

By: Representative Calhoun

To: Ways and Means

HOUSE BILL NO. 875

1 AN ACT TO AUTHORIZE THE MISSISSIPPI DEVELOPMENT AUTHORITY TO
 2 DESIGNATE CORPORATE CORRIDOR REDEVELOPMENT ZONES; TO AUTHORIZE THE
 3 MISSISSIPPI DEVELOPMENT AUTHORITY TO CERTIFY BUSINESS ENTERPRISES
 4 THAT MEET CERTAIN CRITERIA AND ARE LOCATED IN CORPORATE CORRIDOR
 5 REDEVELOPMENT ZONES AS QUALIFIED BUSINESS ENTERPRISES UNDER THIS
 6 ACT; TO PROVIDE THAT SUCH QUALIFIED BUSINESS ENTERPRISES SHALL BE
 7 ELIGIBLE FOR AN ACCELERATED STATE INCOME TAX DEPRECIATION
 8 DEDUCTION, FOR CERTAIN SALES TAX EXEMPTIONS AND FOR A FEE-IN-LIEU
 9 OF AD VALOREM TAXES; TO AMEND SECTION 27-31-104, MISSISSIPPI CODE
 10 OF 1972, TO AUTHORIZE COUNTY BOARDS OF SUPERVISORS AND MUNICIPAL
 11 GOVERNING AUTHORITIES TO GRANT A FEE-IN-LIEU OF AD VALOREM TAXES
 12 TO QUALIFIED BUSINESS ENTERPRISES AS DEFINED IN THIS ACT; TO AMEND
 13 SECTION 27-65-101, MISSISSIPPI CODE OF 1972, TO EXEMPT FROM SALES
 14 TAXATION SALES OF MATERIALS USED IN THE CONSTRUCTION OF A
 15 FACILITY, OR ANY ADDITION OR IMPROVEMENT THEREON, AND SALES OF ANY
 16 MACHINERY AND EQUIPMENT NOT LATER THAN THREE MONTHS AFTER THE
 17 COMPLETION OF CONSTRUCTION OF THE FACILITY, OR ANY ADDITION
 18 THEREON, TO BE USED IN THE FACILITY, TO QUALIFIED BUSINESSES AS
 19 DEFINED IN THIS ACT; AND FOR RELATED PURPOSES.

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

21 **SECTION 1.** (1) For the purposes of this section, the
 22 following words and phrases shall have the meanings ascribed in
 23 this subsection unless the context clearly indicates otherwise:

24 (a) "Business enterprise" means an entity primarily
 25 engaged in:

26 (i) Warehouse and/or distribution centers;



27 (ii) Research facilities;
28 (iii) Corporate regional and national headquarters
29 meeting minimum criteria established by the MDA;
30 (iv) Data/information processing enterprises
31 meeting minimum criteria established by the MDA;
32 (v) Technology intensive enterprises or facilities
33 meeting minimum criteria established by the MDA; and
34 (vi) Telecommunications enterprises as defined in
35 Section 57-73-21(14) and meeting minimum criteria established by
36 the MDA.

37 (b) "Corporate corridor redevelopment zone" means a
38 geographical area designated by the MDA as provided in this
39 section.

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

41 (d) "Qualified business enterprise" means a business
42 enterprise that meets the requirements of this section and is
43 certified by the MDA.

44 (2) The MDA may designate an area as a corporate corridor
45 redevelopment zone if the following requirements are met:

46 (a) At least fifty percent (50%) of the land within the
47 area is zoned or otherwise designated for commercial use according
48 to current land use assessments and future land use planning;

49 (b) The area has frontage along an Interstate highway
50 and/or state designated highway; and

51 (c) The area is an urban renewal area.



52 (3) A business enterprise desiring certification as a
53 qualified business enterprise by the MDA must submit an
54 application to the MDA. The application must include the
55 following:

56 (a) A business plan with projections for the total
57 number of direct and indirect jobs to be created by the business
58 enterprise within the corporate corridor redevelopment zone with a
59 minimum of fifty (50) permanent direct jobs created by the
60 business enterprise. The permanent direct jobs to be created by
61 the business enterprise must provide an annual compensation,
62 excluding benefits that are not subject to Mississippi income
63 taxes, at least equal to the median income for the area within the
64 corporate corridor redevelopment zone, and at least:

65 (i) Sixty-five percent (65%) of such jobs must
66 provide an annual compensation, excluding benefits that are not
67 subject to Mississippi income taxes, of at least two hundred
68 percent (200%) of the median income for the area within the
69 corporate corridor redevelopment zone,

70 (ii) Ten percent (10%) of such jobs must provide
71 an annual compensation, excluding benefits that are not subject to
72 Mississippi income taxes, of at least two hundred fifty percent
73 (250%) of the median income for the area within the corporate
74 corridor redevelopment zone, and

75 (iii) Five percent (5%) of such jobs must provide
76 an annual compensation, excluding benefits that are not subject to



77 Mississippi income taxes, of at least three hundred percent (300%)
78 of the median income for the area within the corporate corridor
79 redevelopment zone;

80 (b) Plans for construction and/or property renovation
81 projects by the business enterprise within the corporate corridor
82 redevelopment zone which must provide for:

83 (i) Investment by the business enterprise of at
84 least Five Million Dollars (\$5,000,000.00) in construction and/or
85 property improvements,

86 (ii) Facility plans providing for at least one
87 hundred fifty (150) usable square feet per employee,

88 (iii) Any required environmental assessments
89 and/or remediation plans; and

90 (c) Any other information required by the MDA.

91 (4) A business enterprise certified by the MDA as a
92 qualified business enterprise within a corporate corridor
93 redevelopment zone that constructs and/or renovates or improves
94 facilities and property within the zone shall qualify for the
95 following:

96 (a) An accelerated state income tax depreciation
97 deduction. The accelerated depreciation deduction shall be
98 computed by accelerating the depreciation period required by
99 Mississippi Administrative Code, to a ten-year depreciation
100 period.



101 (b) A sales tax exemption as authorized in Section
102 27-65-101.

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

105 (5) The MDA shall have all powers necessary to implement and
106 administer the provisions of this section, and the MDA shall
107 promulgate rules and regulations, in accordance with the
108 Mississippi Administrative Procedures Law, necessary for the
109 implementation of this section.

110 **SECTION 2.** Section 27-31-104, Mississippi Code of 1972, is
111 amended as follows:

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

113 27-31-104. (1) County boards of supervisors and municipal
114 authorities are each hereby authorized and empowered to enter into
115 an agreement with an enterprise granting, and pursuant to such
116 agreement grant a fee-in-lieu of ad valorem taxes, including ad
117 valorem taxes levied for school purposes, for projects totaling
118 over One Hundred Million Dollars (\$100,000,000.00). In addition
119 to those new enterprises enumerated in Section 27-31-101,
120 Mississippi Code of 1972, the term "projects," as used in this
121 section, shall include:

122 (a) A private company (as such term is defined in
123 Section 57-61-5, Mississippi Code of 1972) having a minimum
124 capital investment of One Hundred Million Dollars
125 (\$100,000,000.00); * * *



126 (b) A qualified business (as such term is defined in
127 Section 57-117-3) meeting minimum criteria established by the
128 Mississippi Development Authority * * *;

129 (c) A qualified business enterprise as defined in
130 Section 1 of this act.

131 (2) A county board of supervisors may enter into a
132 fee-in-lieu agreement on behalf of the county and any county
133 school district, and a municipality may enter into such a
134 fee-in-lieu agreement on behalf of the municipality and any
135 municipal school district located in the municipality; however, if
136 the project is located outside the limits of a municipality but
137 within the boundaries of the municipal school district, then the
138 county board of supervisors may enter into such a fee-in-lieu
139 agreement on behalf of the school district granting a fee-in-lieu
140 of ad valorem taxes for school district purposes.

141 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
142 evidenced by a written agreement negotiated by the enterprise and
143 the county board of supervisors and/or municipal authority, as the
144 case may be, and given final approval by the Mississippi
145 Development Authority as satisfying the requirements of this
146 section.

147 (4) The minimum sum allowable as a fee-in-lieu shall not be
148 less than one-third (1/3) of the ad valorem levy, including ad
149 valorem taxes for school district purposes, and except as
150 otherwise provided, the sum allowed shall be apportioned between



151 the county or municipality, as appropriate, and the school
152 districts in such amounts as may be determined by the county board
153 of supervisors or municipal governing authority, as the case may
154 be, however, except as otherwise provided in this section, from
155 the sum allowed the apportionment to school districts shall not be
156 less than the school districts' pro rata share based upon the
157 proportion that the millage imposed for the school districts by
158 the appropriate levying authority bears to the millage imposed by
159 such levying authority for all other county or municipal purposes.
160 Any fee-in-lieu agreement entered into under this section shall
161 become a binding obligation of the parties to the agreement, be
162 effective upon its execution by the parties and approval by the
163 Mississippi Development Authority and, except as otherwise
164 provided in Section 17-25-23 or Section 57-75-33, or any other
165 provision of law, continue in effect for a period not to exceed
166 twenty (20) years commencing on the date that the fee-in-lieu
167 granted thereunder begins in accordance with the agreement;
168 however, no particular parcel of land, real property improvement
169 or item of personal property shall be subject to a fee-in-lieu for
170 a duration of more than ten (10) years. Any such agreement shall
171 be binding, according to its terms, on future boards of
172 supervisors of the county and/or governing authorities of a
173 municipality, as the case may be, for the duration of the
174 agreement.



175 (5) The fee-in-lieu may be a stated fraction or percentage
176 of the ad valorem taxes otherwise payable or a stated dollar
177 amount. If the fee is a fraction or percentage of the ad valorem
178 tax levy, it shall be annually computed on all ad valorem taxes
179 otherwise payable, including school taxes, as the same may vary
180 from year to year based upon changes in the millage rate or
181 assessed value and shall not be less than one-third (1/3) of that
182 amount. If the fee is a stated dollar amount, said amount shall
183 be the higher of the sum provided for fixed payment or one-third
184 (1/3) of the total of all ad valorem taxes otherwise payable as
185 annually determined during each year of the fee-in-lieu.

186 (6) Notwithstanding Section 27-31-111, the parties to a
187 fee-in-lieu may agree on terms and conditions providing for the
188 reduction, suspension, termination or reinstatement of a
189 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
190 upon the cessation of operations by project for twelve (12) or
191 more consecutive months or due to other conditions set forth in
192 the agreement.

193 (7) For a project as defined in Section 57-75-5(f)(xxi) and
194 located in a county that is a member of a regional economic
195 development alliance created under Section 57-64-1 et seq., the
196 members of the regional economic development alliance may divide
197 the sum allowed as a fee-in-lieu in a manner as determined by the
198 alliance agreement, and the boards of supervisors of the member



199 counties may then apportion the sum allowed between school
200 district purposes and all other county purposes.

201 (8) For a project as defined in Section 57-75-5(f) (xxvi),
202 the board of supervisors of the county in which the project is
203 located may negotiate with the school district in which the
204 project is located and apportion to the school district an amount
205 of the fee-in-lieu that is agreed upon in the negotiations
206 different than the amount provided for in subsection (3) of this
207 section.

208 (9) For a project as defined in Section 57-75-5(f) (xxviii),
209 the annual amount of the fee-in-lieu apportioned to the county
210 shall not be less than the amount necessary to pay the debt
211 service on bonds issued by the county pursuant to Section
212 57-75-37(3) (c) .

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

215 27-31-104. (1) County boards of supervisors and municipal
216 authorities are each hereby authorized and empowered to enter into
217 an agreement with an enterprise granting, and pursuant to such
218 agreement grant a fee-in-lieu of ad valorem taxes, including ad
219 valorem taxes levied for school purposes, for projects totaling
220 over One Hundred Million Dollars (\$100,000,000.00). In addition
221 to those new enterprises enumerated in Section 27-31-101,
222 Mississippi Code of 1972, the term "projects," as used in this
223 section, shall include:



224 (a) A private company (as such term is defined in
225 Section 57-61-5, Mississippi Code of 1972) having a minimum
226 capital investment of One Hundred Million Dollars
227 (\$100,000,000.00) * * *;

228 (b) A qualified business enterprise as defined in
229 Section 1 of this act.

230 (2) A county board of supervisors may enter into a
231 fee-in-lieu agreement on behalf of the county and any county
232 school district, and a municipality may enter into such a
233 fee-in-lieu agreement on behalf of the municipality and any
234 municipal school district located in the municipality; however, if
235 the project is located outside the limits of a municipality but
236 within the boundaries of the municipal school district, then the
237 county board of supervisors may enter into such a fee-in-lieu
238 agreement on behalf of the school district granting a fee-in-lieu
239 of ad valorem taxes for school district purposes.

240 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be
241 evidenced by a written agreement negotiated by the enterprise and
242 the county board of supervisors and/or municipal authority, as the
243 case may be, and given final approval by the Mississippi
244 Development Authority as satisfying the requirements of this
245 section.

246 (4) The minimum sum allowable as a fee-in-lieu shall not be
247 less than one-third (1/3) of the ad valorem levy, including ad
248 valorem taxes for school district purposes, and except as



249 otherwise provided, the sum allowed shall be apportioned between
250 the county or municipality, as appropriate, and the school
251 districts in such amounts as may be determined by the county board
252 of supervisors or municipal governing authority, as the case may
253 be, however, except as otherwise provided in this section, from
254 the sum allowed the apportionment to school districts shall not be
255 less than the school districts' pro rata share based upon the
256 proportion that the millage imposed for the school districts by
257 the appropriate levying authority bears to the millage imposed by
258 such levying authority for all other county or municipal purposes.
259 Any fee-in-lieu agreement entered into under this section shall
260 become a binding obligation of the parties to the agreement, be
261 effective upon its execution by the parties and approval by the
262 Mississippi Development Authority and, except as otherwise
263 provided in Section 17-25-23 or Section 57-75-33, or any other
264 provision of law, continue in effect for a period not to exceed
265 twenty (20) years commencing on the date that the fee-in-lieu
266 granted thereunder begins in accordance with the agreement;
267 however, no particular parcel of land, real property improvement
268 or item of personal property shall be subject to a fee-in-lieu for
269 a duration of more than ten (10) years. Any such agreement shall
270 be binding, according to its terms, on future boards of
271 supervisors of the county and/or governing authorities of a
272 municipality, as the case may be, for the duration of the
273 agreement.



274 (5) The fee-in-lieu may be a stated fraction or percentage
275 of the ad valorem taxes otherwise payable or a stated dollar
276 amount. If the fee is a fraction or percentage of the ad valorem
277 tax levy, it shall be annually computed on all ad valorem taxes
278 otherwise payable, including school taxes, as the same may vary
279 from year to year based upon changes in the millage rate or
280 assessed value and shall not be less than one-third (1/3) of that
281 amount. If the fee is a stated dollar amount, said amount shall
282 be the higher of the sum provided for fixed payment or one-third
283 (1/3) of the total of all ad valorem taxes otherwise payable as
284 annually determined during each year of the fee-in-lieu.

285 (6) Notwithstanding Section 27-31-111, the parties to a
286 fee-in-lieu may agree on terms and conditions providing for the
287 reduction, suspension, termination or reinstatement of a
288 fee-in-lieu agreement or any fee-in-lieu period granted thereunder
289 upon the cessation of operations by project for twelve (12) or
290 more consecutive months or due to other conditions set forth in
291 the agreement.

292 (7) For a project as defined in Section 57-75-5(f)(xxi) and
293 located in a county that is a member of a regional economic
294 development alliance created under Section 57-64-1 et seq., the
295 members of the regional economic development alliance may divide
296 the sum allowed as a fee-in-lieu in a manner as determined by the
297 alliance agreement, and the boards of supervisors of the member



298 counties may then apportion the sum allowed between school
299 district purposes and all other county purposes.

300 (8) For a project as defined in Section 57-75-5(f) (xxvi),
301 the board of supervisors of the county in which the project is
302 located may negotiate with the school district in which the
303 project is located and apportion to the school district an amount
304 of the fee-in-lieu that is agreed upon in the negotiations
305 different than the amount provided for in subsection (3) of this
306 section.

307 (9) For a project as defined in Section 57-75-5(f) (xxviii),
308 the annual amount of the fee-in-lieu apportioned to the county
309 shall not be less than the amount necessary to pay the annual debt
310 service on bonds issued by the county pursuant to Section
311 57-75-37(3) (c) .

312 **SECTION 3.** Section 27-65-101, Mississippi Code of 1972, is
313 amended as follows:

314 27-65-101. (1) The exemptions from the provisions of this
315 chapter which are of an industrial nature or which are more
316 properly classified as industrial exemptions than any other
317 exemption classification of this chapter shall be confined to
318 those persons or property exempted by this section or by the
319 provisions of the Constitution of the United States or the State
320 of Mississippi. No industrial exemption as now provided by any
321 other section except Section 57-3-33 shall be valid as against the
322 tax herein levied. Any subsequent industrial exemption from the



323 tax levied hereunder shall be provided by amendment to this
324 section. No exemption provided in this section shall apply to
325 taxes levied by Section 27-65-15 or 27-65-21.

326 The tax levied by this chapter shall not apply to the
327 following:

328 (a) Sales of boxes, crates, cartons, cans, bottles and
329 other packaging materials to manufacturers and wholesalers for use
330 as containers or shipping materials to accompany goods sold by
331 said manufacturers or wholesalers where possession thereof will
332 pass to the customer at the time of sale of the goods contained
333 therein and sales to anyone of containers or shipping materials
334 for use in ships engaged in international commerce.

335 (b) Sales of raw materials, catalysts, processing
336 chemicals, welding gases or other industrial processing gases
337 (except natural gas) to a manufacturer for use directly in
338 manufacturing or processing a product for sale or rental or
339 repairing or reconditioning vessels or barges of fifty (50) tons
340 load displacement and over. For the purposes of this exemption,
341 electricity used directly in the electrolysis process in the
342 production of sodium chlorate shall be considered a raw material.
343 This exemption shall not apply to any property used as fuel except
344 to the extent that such fuel comprises by-products which have no
345 market value.

346 (c) The gross proceeds of sales of dry docks, offshore
347 drilling equipment for use in oil or natural gas exploration or



348 production, vessels or barges of fifty (50) tons load displacement
349 and over, when the vessels or barges are sold by the manufacturer
350 or builder thereof. In addition to other types of equipment,
351 offshore drilling equipment for use in oil or natural gas
352 exploration or production shall include aircraft used
353 predominately to transport passengers or property to or from
354 offshore oil or natural gas exploration or production platforms or
355 vessels, and engines, accessories and spare parts for such
356 aircraft.

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

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

364 (f) Sales of petroleum products to vessels or barges
365 for consumption in marine international commerce or interstate
366 transportation businesses.

367 (g) Sales and rentals of rail rolling stock (and
368 component parts thereof) for ultimate use in interstate commerce
369 and gross income from services with respect to manufacturing,
370 repairing, cleaning, altering, reconditioning or improving such
371 rail rolling stock (and component parts thereof).



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

378 (i) Sales of machinery or tools or repair parts
379 therefor or replacements thereof, fuel or supplies used directly
380 in manufacturing, converting or repairing ships, vessels or barges
381 of three thousand (3,000) tons load displacement and over, but not
382 to include office and plant supplies or other equipment not
383 directly used on the ship, vessel or barge being built, converted
384 or repaired. For purposes of this exemption, "ships, vessels or
385 barges" shall not include floating structures described in Section
386 27-65-18.

387 (j) Sales of tangible personal property to persons
388 operating ships in international commerce for use or consumption
389 on board such ships. This exemption shall be limited to cases in
390 which procedures satisfactory to the commissioner, ensuring
391 against use in this state other than on such ships, are
392 established.

393 (k) Sales of materials used in the construction of a
394 building, or any addition or improvement thereon, and sales of any
395 machinery and equipment not later than three (3) months after the
396 completion of construction of the building, or any addition



397 thereon, to be used therein, to qualified businesses, as defined
398 in Section 57-51-5, which are located in a county or portion
399 thereof designated as an enterprise zone pursuant to Sections
400 57-51-1 through 57-51-15.

401 (l) Sales of materials used in the construction of a
402 building, or any addition or improvement thereon, and sales of any
403 machinery and equipment not later than three (3) months after the
404 completion of construction of the building, or any addition
405 thereon, to be used therein, to qualified businesses, as defined
406 in Section 57-54-5.

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

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

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

416 (p) Sales of materials used in the construction of a
417 building, or any addition or improvement thereon, and sales of any
418 machinery and equipment not later than three (3) months after the
419 completion of construction of the building, or any addition
420 thereon, to be used therein, to qualified companies, certified as



421 such by the Mississippi Development Authority under Section
422 57-53-1.

423 (q) Sales of component materials used in the
424 construction of a building, or any addition or improvement
425 thereon, sales of machinery and equipment to be used therein, and
426 sales of manufacturing or processing machinery and equipment which
427 is permanently attached to the ground or to a permanent foundation
428 and which is not by its nature intended to be housed within a
429 building structure, not later than three (3) months after the
430 initial start-up date, to permanent business enterprises engaging
431 in manufacturing or processing in Tier Three areas (as such term
432 is defined in Section 57-73-21), which businesses are certified by
433 the Department of Revenue as being eligible for the exemption
434 granted in this paragraph (q).

435 (r) (i) Sales of component materials used in the
436 construction of a building, or any addition or improvement
437 thereon, and sales of any machinery and equipment not later than
438 three (3) months after the completion of the building, addition or
439 improvement thereon, to be used therein, for any company
440 establishing or transferring its national or regional headquarters
441 from within or outside the State of Mississippi and creating a
442 minimum of twenty (20) jobs at the new headquarters in this state.
443 The Department of Revenue shall establish criteria and prescribe
444 procedures to determine if a company qualifies as a national or



445 regional headquarters for the purpose of receiving the exemption
446 provided in this subparagraph (i).

447 (ii) Sales of component materials used in the
448 construction of a building, or any addition or improvement
449 thereon, and sales of any machinery and equipment not later than
450 three (3) months after the completion of the building, addition or
451 improvement thereon, to be used therein, for any company expanding
452 or making additions after January 1, 2013, to its national or
453 regional headquarters within the State of Mississippi and creating
454 a minimum of twenty (20) new jobs at the headquarters as a result
455 of the expansion or additions. The Department of Revenue shall
456 establish criteria and prescribe procedures to determine if a
457 company qualifies as a national or regional headquarters for the
458 purpose of receiving the exemption provided in this subparagraph
459 (ii).

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

464 (t) Gross income from the storage and handling of
465 natural gas in underground salt domes and in other underground
466 reservoirs, caverns, structures and formations suitable for such
467 storage.

468 (u) Sales of machinery and equipment to nonprofit
469 organizations if the organization:



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

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

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

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

483 (v) Sales or leases of materials and equipment to
484 approved business enterprises as provided under the Growth and
485 Prosperity Act.

486 (w) From and after July 1, 2001, sales of pollution
487 control equipment to manufacturers or custom processors for
488 industrial use. For the purposes of this exemption, "pollution
489 control equipment" means equipment, devices, machinery or systems
490 used or acquired to prevent, control, monitor or reduce air, water
491 or groundwater pollution, or solid or hazardous waste as required
492 by federal or state law or regulation.

493 (x) Sales or leases to a manufacturer of motor vehicles
494 or powertrain components operating a project that has been



495 certified by the Mississippi Major Economic Impact Authority as a
496 project as defined in Section 57-75-5(f)(iv)1, Section
497 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
498 equipment; special tooling such as dies, molds, jigs and similar
499 items treated as special tooling for federal income tax purposes;
500 or repair parts therefor or replacements thereof; repair services
501 thereon; fuel, supplies, electricity, coal and natural gas used
502 directly in the manufacture of motor vehicles or motor vehicle
503 parts or used to provide climate control for manufacturing areas.

504 (y) Sales or leases of component materials, machinery
505 and equipment used in the construction of a building, or any
506 addition or improvement thereon to an enterprise operating a
507 project that has been certified by the Mississippi Major Economic
508 Impact Authority as a project as defined in Section
509 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
510 or Section 57-75-5(f)(xxviii) and any other sales or leases
511 required to establish or operate such project.

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

514 (aa) The gross income from the stripping and painting
515 of commercial aircraft engaged in foreign or interstate
516 transportation business.

517 (bb) [Repealed]

518 (cc) Sales or leases to an enterprise owning or
519 operating a project that has been designated by the Mississippi



520 Major Economic Impact Authority as a project as defined in Section
521 57-75-5(f) (xviii) of machinery and equipment; special tooling such
522 as dies, molds, jigs and similar items treated as special tooling
523 for federal income tax purposes; or repair parts therefor or
524 replacements thereof; repair services thereon; fuel, supplies,
525 electricity, coal and natural gas used directly in the
526 manufacturing/production operations of the project or used to
527 provide climate control for manufacturing/production areas.

528 (dd) Sales or leases of component materials, machinery
529 and equipment used in the construction of a building, or any
530 addition or improvement thereon to an enterprise owning or
531 operating a project that has been designated by the Mississippi
532 Major Economic Impact Authority as a project as defined in Section
533 57-75-5(f) (xviii) and any other sales or leases required to
534 establish or operate such project.

535 (ee) Sales of parts used in the repair and servicing of
536 aircraft not registered in Mississippi engaged exclusively in the
537 business of foreign or interstate transportation to businesses
538 engaged in aircraft repair and maintenance.

539 (ff) Sales of component materials used in the
540 construction of a facility, or any addition or improvement
541 thereon, and sales or leases of machinery and equipment not later
542 than three (3) months after the completion of construction of the
543 facility, or any addition or improvement thereto, to be used in
544 the building or any addition or improvement thereto, to a



545 permanent business enterprise operating a data/information
546 enterprise in Tier Three areas (as such areas are designated in
547 accordance with Section 57-73-21), meeting minimum criteria
548 established by the Mississippi Development Authority.

549 (gg) Sales of component materials used in the
550 construction of a facility, or any addition or improvement
551 thereto, and sales of machinery and equipment not later than three
552 (3) months after the completion of construction of the facility,
553 or any addition or improvement thereto, to be used in the facility
554 or any addition or improvement thereto, to technology intensive
555 enterprises for industrial purposes in Tier Three areas (as such
556 areas are designated in accordance with Section 57-73-21), as
557 certified by the Department of Revenue. For purposes of this
558 paragraph, an enterprise must meet the criteria provided for in
559 Section 27-65-17(1)(f) in order to be considered a technology
560 intensive enterprise.

561 (hh) Sales of component materials used in the
562 replacement, reconstruction or repair of a building or facility
563 that has been destroyed or sustained extensive damage as a result
564 of a disaster declared by the Governor, sales of machinery and
565 equipment to be used therein to replace machinery or equipment
566 damaged or destroyed as a result of such disaster, including, but
567 not limited to, manufacturing or processing machinery and
568 equipment which is permanently attached to the ground or to a
569 permanent foundation and which is not by its nature intended to be



570 housed within a building structure, to enterprises or companies
571 that were eligible for the exemptions authorized in paragraph (q),
572 (r), (ff) or (gg) of this subsection during initial construction
573 of the building that was destroyed or damaged, which enterprises
574 or companies are certified by the Department of Revenue as being
575 eligible for the exemption granted in this paragraph.

576 (ii) Sales of software or software services transmitted
577 by the Internet to a destination outside the State of Mississippi
578 where the first use of such software or software services by the
579 purchaser occurs outside the State of Mississippi.

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

583 (kk) Sales of component building materials and
584 equipment for initial construction of facilities or expansion of
585 facilities as authorized under Sections 57-113-1 through 57-113-7
586 and Sections 57-113-21 through 57-113-27.

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

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

593 (nn) Sales of component materials used in the
594 construction of a building, or any addition or improvement



595 thereon, and sales or leases of machinery and equipment not later
596 than three (3) months after the completion of the construction of
597 the facility, to be used in the facility, to permanent business
598 enterprises operating a facility producing renewable crude oil
599 from biomass harvested or produced, in whole or in part, in
600 Mississippi, which businesses meet minimum criteria established by
601 the Mississippi Development Authority. As used in this paragraph,
602 the term "biomass" shall have the meaning ascribed to such term in
603 Section 57-113-1.

604 (oo) Sales of supplies, equipment and other personal
605 property to an organization that is exempt from taxation under
606 Section 501(c)(3) of the Internal Revenue Code and is the host
607 organization coordinating a professional golf tournament played or
608 to be played in this state and the supplies, equipment or other
609 personal property will be used for purposes related to the golf
610 tournament and related activities.

611 (pp) Sales of materials used in the construction of a
612 health care industry facility, as defined in Section 57-117-3, or
613 any addition or improvement thereon, and sales of any machinery
614 and equipment not later than three (3) months after the completion
615 of construction of the facility, or any addition thereon, to be
616 used therein, to qualified businesses, as defined in Section
617 57-117-3. This paragraph shall be repealed from and after July 1,
618 2022.



619 (qq) Sales or leases to a manufacturer of automotive
620 parts operating a project that has been certified by the
621 Mississippi Major Economic Impact Authority as a project as
622 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
623 or repair parts therefor or replacements thereof; repair services
624 thereon; fuel, supplies, electricity, coal, nitrogen and natural
625 gas used directly in the manufacture of automotive parts or used
626 to provide climate control for manufacturing areas.

627 (rr) Gross collections derived from guided tours on any
628 navigable waters of this state, which include providing
629 accommodations, guide services and/or related equipment operated
630 by or under the direction of the person providing the tour, for
631 the purposes of outdoor tourism. The exemption provided in this
632 paragraph (rr) does not apply to the sale of tangible personal
633 property by a person providing such tours.

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

639 (tt) Sales exempt under the Facilitating Business Rapid
640 Response to State Declared Disasters Act of 2015 (Sections
641 27-113-1 through 27-113-9).

642 (uu) Sales or leases to an enterprise and its
643 affiliates operating a project that has been certified by the



644 Mississippi Major Economic Impact Authority as a project as
645 defined in Section 57-75-5(f) (xxix) of:

646 (i) All personal property and fixtures, including
647 without limitation, sales or leases to the enterprise and its
648 affiliates of:

649 1. Manufacturing machinery and equipment;

650 2. Special tooling such as dies, molds, jigs
651 and similar items treated as special tooling for federal income
652 tax purposes;

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

656 4. Nonmanufacturing furniture, fixtures and
657 equipment (inclusive of all communications, computer, server,
658 software and other hardware equipment); and

659 5. Fuel, supplies (other than
660 nonmanufacturing consumable supplies and water), electricity,
661 nitrogen gas and natural gas used directly in the
662 manufacturing/production operations of such project or used to
663 provide climate control for manufacturing/production areas of such
664 project;

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



668 (iii) All services taxable pursuant to Section
669 27-65-23 required to establish, support, operate, repair and/or
670 maintain such project.

671 (vv) Sales or leases to an enterprise operating a
672 project that has been certified by the Mississippi Major Economic
673 Impact Authority as a project as defined in Section
674 57-75-5(f)(xxx) of:

675 (i) Purchases required to establish and operate
676 the project, including, but not limited to, sales of component
677 building materials, machinery and equipment required to establish
678 the project facility and any additions or improvements thereon;
679 and

680 (ii) Machinery, special tools (such as dies,
681 molds, and jigs) or repair parts thereof, or replacements and
682 lease thereof, repair services thereon, fuel, supplies and
683 electricity, coal and natural gas used in the manufacturing
684 process and purchased by the enterprise owning or operating the
685 project for the benefit of the project.

686 (ww) Sales of component materials used in the
687 construction of a building, or any expansion or improvement
688 thereon, sales of machinery and/or equipment to be used therein,
689 and sales of processing machinery and equipment which is
690 permanently attached to the ground or to a permanent foundation
691 which is not by its nature intended to be housed in a building
692 structure, no later than three (3) months after initial startup,



693 expansion or improvement of a permanent enterprise solely engaged
694 in the conversion of natural sand into proppants used in oil and
695 gas exploration and development with at least ninety-five percent
696 (95%) of such proppants used in the production of oil and/or gas
697 from horizontally drilled wells and/or horizontally drilled
698 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

699 (xx) Sales of materials used in the construction of a
700 facility in a corporate corridor redevelopment zone, or any
701 addition or improvement thereon, and sales of any machinery and
702 equipment not later than three (3) months after the completion of
703 construction of the facility, or any addition or improvement
704 thereon, to be used therein, to a qualified business enterprise.
705 For the purposes of this paragraph (xx), the terms "corporate
706 corridor redevelopment zone" and "qualified business enterprise"
707 mean and have the same definitions as such terms have in Section 1
708 of this act.

709 (2) Sales of component materials used in the construction of
710 a building, or any addition or improvement thereon, sales of
711 machinery and equipment to be used therein, and sales of
712 manufacturing or processing machinery and equipment which is
713 permanently attached to the ground or to a permanent foundation
714 and which is not by its nature intended to be housed within a
715 building structure, not later than three (3) months after the
716 initial start-up date, to permanent business enterprises engaging
717 in manufacturing or processing in Tier Two areas and Tier One



718 areas (as such areas are designated in accordance with Section
719 57-73-21), which businesses are certified by the Department of
720 Revenue as being eligible for the exemption granted in this
721 subsection, shall be exempt from one-half (1/2) of the taxes
722 imposed on such transactions under this chapter.

723 (3) Sales of component materials used in the construction of
724 a facility, or any addition or improvement thereon, and sales or
725 leases of machinery and equipment not later than three (3) months
726 after the completion of construction of the facility, or any
727 addition or improvement thereto, to be used in the building or any
728 addition or improvement thereto, to a permanent business
729 enterprise operating a data/information enterprise in Tier Two
730 areas and Tier One areas (as such areas are designated in
731 accordance with Section 57-73-21), which businesses meet minimum
732 criteria established by the Mississippi Development Authority,
733 shall be exempt from one-half (1/2) of the taxes imposed on such
734 transaction under this chapter.

735 (4) Sales of component materials used in the construction of
736 a facility, or any addition or improvement thereto, and sales of
737 machinery and equipment not later than three (3) months after the
738 completion of construction of the facility, or any addition or
739 improvement thereto, to be used in the building or any addition or
740 improvement thereto, to technology intensive enterprises for
741 industrial purposes in Tier Two areas and Tier One areas (as such
742 areas are designated in accordance with Section 57-73-21), which



743 businesses are certified by the Department of Revenue as being
744 eligible for the exemption granted in this subsection, shall be
745 exempt from one-half (1/2) of the taxes imposed on such
746 transactions under this chapter. For purposes of this subsection,
747 an enterprise must meet the criteria provided for in Section
748 27-65-17(1)(f) in order to be considered a technology intensive
749 enterprise.

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

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

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

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

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

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



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

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

778 (6) Sales of component materials used in the replacement,
779 reconstruction or repair of a building that has been destroyed or
780 sustained extensive damage as a result of a disaster declared by
781 the Governor, sales of machinery and equipment to be used therein
782 to replace machinery or equipment damaged or destroyed as a result
783 of such disaster, including, but not limited to, manufacturing or
784 processing machinery and equipment which is permanently attached
785 to the ground or to a permanent foundation and which is not by its
786 nature intended to be housed within a building structure, to
787 enterprises that were eligible for the partial exemptions provided
788 for in subsections (2), (3) and (4) of this section during initial
789 construction of the building that was destroyed or damaged, which
790 enterprises are certified by the Department of Revenue as being
791 eligible for the partial exemption granted in this subsection,



792 shall be exempt from one-half (1/2) of the taxes imposed on such
793 transactions under this chapter.

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

