
531 expansions of existing projects; however, pro shops, souvenir  
532 shops, gift shops, concessions and similar retail activities, and  
533 cultural retail attractions may be included within the definition  
534 of the term "tourism project." In addition, retail activities,  
535 regardless of whether the primary business is retail sales, that

536 are part of a resort development may be included within the  
537 definition of "tourism project."

538 (e) "Resort development" means a travel destination  
539 development with a minimum private investment of One Hundred  
540 Million Dollars (\$100,000,000.00) and which consists of (i) a  
541 hotel with a minimum of two hundred (200) guest rooms or suites  
542 and having a minimum private investment of Two Hundred Thousand  
543 Dollars (\$200,000.00) per guest room or suite, and (ii) guest  
544 amenities such as restaurants, golf courses, spas, fitness  
545 facilities, entertainment activities and other amenities as  
546 determined by the MDA. Not more than an amount equal to forty  
547 percent (40%) of the private investment required by this paragraph  
548 may be expended on facilities to house retail activity.

549 (f) "Cultural retail attraction" means a project which  
550 combines destination shopping with cultural or historical  
551 interpretive elements specific to Mississippi with a minimum  
552 private investment of Fifty Million Dollars (\$50,000,000.00) in  
553 land, buildings, architecture, engineering, fixtures, equipment,  
554 furnishings, amenities and other related soft costs approved by  
555 the Mississippi Development Authority and which:

556 (i) Is located in a qualified resort area as  
557 defined in Section 67-1-5;

558 (ii) Is a part of a master-planned development  
559 with a total investment of not less than One Hundred Million  
560 Dollars (\$100,000,000.00) in land, buildings, architecture,

561 engineering, fixtures, equipment, furnishings, amenities and other  
562 related soft costs approved by the Mississippi Development  
563 Authority;

564 (iii) Has a minimum of fifty (50) retail tenants  
565 with a minimum of three hundred thousand (300,000) square feet of  
566 heated and cooled space; and

567 (iv) Has a minimum investment of One Million  
568 Dollars (\$1,000,000.00) in one or more of the following:

569 1. Art created by Mississippi artists or  
570 portraying themes specific to Mississippi;

571 2. Memorabilia, signage or historical markers  
572 which serve to promote the State of Mississippi;

573 3. Audio/visual equipment used to showcase  
574 Mississippi artists;

575 4. A minimum of one thousand two hundred and  
576 fifty (1,250) square feet of heated and cooled space available to  
577 the Mississippi Development Authority or its assignee for a period  
578 of not less than ten (10) years.

579 (g) "Retail activity" means businesses whose inventory  
580 consists primarily of upscale name brands or their equivalent as  
581 determined by the MDA.

582 (h) "State" means the State of Mississippi.

583 **SECTION 4.** Section 57-26-5, Mississippi Code of 1972, is  
584 amended as follows:

585           57-26-5. (1) The MDA shall develop, implement and  
586 administer the incentive program authorized in Sections 57-26-1  
587 through 57-26-5 and shall promulgate rules and regulations  
588 necessary for the development, implementation and administration  
589 of such program.

590           (2) A person, corporation or other entity desiring to  
591 participate in the incentive program authorized in Sections  
592 57-26-1 through 57-26-5 must submit an application and an  
593 application fee in the amount of Five Thousand Dollars (\$5,000.00)  
594 to the MDA. Such application must contain (a) plans for the  
595 proposed tourism project; (b) a detailed description of the  
596 proposed tourism project; (c) the method of financing the proposed  
597 tourism project and the terms of such financing; (d) an  
598 independent study that identifies the number of out-of-state  
599 visitors anticipated to visit the project and the ratio of  
600 out-of-state visitors to in-state visitors; and (e) any other  
601 information required by the MDA. The Executive Director of the  
602 MDA shall review the application and determine if it qualifies as  
603 a tourism project under this section and under the rules and  
604 regulations promulgated pursuant to this section. If the  
605 executive director determines the proposed tourism project  
606 qualifies as a tourism project under this section and under the  
607 rules and regulations promulgated pursuant to this section, he  
608 shall issue a certificate to the person, corporation or other  
609 entity designating such person, corporation or other entity as an

610 approved participant and authorizing the approved participant to  
611 participate in the incentive program provided for in Sections  
612 57-26-1 through 57-26-5. No certificate designating an entity as  
613 an approved participant and authorizing the approved participant  
614 to participate in the incentive program shall be issued from and  
615 after July 1, 2014, for tourism projects that are cultural retail  
616 attractions, or from and after July 1, \* \* \* 2020, for other  
617 tourism projects.

618 (3) The MDA shall cause a cost benefit analysis of the  
619 tourism project to be performed by a state institution of higher  
620 learning, the university research center or some other entity  
621 approved by the MDA.

622 **SECTION 5.** Section 57-89-7, Mississippi Code of 1972, is  
623 amended as follows:

624 57-89-7. (1) (a) A motion picture production company that  
625 expends at least Fifty Thousand Dollars (\$50,000.00) in base  
626 investment, payroll and/or fringes, in the state shall be entitled  
627 to a rebate of a portion of the base investment made by the motion  
628 picture production company. Subject to the provisions of this  
629 section, the amount of the rebate shall be equal to twenty-five  
630 percent (25%) of the base investment made by the motion picture  
631 production company.

632 (b) In addition to the rebates authorized under  
633 paragraphs (a), (c) and (d) of this subsection, a motion picture  
634 production company may receive a rebate equal to twenty-five



635 percent (25%) of payroll and fringes paid for any employee who is  
636 not a resident and whose wages are subject to the Mississippi  
637 Income Tax Withholding Law of 1968. However, if the payroll and  
638 fringes paid for an employee exceeds Five Million Dollars  
639 (\$5,000,000.00), then the rebate is authorized only for the first  
640 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

641 (c) In addition to the rebates authorized under  
642 paragraphs (a), (b) and (d) of this subsection, a motion picture  
643 production company may receive a rebate equal to thirty percent  
644 (30%) of payroll and fringes paid for any employee who is a  
645 resident and whose wages are subject to the Mississippi Income Tax  
646 Withholding Law of 1968. However, if the payroll and fringes paid  
647 for an employee exceeds Five Million Dollars (\$5,000,000.00), then  
648 the rebate is authorized only for the first Five Million Dollars  
649 (\$5,000,000.00) of such payroll and fringes.

650 (d) In addition to the rebates authorized in paragraphs  
651 (a), (b) and (c) of this subsection, a motion picture production  
652 company may receive an additional rebate equal to five percent  
653 (5%) of the payroll and fringes paid for any employee who is an  
654 honorably discharged veteran of the United States Armed Forces and  
655 whose wages are subject to the Mississippi Income Tax Withholding  
656 Law of 1968.

657 (e) If a motion picture has physical production  
658 activities and/or post-production activities both inside and  
659 outside the state, then the motion picture production company

660 shall be required to provide an itemized accounting for each  
661 employee regarding such activities inside and outside the state  
662 for the purposes of proration of eligible payroll based on the  
663 percentage of activities performed in the state.

664 (f) The total amount of rebates authorized for a motion  
665 picture project shall not exceed Ten Million Dollars  
666 (\$10,000,000.00) in the aggregate.

667 (g) The total amount of rebates authorized in any  
668 fiscal year shall not exceed Twenty Million Dollars  
669 (\$20,000,000.00) in the aggregate.

670 (2) A motion picture production company desiring a rebate  
671 under this section must submit a rebate request to the Department  
672 of Revenue upon completion of the project. The request must  
673 include a detailed accounting of the base investment made by the  
674 motion picture production company and any other information  
675 required by the Department of Revenue. Rebates made by the  
676 Department of Revenue under this section shall be made from  
677 current income tax collections. The Department of Revenue shall  
678 not approve any application for a rebate under subsection (1) (b)  
679 of this section after July 1, \* \* \* 2017.

680 (3) The Department of Revenue shall have all powers  
681 necessary to implement and administer the provisions of this  
682 section, and the Department of Revenue shall promulgate rules and  
683 regulations, in accordance with the Mississippi Administrative  
684 Procedures Law, necessary for the implementation of this section.

685 (4) The State Auditor may conduct performance and compliance  
686 audits under this chapter according to Section 7-7-211(o) and may  
687 bill the oversight agency.

688 **SECTION 6.** All railroad properties and facilities in this  
689 state owned by a limited liability company or other entity that is  
690 wholly owned by a railroad authority created under Section 19-29-1  
691 et seq., shall be exempt from ad valorem taxation to the same  
692 extent as property belonging to such a railroad authority. For  
693 the purposes of this section, the term "railroad properties and  
694 facilities" means and has the same definition as that term has in  
695 Section 19-29-5.

696 **SECTION 7.** This act shall take effect and be in force from  
697 and after July 1, 2016.

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

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,  
2 TO WHICH AUTHORIZES AN INCOME TAX CREDIT FOR COSTS AND EXPENSES  
3 INCURRED FOR THE REHABILITATION OF CERTAIN HISTORIC STRUCTURES, TO  
4 PROVIDE THAT THE CREDIT SHALL NOT APPLY TO SINGLE-FAMILY DWELLING  
5 UNLESS A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT HAS BEEN  
6 ISSUED TO THE TAXPAYER BY THE DEPARTMENT OF ARCHIVES AND HISTORY  
7 THAT APPLIES TO SUCH HOME PRIOR TO JULY 1, 2016, OR THE DWELLING  
8 IS LISTED ON THE NATIONAL REGISTER OF HISTORIC PLACES; TO INCREASE  
9 THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE AWARDED;  
10 TO LIMIT THE AMOUNT OF CREDITS THAT MAY BE AWARDED IN ANY ONE  
11 STATE FISCAL YEAR; TO GRANT PRIORITY FOR THE TAX CREDIT TO  
12 TAXPAYERS WHO WERE ISSUED A CERTIFICATE EVIDENCING THE ELIGIBLE  
13 CREDIT PRIOR TO JULY 1, 2016; TO PROVIDE THAT THE TAX CREDIT SHALL  
14 APPLY TO TAXPAYERS WHO HAVE BEEN ISSUED A CERTIFICATE EVIDENCING  
15 THE ELIGIBLE CREDIT BEFORE DECEMBER 31, 2020, OR WHO, BEFORE  
16 DECEMBER 31, 2020, HAVE RECEIVED A DETERMINATION IN WRITING FROM  
17 THE MISSISSIPPI DEPARTMENT OF ARCHIVES AND HISTORY THAT THE  
18 REHABILITATION IS CONSISTENT WITH THE HISTORIC CHARACTER OF THE

19 PROPERTY AND THAT THE PROPERTY MEETS THE UNITED STATES SECRETARY  
20 OF THE INTERIOR'S STANDARDS FOR REHABILITATION AND WHO ARE ISSUED  
21 A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT ON OR AFTER DECEMBER  
22 31, 2020; TO AMEND SECTION 27-31-104, MISSISSIPPI CODE OF 1972, AS  
23 AMENDED BY HOUSE BILL NO. 1, 2016 FIRST EXTRAORDINARY SESSION, TO  
24 PROVIDE THAT A FEE-IN-LIEU OF AD VALOREM TAXES AGREEMENT MAY  
25 EXTEND FOR UP TO 20 YEARS FROM THE COMMENCEMENT OF THE FEE-IN-LIEU  
26 PERIOD GRANTED THEREIN, HOWEVER, NO PARTICULAR PARCEL OF LAND,  
27 REAL PROPERTY IMPROVEMENT OR ITEM OF PERSONAL PROPERTY SHALL BE  
28 SUBJECT TO A FEE-IN-LIEU OF AD VALOREM TAXES FOR A DURATION OF  
29 MORE THAN TEN YEARS; TO AMEND SECTION 57-26-1, MISSISSIPPI CODE OF  
30 1972, TO REVISE THE DEFINITION OF THE TERMS "APPROVED PROJECT  
31 COSTS" AND "TOURISM PROJECT" UNDER THE TOURISM PROJECT SALES TAX  
32 INCENTIVE PROGRAM; TO AMEND SECTION 57-26-5, MISSISSIPPI CODE OF  
33 1972, TO EXTEND UNTIL JULY 1, 2020, THE AUTHORITY OF THE  
34 MISSISSIPPI DEVELOPMENT AUTHORITY TO ISSUE CERTIFICATES  
35 DESIGNATING AN ENTITY AS AN APPROVED PARTICIPANT IN THE TOURISM  
36 PROJECT SALES TAX INCENTIVE PROGRAM; TO AMEND SECTION 57-89-7,  
37 MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2017, THE  
38 AUTHORITY OF THE DEPARTMENT OF REVENUE TO APPROVE APPLICATIONS FOR  
39 A REBATE UNDER THE MISSISSIPPI MOTION PICTURE INCENTIVE ACT; TO  
40 PROVIDE THAT RAILROAD PROPERTIES AND FACILITIES OWNED BY A LIMITED  
41 LIABILITY COMPANY OR OTHER ENTITY THAT IS WHOLLY OWNED BY A RAILROAD  
42 AUTHORITY CREATED UNDER THE RAILROAD AUTHORITIES LAW SHALL BE EXEMPT  
43 FROM AD VALOREM TAXATION TO THE SAME EXTENT AS PROPERTY OWNED BY  
44 SUCH RAILROAD AUTHORITY; AND FOR RELATED PURPOSES.

CONFEREES FOR THE SENATE

X (SIGNED)  
Fillingane

X (SIGNED)  
Polk

X (SIGNED)  
Burton

CONFEREES FOR THE HOUSE

X (SIGNED)  
Smith

X (SIGNED)  
Lamar

(NOT SIGNED)  
Zuber