

By: Representative Dortch

To: Ways and Means

HOUSE BILL NO. 252

1 AN ACT TO AUTHORIZE A JOB TAX CREDIT FOR SUPERMARKETS LOCATED  
 2 IN ECONOMICALLY DISTRESSED COMMUNITIES IN AN AMOUNT EQUAL TO 10%  
 3 OF THE PAYROLL OF THE SUPERMARKET; TO PROVIDE THAT THE AMOUNT OF  
 4 THE CREDIT TAKEN IN ANY ONE TAX YEAR SHALL BE LIMITED TO AN AMOUNT  
 5 NOT GREATER THAN 50% OF THE TAXPAYER'S STATE INCOME TAX LIABILITY  
 6 ATTRIBUTABLE TO INCOME DERIVED FROM OPERATIONS IN THE STATE FOR  
 7 THAT YEAR; TO PROVIDE THAT THE AGGREGATE AMOUNT OF TAX CREDITS  
 8 THAT MAY BE AWARDED UNDER THIS ACT IN ANY ONE CALENDAR YEAR SHALL  
 9 NOT EXCEED \$4,000,000.00; TO AMEND SECTION 27-65-101, MISSISSIPPI  
 10 CODE OF 1972, TO EXEMPT FROM SALES TAXATION SALES OF MATERIALS  
 11 USED IN THE CONSTRUCTION OF A SUPERMARKET THAT IS LOCATED IN AN  
 12 AREA DESIGNATED AS AN ECONOMICALLY DISTRESSED COMMUNITY PURSUANT  
 13 TO THIS ACT, OR ANY ADDITION OR IMPROVEMENT THEREON, AND SALES OF  
 14 ANY MACHINERY AND EQUIPMENT NOT LATER THAN THREE MONTHS AFTER THE  
 15 COMPLETION OF CONSTRUCTION OF THE BUILDING, OR ANY ADDITION OR  
 16 IMPROVEMENT THEREON, TO BE USED IN THE SUPERMARKET; AND FOR  
 17 RELATED PURPOSES.

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

19 **SECTION 1.** (1) As used in this section:

20 (a) "Supermarket" means establishments that are engaged  
 21 in activities designated as supermarkets and other grocery (except  
 22 convenience) stores (industry 445110) under the North American  
 23 Industry Classification System (NAICS).

24 (b) "Economically distressed community" means an area  
 25 within a municipality that contains groupings of census tracts



26 that include and are contiguous to the central business district,  
27 where within such census tract groupings at least thirty percent  
28 (30%) of the residents have incomes that are less than the  
29 national poverty level as published by the United States Census  
30 Bureau in the most recent decennial census for which data is  
31 available.

32 (2) The governing authorities of a municipality may  
33 designate an area within the municipality as an economically  
34 distressed community. Upon designation of an area within a  
35 municipality as an economically distressed community, the  
36 governing authorities of a municipality shall apply to the  
37 Department of Revenue for certification of the area as an  
38 economically distressed community. The application shall provide  
39 the information necessary to establish certification as an  
40 economically distressed community. The Department of Revenue  
41 shall certify an area as an economically distressed community if  
42 it finds that the designation meets the criteria provided for in  
43 subsection (1)(b) of this section.

44 (3) Supermarkets in areas within municipalities certified by  
45 the Department of Revenue as economically distressed communities  
46 shall be allowed a job tax credit for taxes imposed under this  
47 chapter equal to ten percent (10%) of the payroll of the  
48 supermarket.

49 (4) The amount of the credit taken in any one (1) tax year  
50 must be limited to an amount not greater than fifty percent (50%)



51 of the taxpayer's state income tax liability attributable to  
52 income derived from operations in the state for that year.

53 (5) The aggregate amount of tax credits that may be awarded  
54 under this section in any one (1) calendar year shall not exceed  
55 Four Million Dollars (\$4,000,000.00).

56 **SECTION 2.** Section 27-65-101, Mississippi Code of 1972, is  
57 amended as follows:

58 27-65-101. (1) The exemptions from the provisions of this  
59 chapter which are of an industrial nature or which are more  
60 properly classified as industrial exemptions than any other  
61 exemption classification of this chapter shall be confined to  
62 those persons or property exempted by this section or by the  
63 provisions of the Constitution of the United States or the State  
64 of Mississippi. No industrial exemption as now provided by any  
65 other section except Section 57-3-33 shall be valid as against the  
66 tax herein levied. Any subsequent industrial exemption from the  
67 tax levied hereunder shall be provided by amendment to this  
68 section. No exemption provided in this section shall apply to  
69 taxes levied by Section 27-65-15 or 27-65-21.

70 The tax levied by this chapter shall not apply to the  
71 following:

72 (a) Sales of boxes, crates, cartons, cans, bottles and  
73 other packaging materials to manufacturers and wholesalers for use  
74 as containers or shipping materials to accompany goods sold by  
75 said manufacturers or wholesalers where possession thereof will



76 pass to the customer at the time of sale of the goods contained  
77 therein and sales to anyone of containers or shipping materials  
78 for use in ships engaged in international commerce.

79 (b) Sales of raw materials, catalysts, processing  
80 chemicals, welding gases or other industrial processing gases  
81 (except natural gas) to a manufacturer for use directly in  
82 manufacturing or processing a product for sale or rental or  
83 repairing or reconditioning vessels or barges of fifty (50) tons  
84 load displacement and over. For the purposes of this exemption,  
85 electricity used directly in the electrolysis process in the  
86 production of sodium chlorate shall be considered a raw material.  
87 This exemption shall not apply to any property used as fuel except  
88 to the extent that such fuel comprises by-products which have no  
89 market value.

90 (c) The gross proceeds of sales of dry docks, offshore  
91 drilling equipment for use in oil or natural gas exploration or  
92 production, vessels or barges of fifty (50) tons load displacement  
93 and over, when the vessels or barges are sold by the manufacturer  
94 or builder thereof. In addition to other types of equipment,  
95 offshore drilling equipment for use in oil or natural gas  
96 exploration or production shall include aircraft used  
97 predominately to transport passengers or property to or from  
98 offshore oil or natural gas exploration or production platforms or  
99 vessels, and engines, accessories and spare parts for such  
100 aircraft.



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

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

108           (f) Sales of petroleum products to vessels or barges  
109 for consumption in marine international commerce or interstate  
110 transportation businesses.

111           (g) Sales and rentals of rail rolling stock (and  
112 component parts thereof) for ultimate use in interstate commerce  
113 and gross income from services with respect to manufacturing,  
114 repairing, cleaning, altering, reconditioning or improving such  
115 rail rolling stock (and component parts thereof).

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

122           (i) Sales of machinery or tools or repair parts  
123 therefor or replacements thereof, fuel or supplies used directly  
124 in manufacturing, converting or repairing ships, vessels or barges  
125 of three thousand (3,000) tons load displacement and over, but not



126 to include office and plant supplies or other equipment not  
127 directly used on the ship, vessel or barge being built, converted  
128 or repaired. For purposes of this exemption, "ships, vessels or  
129 barges" shall not include floating structures described in Section  
130 27-65-18.

131 (j) Sales of tangible personal property to persons  
132 operating ships in international commerce for use or consumption  
133 on board such ships. This exemption shall be limited to cases in  
134 which procedures satisfactory to the commissioner, ensuring  
135 against use in this state other than on such ships, are  
136 established.

137 (k) Sales of materials used in the construction of a  
138 building, or any addition or improvement thereon, and sales of any  
139 machinery and equipment not later than three (3) months after the  
140 completion of construction of the building, or any addition  
141 thereon, to be used therein, to qualified businesses, as defined  
142 in Section 57-51-5, which are located in a county or portion  
143 thereof designated as an enterprise zone pursuant to Sections  
144 57-51-1 through 57-51-15.

145 (l) Sales of materials used in the construction of a  
146 building, or any addition or improvement thereon, and sales of any  
147 machinery and equipment not later than three (3) months after the  
148 completion of construction of the building, or any addition  
149 thereon, to be used therein, to qualified businesses, as defined  
150 in Section 57-54-5.



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

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

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

160 (p) Sales of materials used in the construction of a  
161 building, or any addition or improvement thereon, and sales of any  
162 machinery and equipment not later than three (3) months after the  
163 completion of construction of the building, or any addition  
164 thereon, to be used therein, to qualified companies, certified as  
165 such by the Mississippi Development Authority under Section  
166 57-53-1.

167 (q) Sales of component materials used in the  
168 construction of a building, or any addition or improvement  
169 thereon, sales of machinery and equipment to be used therein, and  
170 sales of manufacturing or processing machinery and equipment which  
171 is permanently attached to the ground or to a permanent foundation  
172 and which is not by its nature intended to be housed within a  
173 building structure, not later than three (3) months after the  
174 initial start-up date, to permanent business enterprises engaging  
175 in manufacturing or processing in Tier Three areas (as such term



176 is defined in Section 57-73-21), which businesses are certified by  
177 the Department of Revenue as being eligible for the exemption  
178 granted in this paragraph (q).

179 (r) (i) Sales of component materials used in the  
180 construction of a building, or any addition or improvement  
181 thereon, and sales of any machinery and equipment not later than  
182 three (3) months after the completion of the building, addition or  
183 improvement thereon, to be used therein, for any company  
184 establishing or transferring its national or regional headquarters  
185 from within or outside the State of Mississippi and creating a  
186 minimum of twenty (20) jobs at the new headquarters in this state.  
187 The Department of Revenue shall establish criteria and prescribe  
188 procedures to determine if a company qualifies as a national or  
189 regional headquarters for the purpose of receiving the exemption  
190 provided in this subparagraph (i).

191 (ii) Sales of component materials used in the  
192 construction of a building, or any addition or improvement  
193 thereon, and sales of any machinery and equipment not later than  
194 three (3) months after the completion of the building, addition or  
195 improvement thereon, to be used therein, for any company expanding  
196 or making additions after January 1, 2013, to its national or  
197 regional headquarters within the State of Mississippi and creating  
198 a minimum of twenty (20) new jobs at the headquarters as a result  
199 of the expansion or additions. The Department of Revenue shall  
200 establish criteria and prescribe procedures to determine if a





201 company qualifies as a national or regional headquarters for the  
202 purpose of receiving the exemption provided in this subparagraph  
203 (ii).

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

208 (t) Gross income from the storage and handling of  
209 natural gas in underground salt domes and in other underground  
210 reservoirs, caverns, structures and formations suitable for such  
211 storage.

212 (u) Sales of machinery and equipment to nonprofit  
213 organizations if the organization:

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

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

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

223 For purposes of this exemption, "machinery and equipment"  
224 means any ocean-going vessels, barges, booms, skimmers and other



225 capital equipment used primarily in the operations of nonprofit  
226 organizations referred to herein.

227 (v) Sales or leases of materials and equipment to  
228 approved business enterprises as provided under the Growth and  
229 Prosperity Act.

230 (w) From and after July 1, 2001, sales of pollution  
231 control equipment to manufacturers or custom processors for  
232 industrial use. For the purposes of this exemption, "pollution  
233 control equipment" means equipment, devices, machinery or systems  
234 used or acquired to prevent, control, monitor or reduce air, water  
235 or groundwater pollution, or solid or hazardous waste as required  
236 by federal or state law or regulation.

237 (x) Sales or leases to a manufacturer of motor vehicles  
238 or powertrain components operating a project that has been  
239 certified by the Mississippi Major Economic Impact Authority as a  
240 project as defined in Section 57-75-5(f)(iv)1, Section  
241 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
242 equipment; special tooling such as dies, molds, jigs and similar  
243 items treated as special tooling for federal income tax purposes;  
244 or repair parts therefor or replacements thereof; repair services  
245 thereon; fuel, supplies, electricity, coal and natural gas used  
246 directly in the manufacture of motor vehicles or motor vehicle  
247 parts or used to provide climate control for manufacturing areas.

248 (y) Sales or leases of component materials, machinery  
249 and equipment used in the construction of a building, or any



250 addition or improvement thereon to an enterprise operating a  
251 project that has been certified by the Mississippi Major Economic  
252 Impact Authority as a project as defined in Section  
253 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
254 or Section 57-75-5(f)(xxviii) and any other sales or leases  
255 required to establish or operate such project.

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

258 (aa) The gross income from the stripping and painting  
259 of commercial aircraft engaged in foreign or interstate  
260 transportation business.

261 (bb) [Repealed]

262 (cc) Sales or leases to an enterprise owning or  
263 operating a project that has been designated by the Mississippi  
264 Major Economic Impact Authority as a project as defined in Section  
265 57-75-5(f)(xviii) of machinery and equipment; special tooling such  
266 as dies, molds, jigs and similar items treated as special tooling  
267 for federal income tax purposes; or repair parts therefor or  
268 replacements thereof; repair services thereon; fuel, supplies,  
269 electricity, coal and natural gas used directly in the  
270 manufacturing/production operations of the project or used to  
271 provide climate control for manufacturing/production areas.

272 (dd) Sales or leases of component materials, machinery  
273 and equipment used in the construction of a building, or any  
274 addition or improvement thereon to an enterprise owning or



275 operating a project that has been designated by the Mississippi  
276 Major Economic Impact Authority as a project as defined in Section  
277 57-75-5(f) (xviii) and any other sales or leases required to  
278 establish or operate such project.

279 (ee) Sales of parts used in the repair and servicing of  
280 aircraft not registered in Mississippi engaged exclusively in the  
281 business of foreign or interstate transportation to businesses  
282 engaged in aircraft repair and maintenance.

283 (ff) Sales of component materials used in the  
284 construction of a facility, or any addition or improvement  
285 thereon, and sales or leases of machinery and equipment not later  
286 than three (3) months after the completion of construction of the  
287 facility, or any addition or improvement thereto, to be used in  
288 the building or any addition or improvement thereto, to a  
289 permanent business enterprise operating a data/information  
290 enterprise in Tier Three areas (as such areas are designated in  
291 accordance with Section 57-73-21), meeting minimum criteria  
292 established by the Mississippi Development Authority.

293 (gg) Sales of component materials used in the  
294 construction of a facility, or any addition or improvement  
295 thereto, and sales of machinery and equipment not later than three  
296 (3) months after the completion of construction of the facility,  
297 or any addition or improvement thereto, to be used in the facility  
298 or any addition or improvement thereto, to technology intensive  
299 enterprises for industrial purposes in Tier Three areas (as such



300 areas are designated in accordance with Section 57-73-21), as  
301 certified by the Department of Revenue. For purposes of this  
302 paragraph, an enterprise must meet the criteria provided for in  
303 Section 27-65-17(1)(f) in order to be considered a technology  
304 intensive enterprise.

305 (hh) Sales of component materials used in the  
306 replacement, reconstruction or repair of a building or facility  
307 that has been destroyed or sustained extensive damage as a result  
308 of a disaster declared by the Governor, sales of machinery and  
309 equipment to be used therein to replace machinery or equipment  
310 damaged or destroyed as a result of such disaster, including, but  
311 not limited to, manufacturing or processing machinery and  
312 equipment which is permanently attached to the ground or to a  
313 permanent foundation and which is not by its nature intended to be  
314 housed within a building structure, to enterprises or companies  
315 that were eligible for the exemptions authorized in paragraph (q),  
316 (r), (ff) or (gg) of this subsection during initial construction  
317 of the building that was destroyed or damaged, which enterprises  
318 or companies are certified by the Department of Revenue as being  
319 eligible for the exemption granted in this paragraph.

320 (ii) Sales of software or software services transmitted  
321 by the Internet to a destination outside the State of Mississippi  
322 where the first use of such software or software services by the  
323 purchaser occurs outside the State of Mississippi.



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

327 (kk) Sales of component building materials and  
328 equipment for initial construction of facilities or expansion of  
329 facilities as authorized under Sections 57-113-1 through 57-113-7  
330 and Sections 57-113-21 through 57-113-27.

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

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

337 (nn) Sales of component materials used in the  
338 construction of a building, or any addition or improvement  
339 thereon, and sales or leases of machinery and equipment not later  
340 than three (3) months after the completion of the construction of  
341 the facility, to be used in the facility, to permanent business  
342 enterprises operating a facility producing renewable crude oil  
343 from biomass harvested or produced, in whole or in part, in  
344 Mississippi, which businesses meet minimum criteria established by  
345 the Mississippi Development Authority. As used in this paragraph,  
346 the term "biomass" shall have the meaning ascribed to such term in  
347 Section 57-113-1.



348           (oo) Sales of supplies, equipment and other personal  
349 property to an organization that is exempt from taxation under  
350 Section 501(c)(3) of the Internal Revenue Code and is the host  
351 organization coordinating a professional golf tournament played or  
352 to be played in this state and the supplies, equipment or other  
353 personal property will be used for purposes related to the golf  
354 tournament and related activities.

355           (pp) Sales of materials used in the construction of a  
356 health care industry facility, as defined in Section 57-117-3, or  
357 any addition or improvement thereon, and sales of any machinery  
358 and equipment not later than three (3) months after the completion  
359 of construction of the facility, or any addition thereon, to be  
360 used therein, to qualified businesses, as defined in Section  
361 57-117-3. This paragraph shall be repealed from and after July 1,  
362 2022.

363           (qq) Sales or leases to a manufacturer of automotive  
364 parts operating a project that has been certified by the  
365 Mississippi Major Economic Impact Authority as a project as  
366 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;  
367 or repair parts therefor or replacements thereof; repair services  
368 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
369 gas used directly in the manufacture of automotive parts or used  
370 to provide climate control for manufacturing areas.

371           (rr) Gross collections derived from guided tours on any  
372 navigable waters of this state, which include providing



373 accommodations, guide services and/or related equipment operated  
374 by or under the direction of the person providing the tour, for  
375 the purposes of outdoor tourism. The exemption provided in this  
376 paragraph (rr) does not apply to the sale of tangible personal  
377 property by a person providing such tours.

378 (ss) Retail sales of truck-tractors and semitrailers  
379 used in interstate commerce and registered under the International  
380 Registration Plan (IRP) or any similar reciprocity agreement or  
381 compact relating to the proportional registration of commercial  
382 vehicles entered into as provided for in Section 27-19-143.

383 (tt) Sales exempt under the Facilitating Business Rapid  
384 Response to State Declared Disasters Act of 2015 (Sections  
385 27-113-1 through 27-113-9).

386 (uu) Sales or leases to an enterprise and its  
387 affiliates operating a project that has been certified by the  
388 Mississippi Major Economic Impact Authority as a project as  
389 defined in Section 57-75-5(f)(xxix) of:

390 (i) All personal property and fixtures, including  
391 without limitation, sales or leases to the enterprise and its  
392 affiliates of:

- 393 1. Manufacturing machinery and equipment;  
394 2. Special tooling such as dies, molds, jigs  
395 and similar items treated as special tooling for federal income  
396 tax purposes;





397                   3. Component building materials, machinery  
398 and equipment used in the construction of buildings, and any other  
399 additions or improvements to the project site for the project;

400                   4. Nonmanufacturing furniture, fixtures and  
401 equipment (inclusive of all communications, computer, server,  
402 software and other hardware equipment); and

403                   5. Fuel, supplies (other than  
404 nonmanufacturing consumable supplies and water), electricity,  
405 nitrogen gas and natural gas used directly in the  
406 manufacturing/production operations of such project or used to  
407 provide climate control for manufacturing/production areas of such  
408 project;

409                   (ii) All replacements of, repair parts for or  
410 services to repair items described in subparagraph (i)1, 2 and 3  
411 of this paragraph; and

412                   (iii) All services taxable pursuant to Section  
413 27-65-23 required to establish, support, operate, repair and/or  
414 maintain such project.

415                   (vv) Sales or leases to an enterprise operating a  
416 project that has been certified by the Mississippi Major Economic  
417 Impact Authority as a project as defined in Section  
418 57-75-5(f) (xxx) of:

419                   (i) Purchases required to establish and operate  
420 the project, including, but not limited to, sales of component  
421 building materials, machinery and equipment required to establish



422 the project facility and any additions or improvements thereon;  
423 and

424 (ii) Machinery, special tools (such as dies,  
425 molds, and jigs) or repair parts thereof, or replacements and  
426 lease thereof, repair services thereon, fuel, supplies and  
427 electricity, coal and natural gas used in the manufacturing  
428 process and purchased by the enterprise owning or operating the  
429 project for the benefit of the project.

430 (ww) Sales of component materials used in the  
431 construction of a building, or any expansion or improvement  
432 thereon, sales of machinery and/or equipment to be used therein,  
433 and sales of processing machinery and equipment which is  
434 permanently attached to the ground or to a permanent foundation  
435 which is not by its nature intended to be housed in a building  
436 structure, no later than three (3) months after initial startup,  
437 expansion or improvement of a permanent enterprise solely engaged  
438 in the conversion of natural sand into proppants used in oil and  
439 gas exploration and development with at least ninety-five percent  
440 (95%) of such proppants used in the production of oil and/or gas  
441 from horizontally drilled wells and/or horizontally drilled  
442 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

443 (xx) Sales of materials used in the construction of a  
444 supermarket (as defined in Section 1 of this act) that is located  
445 in an area designated as an economically distressed community  
446 pursuant to Section 1 of this act, or any addition or improvement



447 thereon, and sales of any machinery and equipment not later than  
448 three (3) months after the completion of construction of the  
449 building, or any addition or improvement thereon, to be used in  
450 the supermarket.

451 (2) Sales of component materials used in the construction of  
452 a building, or any addition or improvement thereon, sales of  
453 machinery and equipment to be used therein, and sales of  
454 manufacturing or processing machinery and equipment which is  
455 permanently attached to the ground or to a permanent foundation  
456 and which is not by its nature intended to be housed within a  
457 building structure, not later than three (3) months after the  
458 initial start-up date, to permanent business enterprises engaging  
459 in manufacturing or processing in Tier Two areas and Tier One  
460 areas (as such areas are designated in accordance with Section  
461 57-73-21), which businesses are certified by the Department of  
462 Revenue as being eligible for the exemption granted in this  
463 subsection, shall be exempt from one-half (1/2) of the taxes  
464 imposed on such transactions under this chapter.

465 (3) Sales of component materials used in the construction of  
466 a facility, or any addition or improvement thereon, and sales or  
467 leases of machinery and equipment not later than three (3) months  
468 after the completion of construction of the facility, or any  
469 addition or improvement thereto, to be used in the building or any  
470 addition or improvement thereto, to a permanent business  
471 enterprise operating a data/information enterprise in Tier Two



472 areas and Tier One areas (as such areas are designated in  
473 accordance with Section 57-73-21), which businesses meet minimum  
474 criteria established by the Mississippi Development Authority,  
475 shall be exempt from one-half (1/2) of the taxes imposed on such  
476 transaction under this chapter.

477 (4) Sales of component materials used in the construction of  
478 a facility, or any addition or improvement thereto, and sales of  
479 machinery and equipment not later than three (3) months after the  
480 completion of construction of the facility, or any addition or  
481 improvement thereto, to be used in the building or any addition or  
482 improvement thereto, to technology intensive enterprises for  
483 industrial purposes in Tier Two areas and Tier One areas (as such  
484 areas are designated in accordance with Section 57-73-21), which  
485 businesses are certified by the Department of Revenue as being  
486 eligible for the exemption granted in this subsection, shall be  
487 exempt from one-half (1/2) of the taxes imposed on such  
488 transactions under this chapter. For purposes of this subsection,  
489 an enterprise must meet the criteria provided for in Section  
490 27-65-17(1)(f) in order to be considered a technology intensive  
491 enterprise.

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

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

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



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

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

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

510 (b) Sales of equipment to telecommunications  
511 enterprises after June 30, 2003, and before July 1, 2020, that is  
512 installed in Tier One areas and used in the deployment of  
513 broadband technologies shall be exempt from one-half (1/2) of the  
514 taxes imposed on such transactions under this chapter.

515 (c) Sales of equipment to telecommunications  
516 enterprises after June 30, 2003, and before July 1, 2020, that is  
517 installed in Tier Two and Tier Three areas and used in the  
518 deployment of broadband technologies shall be exempt from the  
519 taxes imposed on such transactions under this chapter.

520 (6) Sales of component materials used in the replacement,  
521 reconstruction or repair of a building that has been destroyed or



522 sustained extensive damage as a result of a disaster declared by  
523 the Governor, sales of machinery and equipment to be used therein  
524 to replace machinery or equipment damaged or destroyed as a result  
525 of such disaster, including, but not limited to, manufacturing or  
526 processing machinery and equipment which is permanently attached  
527 to the ground or to a permanent foundation and which is not by its  
528 nature intended to be housed within a building structure, to  
529 enterprises that were eligible for the partial exemptions provided  
530 for in subsections (2), (3) and (4) of this section during initial  
531 construction of the building that was destroyed or damaged, which  
532 enterprises are certified by the Department of Revenue as being  
533 eligible for the partial exemption granted in this subsection,  
534 shall be exempt from one-half (1/2) of the taxes imposed on such  
535 transactions under this chapter.

536       **SECTION 3.** Section 1 of this act shall be codified as a new  
537 section in Chapter 7, Title 27, Mississippi Code of 1972.

538       **SECTION 4.** This act shall take effect and be in force from  
539 and after July 1, 2018.

