

By: Representatives Calhoun, Sykes

To: Ways and Means

HOUSE BILL NO. 159

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 the following:

118 (a) Projects totaling over Sixty Million Dollars  
119 (\$60,000,000.00) by any new enterprises enumerated in Section  
120 27-31-101;

121 (b) Projects by a private company (as such term is  
122 defined in Section 57-61-5) having a minimum capital investment of  
123 Sixty Million Dollars (\$60,000,000.00);

124 (c) Projects totaling over One Hundred Million Dollars  
125 (\$100,000,000.00) by a qualified business (as such term is defined



126 in Section 57-117-3) meeting minimum criteria established by the  
127 Mississippi Development Authority;

128 (d) Projects totaling over Sixty Million Dollars  
129 (\$60,000,000.00) by an existing enterprise that has been doing  
130 business in the county or municipality for twenty-four (24)  
131 months. For purposes of this paragraph (d), the term "existing  
132 enterprise" includes those enterprises enumerated in Section  
133 27-31-101; \* \* \*

134 (e) A private company (as such term is defined in  
135 Section 57-61-5) having a minimum capital investment of One  
136 Hundred Million Dollars (\$100,000,000.00) from any source or  
137 combination of sources, provided that a majority of the capital  
138 investment is from private sources, when such project is located  
139 within a geographic area for which a Presidential Disaster  
140 Declaration was issued on or after January 1, 2014; or

141 (f) A qualified business enterprise as defined in  
142 Section 1 of this act.

143 (2) A county board of supervisors may enter into a  
144 fee-in-lieu agreement on behalf of the county and any county  
145 school district, and a municipality may enter into such a  
146 fee-in-lieu agreement on behalf of the municipality and any  
147 municipal school district located in the municipality; however, if  
148 the project is located outside the limits of a municipality but  
149 within the boundaries of the municipal school district, then the  
150 county board of supervisors may enter into such a fee-in-lieu



151 agreement on behalf of the school district granting a fee-in-lieu  
152 of ad valorem taxes for school district purposes.

153 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
154 evidenced by a written agreement negotiated by the enterprise and  
155 the county board of supervisors and/or municipal authority, as the  
156 case may be, and given final approval by the Mississippi  
157 Development Authority as satisfying the requirements of this  
158 section.

159 (4) The minimum sum allowable as a fee-in-lieu shall not be  
160 less than one-third (1/3) of the ad valorem levy, including ad  
161 valorem taxes for school district purposes, and except as  
162 otherwise provided, the sum allowed shall be apportioned between  
163 the county or municipality, as appropriate, and the school  
164 districts in such amounts as may be determined by the county board  
165 of supervisors or municipal governing authority, as the case may  
166 be, however, except as otherwise provided in this section, from  
167 the sum allowed the apportionment to school districts shall not be  
168 less than the school districts' pro rata share based upon the  
169 proportion that the millage imposed for the school districts by  
170 the appropriate levying authority bears to the millage imposed by  
171 such levying authority for all other county or municipal purposes.  
172 Any fee-in-lieu agreement entered into under this section shall  
173 become a binding obligation of the parties to the agreement, be  
174 effective upon its execution by the parties and approval by the  
175 Mississippi Development Authority and, except as otherwise



176 provided in Section 17-25-23 or Section 57-75-33, or any other  
177 provision of law, continue in effect for a period not to exceed  
178 thirty (30) years commencing on the date that the fee-in-lieu  
179 granted thereunder begins in accordance with the agreement;  
180 however, no particular parcel of land, real property improvement  
181 or item of personal property shall be subject to a fee-in-lieu for  
182 a duration of more than ten (10) years. Any such agreement shall  
183 be binding, according to its terms, on future boards of  
184 supervisors of the county and/or governing authorities of a  
185 municipality, as the case may be, for the duration of the  
186 agreement.

187 (5) The fee-in-lieu may be a stated fraction or percentage  
188 of the ad valorem taxes otherwise payable or a stated dollar  
189 amount. If the fee is a fraction or percentage of the ad valorem  
190 tax levy, it shall be annually computed on all ad valorem taxes  
191 otherwise payable, including school taxes, as the same may vary  
192 from year to year based upon changes in the millage rate or  
193 assessed value and shall not be less than one-third (1/3) of that  
194 amount. If the fee is a stated dollar amount, said amount shall  
195 be the higher of the sum provided for fixed payment or one-third  
196 (1/3) of the total of all ad valorem taxes otherwise payable as  
197 annually determined during each year of the fee-in-lieu.

198 (6) Notwithstanding Section 27-31-111, the parties to a  
199 fee-in-lieu may agree on terms and conditions providing for the  
200 reduction, suspension, termination or reinstatement of a





201 fee-in-lieu agreement or any fee-in-lieu period granted thereunder  
202 upon the cessation of operations by project for twelve (12) or  
203 more consecutive months or due to other conditions set forth in  
204 the agreement.

205 (7) For a project as defined in Section 57-75-5(f) (xxi) and  
206 located in a county that is a member of a regional economic  
207 development alliance created under Section 57-64-1 et seq., the  
208 members of the regional economic development alliance may divide  
209 the sum allowed as a fee-in-lieu in a manner as determined by the  
210 alliance agreement, and the boards of supervisors of the member  
211 counties may then apportion the sum allowed between school  
212 district purposes and all other county purposes.

213 (8) For a project as defined in Section 57-75-5(f) (xxvi),  
214 the board of supervisors of the county in which the project is  
215 located may negotiate with the school district in which the  
216 project is located and apportion to the school district an amount  
217 of the fee-in-lieu that is agreed upon in the negotiations  
218 different than the amount provided for in subsection (3) of this  
219 section.

220 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
221 the annual amount of the fee-in-lieu apportioned to the county  
222 shall not be less than the amount necessary to pay the debt  
223 service on bonds issued by the county pursuant to Section  
224 57-75-37(3) (c) .



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

227           27-31-104. (1) County boards of supervisors and municipal  
228 authorities are each hereby authorized and empowered to enter into  
229 an agreement with an enterprise granting, and pursuant to such  
230 agreement grant a fee-in-lieu of ad valorem taxes, including ad  
231 valorem taxes levied for school purposes, for the following:

232                   (a) Projects totaling over Sixty Million Dollars  
233 (\$60,000,000.00) by any new enterprises enumerated in Section  
234 27-31-101;

235                   (b) Projects by a private company (as such term is  
236 defined in Section 57-61-5, Mississippi Code of 1972) having a  
237 minimum capital investment of Sixty Million Dollars  
238 (\$60,000,000.00);

239                   (c) Projects totaling over Sixty Million Dollars  
240 (\$60,000,000.00) by an existing enterprise that has been doing  
241 business in the county or municipality for twenty-four (24)  
242 months. For purposes of this paragraph (c), the term "existing  
243 enterprise" includes those enterprises enumerated in Section  
244 27-31-101; \* \* \*

245                   (d) A private company (as such term is defined in  
246 Section 57-61-5) having a minimum capital investment of One  
247 Hundred Million Dollars (\$100,000,000.00) from any source or  
248 combination of sources, provided that a majority of the capital  
249 investment is from private sources, when such project is located



250 within a geographic area for which a Presidential Disaster  
251 Declaration was issued on or after January 1, 2014; or  
252 (e) A qualified business enterprise as defined in  
253 Section 1 of this act.

254 (2) A county board of supervisors may enter into a  
255 fee-in-lieu agreement on behalf of the county and any county  
256 school district, and a municipality may enter into such a  
257 fee-in-lieu agreement on behalf of the municipality and any  
258 municipal school district located in the municipality; however, if  
259 the project is located outside the limits of a municipality but  
260 within the boundaries of the municipal school district, then the  
261 county board of supervisors may enter into such a fee-in-lieu  
262 agreement on behalf of the school district granting a fee-in-lieu  
263 of ad valorem taxes for school district purposes.

264 (3) Any grant of a fee-in-lieu of ad valorem taxes shall be  
265 evidenced by a written agreement negotiated by the enterprise and  
266 the county board of supervisors and/or municipal authority, as the  
267 case may be, and given final approval by the Mississippi  
268 Development Authority as satisfying the requirements of this  
269 section.

270 (4) The minimum sum allowable as a fee-in-lieu shall not be  
271 less than one-third (1/3) of the ad valorem levy, including ad  
272 valorem taxes for school district purposes, and except as  
273 otherwise provided, the sum allowed shall be apportioned between  
274 the county or municipality, as appropriate, and the school



275 districts in such amounts as may be determined by the county board  
276 of supervisors or municipal governing authority, as the case may  
277 be, however, except as otherwise provided in this section, from  
278 the sum allowed the apportionment to school districts shall not be  
279 less than the school districts' pro rata share based upon the  
280 proportion that the millage imposed for the school districts by  
281 the appropriate levying authority bears to the millage imposed by  
282 such levying authority for all other county or municipal purposes.  
283 Any fee-in-lieu agreement entered into under this section shall  
284 become a binding obligation of the parties to the agreement, be  
285 effective upon its execution by the parties and approval by the  
286 Mississippi Development Authority and, except as otherwise  
287 provided in Section 17-25-23 or Section 57-75-33, or any other  
288 provision of law, continue in effect for a period not to exceed  
289 thirty (30) years commencing on the date that the fee-in-lieu  
290 granted thereunder begins in accordance with the agreement;  
291 however, no particular parcel of land, real property improvement  
292 or item of personal property shall be subject to a fee-in-lieu for  
293 a duration of more than ten (10) years. Any such agreement shall  
294 be binding, according to its terms, on future boards of  
295 supervisors of the county and/or governing authorities of a  
296 municipality, as the case may be, for the duration of the  
297 agreement.

298 (5) The fee-in-lieu may be a stated fraction or percentage  
299 of the ad valorem taxes otherwise payable or a stated dollar



300 amount. If the fee is a fraction or percentage of the ad valorem  
301 tax levy, it shall be annually computed on all ad valorem taxes  
302 otherwise payable, including school taxes, as the same may vary  
303 from year to year based upon changes in the millage rate or  
304 assessed value and shall not be less than one-third (1/3) of that  
305 amount. If the fee is a stated dollar amount, said amount shall  
306 be the higher of the sum provided for fixed payment or one-third  
307 (1/3) of the total of all ad valorem taxes otherwise payable as  
308 annually determined during each year of the fee-in-lieu.

309 (6) Notwithstanding Section 27-31-111, the parties to a  
310 fee-in-lieu may agree on terms and conditions providing for the  
311 reduction, suspension, termination or reinstatement of a  
312 fee-in-lieu agreement or any fee-in-lieu period granted thereunder  
313 upon the cessation of operations by project for twelve (12) or  
314 more consecutive months or due to other conditions set forth in  
315 the agreement.

316 (7) For a project as defined in Section 57-75-5(f)(xxi) and  
317 located in a county that is a member of a regional economic  
318 development alliance created under Section 57-64-1 et seq., the  
319 members of the regional economic development alliance may divide  
320 the sum allowed as a fee-in-lieu in a manner as determined by the  
321 alliance agreement, and the boards of supervisors of the member  
322 counties may then apportion the sum allowed between school  
323 district purposes and all other county purposes.



324 (8) For a project as defined in Section 57-75-5(f) (xxvi),  
325 the board of supervisors of the county in which the project is  
326 located may negotiate with the school district in which the  
327 project is located and apportion to the school district an amount  
328 of the fee-in-lieu that is agreed upon in the negotiations  
329 different than the amount provided for in subsection (3) of this  
330 section.

331 (9) For a project as defined in Section 57-75-5(f) (xxviii),  
332 the annual amount of the fee-in-lieu apportioned to the county  
333 shall not be less than the amount necessary to pay the annual debt  
334 service on bonds issued by the county pursuant to Section  
335 57-75-37(3) (c) .

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

338 27-65-101. (1) The exemptions from the provisions of this  
339 chapter which are of an industrial nature or which are more  
340 properly classified as industrial exemptions than any other  
341 exemption classification of this chapter shall be confined to  
342 those persons or property exempted by this section or by the  
343 provisions of the Constitution of the United States or the State  
344 of Mississippi. No industrial exemption as now provided by any  
345 other section except Section 57-3-33 shall be valid as against the  
346 tax herein levied. Any subsequent industrial exemption from the  
347 tax levied hereunder shall be provided by amendment to this



348 section. No exemption provided in this section shall apply to  
349 taxes levied by Section 27-65-15 or 27-65-21.

350 The tax levied by this chapter shall not apply to the  
351 following:

352 (a) Sales of boxes, crates, cartons, cans, bottles and  
353 other packaging materials to manufacturers and wholesalers for use  
354 as containers or shipping materials to accompany goods sold by  
355 said manufacturers or wholesalers where possession thereof will  
356 pass to the customer at the time of sale of the goods contained  
357 therein and sales to anyone of containers or shipping materials  
358 for use in ships engaged in international commerce.

359 (b) Sales of raw materials, catalysts, processing  
360 chemicals, welding gases or other industrial processing gases  
361 (except natural gas) to a manufacturer for use directly in  
362 manufacturing or processing a product for sale or rental or  
363 repairing or reconditioning vessels or barges of fifty (50) tons  
364 load displacement and over. For the purposes of this exemption,  
365 electricity used directly in the electrolysis process in the  
366 production of sodium chlorate shall be considered a raw material.  
367 This exemption shall not apply to any property used as fuel except  
368 to the extent that such fuel comprises by-products which have no  
369 market value.

370 (c) The gross proceeds of sales of dry docks, offshore  
371 drilling equipment for use in oil or natural gas exploration or  
372 production, vessels or barges of fifty (50) tons load displacement



373 and over, when the vessels or barges are sold by the manufacturer  
374 or builder thereof. In addition to other types of equipment,  
375 offshore drilling equipment for use in oil or natural gas  
376 exploration or production shall include aircraft used  
377 predominately to transport passengers or property to or from  
378 offshore oil or natural gas exploration or production platforms or  
379 vessels, and engines, accessories and spare parts for such  
380 aircraft.

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

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

388 (f) Sales of petroleum products to vessels or barges  
389 for consumption in marine international commerce or interstate  
390 transportation businesses.

391 (g) Sales and rentals of rail rolling stock (and  
392 component parts thereof) for ultimate use in interstate commerce  
393 and gross income from services with respect to manufacturing,  
394 repairing, cleaning, altering, reconditioning or improving such  
395 rail rolling stock (and component parts thereof).

396 (h) Sales of raw materials, catalysts, processing  
397 chemicals, welding gases or other industrial processing gases





398 (except natural gas) used or consumed directly in manufacturing,  
399 repairing, cleaning, altering, reconditioning or improving such  
400 rail rolling stock (and component parts thereof). This exemption  
401 shall not apply to any property used as fuel.

402 (i) Sales of machinery or tools or repair parts  
403 therefor or replacements thereof, fuel or supplies used directly  
404 in manufacturing, converting or repairing ships, vessels or barges  
405 of three thousand (3,000) tons load displacement and over, but not  
406 to include office and plant supplies or other equipment not  
407 directly used on the ship, vessel or barge being built, converted  
408 or repaired. For purposes of this exemption, "ships, vessels or  
409 barges" shall not include floating structures described in Section  
410 27-65-18.

411 (j) Sales of tangible personal property to persons  
412 operating ships in international commerce for use or consumption  
413 on board such ships. This exemption shall be limited to cases in  
414 which procedures satisfactory to the commissioner, ensuring  
415 against use in this state other than on such ships, are  
416 established.

417 (k) Sales of materials used in the construction of a  
418 building, or any addition or improvement thereon, and sales of any  
419 machinery and equipment not later than three (3) months after the  
420 completion of construction of the building, or any addition  
421 thereon, to be used therein, to qualified businesses, as defined  
422 in Section 57-51-5, which are located in a county or portion



423 thereof designated as an enterprise zone pursuant to Sections  
424 57-51-1 through 57-51-15.

425 (l) Sales of materials used in the construction of a  
426 building, or any addition or improvement thereon, and sales of any  
427 machinery and equipment not later than three (3) months after the  
428 completion of construction of the building, or any addition  
429 thereon, to be used therein, to qualified businesses, as defined  
430 in Section 57-54-5.

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

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

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

440 (p) Sales of materials used in the construction of a  
441 building, or any addition or improvement thereon, and sales of any  
442 machinery and equipment not later than three (3) months after the  
443 completion of construction of the building, or any addition  
444 thereon, to be used therein, to qualified companies, certified as  
445 such by the Mississippi Development Authority under Section  
446 57-53-1.



447           (q) Sales of component materials used in the  
448 construction of a building, or any addition or improvement  
449 thereon, sales of machinery and equipment to be used therein, and  
450 sales of manufacturing or processing machinery and equipment which  
451 is permanently attached to the ground or to a permanent foundation  
452 and which is not by its nature intended to be housed within a  
453 building structure, not later than three (3) months after the  
454 initial start-up date, to permanent business enterprises engaging  
455 in manufacturing or processing in Tier Three areas (as such term  
456 is defined in Section 57-73-21), which businesses are certified by  
457 the Department of Revenue as being eligible for the exemption  
458 granted in this paragraph (q).

459           (r) (i) Sales of component materials used in the  
460 construction of a building, or any addition or improvement  
461 thereon, and sales of any machinery and equipment not later than  
462 three (3) months after the completion of the building, addition or  
463 improvement thereon, to be used therein, for any company  
464 establishing or transferring its national or regional headquarters  
465 from within or outside the State of Mississippi and creating a  
466 minimum of twenty (20) jobs at the new headquarters in this state.  
467 The Department of Revenue shall establish criteria and prescribe  
468 procedures to determine if a company qualifies as a national or  
469 regional headquarters for the purpose of receiving the exemption  
470 provided in this subparagraph (i).



471                   (ii) Sales of component materials used in the  
472 construction of a building, or any addition or improvement  
473 thereon, and sales of any machinery and equipment not later than  
474 three (3) months after the completion of the building, addition or  
475 improvement thereon, to be used therein, for any company expanding  
476 or making additions after January 1, 2013, to its national or  
477 regional headquarters within the State of Mississippi and creating  
478 a minimum of twenty (20) new jobs at the headquarters as a result  
479 of the expansion or additions. The Department of Revenue shall  
480 establish criteria and prescribe procedures to determine if a  
481 company qualifies as a national or regional headquarters for the  
482 purpose of receiving the exemption provided in this subparagraph  
483 (ii).

484                   (s) The gross proceeds from the sale of semitrailers,  
485 trailers, boats, travel trailers, motorcycles, all-terrain cycles  
486 and rotary-wing aircraft if exported from this state within  
487 forty-eight (48) hours and registered and first used in another  
488 state.

489                   (t) Gross income from the storage and handling of  
490 natural gas in underground salt domes and in other underground  
491 reservoirs, caverns, structures and formations suitable for such  
492 storage.

493                   (u) Sales of machinery and equipment to nonprofit  
494 organizations if the organization:



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

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

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

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

508 (v) Sales or leases of materials and equipment to  
509 approved business enterprises as provided under the Growth and  
510 Prosperity Act.

511 (w) From and after July 1, 2001, sales of pollution  
512 control equipment to manufacturers or custom processors for  
513 industrial use. For the purposes of this exemption, "pollution  
514 control equipment" means equipment, devices, machinery or systems  
515 used or acquired to prevent, control, monitor or reduce air, water  
516 or groundwater pollution, or solid or hazardous waste as required  
517 by federal or state law or regulation.

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



520 certified by the Mississippi Major Economic Impact Authority as a  
521 project as defined in Section 57-75-5(f)(iv)1, Section  
522 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and  
523 equipment; special tooling such as dies, molds, jigs and similar  
524 items treated as special tooling for federal income tax purposes;  
525 or repair parts therefor or replacements thereof; repair services  
526 thereon; fuel, supplies, electricity, coal and natural gas used  
527 directly in the manufacture of motor vehicles or motor vehicle  
528 parts or used to provide climate control for manufacturing areas.

529 (y) Sales or leases of component materials, machinery  
530 and equipment used in the construction of a building, or any  
531 addition or improvement thereon to an enterprise operating a  
532 project that has been certified by the Mississippi Major Economic  
533 Impact Authority as a project as defined in Section  
534 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)  
535 or Section 57-75-5(f)(xxviii) and any other sales or leases  
536 required to establish or operate such project.

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

539 (aa) The gross income from the stripping and painting  
540 of commercial aircraft engaged in foreign or interstate  
541 transportation business.

542 (bb) [Repealed]

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



545 Major Economic Impact Authority as a project as defined in Section  
546 57-75-5(f) (xviii) of machinery and equipment; special tooling such  
547 as dies, molds, jigs and similar items treated as special tooling  
548 for federal income tax purposes; or repair parts therefor or  
549 replacements thereof; repair services thereon; fuel, supplies,  
550 electricity, coal and natural gas used directly in the  
551 manufacturing/production operations of the project or used to  
552 provide climate control for manufacturing/production areas.

553 (dd) Sales or leases of component materials, machinery  
554 and equipment used in the construction of a building, or any  
555 addition or improvement thereon to an enterprise owning or  
556 operating a project that has been designated by the Mississippi  
557 Major Economic Impact Authority as a project as defined in Section  
558 57-75-5(f) (xviii) and any other sales or leases required to  
559 establish or operate such project.

560 (ee) Sales of parts used in the repair and servicing of  
561 aircraft not registered in Mississippi engaged exclusively in the  
562 business of foreign or interstate transportation to businesses  
563 engaged in aircraft repair and maintenance.

564 (ff) Sales of component materials used in the  
565 construction of a facility, or any addition or improvement  
566 thereon, and sales or leases of machinery and equipment not later  
567 than three (3) months after the completion of construction of the  
568 facility, or any addition or improvement thereto, to be used in  
569 the building or any addition or improvement thereto, to a



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

574 (gg) Sales of component materials used in the  
575 construction of a facility, or any addition or improvement  
576 thereto, and sales of machinery and equipment not later than three  
577 (3) months after the completion of construction of the facility,  
578 or any addition or improvement thereto, to be used in the facility  
579 or any addition or improvement thereto, to technology intensive  
580 enterprises for industrial purposes in Tier Three areas (as such  
581 areas are designated in accordance with Section 57-73-21), as  
582 certified by the Department of Revenue. For purposes of this  
583 paragraph, an enterprise must meet the criteria provided for in  
584 Section 27-65-17(1)(f) in order to be considered a technology  
585 intensive enterprise.

586 (hh) Sales of component materials used in the  
587 replacement, reconstruction or repair of a building or facility  
588 that has been destroyed or sustained extensive damage as a result  
589 of a disaster declared by the Governor, sales of machinery and  
590 equipment to be used therein to replace machinery or equipment  
591 damaged or destroyed as a result of such disaster, including, but  
592 not limited to, manufacturing or processing machinery and  
593 equipment which is permanently attached to the ground or to a  
594 permanent foundation and which is not by its nature intended to be





595 housed within a building structure, to enterprises or companies  
596 that were eligible for the exemptions authorized in paragraph (q),  
597 (r), (ff) or (gg) of this subsection during initial construction  
598 of the building that was destroyed or damaged, which enterprises  
599 or companies are certified by the Department of Revenue as being  
600 eligible for the exemption granted in this paragraph.

601 (ii) Sales of software or software services transmitted  
602 by the Internet to a destination outside the State of Mississippi  
603 where the first use of such software or software services by the  
604 purchaser occurs outside the State of Mississippi.

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

608 (kk) Sales of component building materials and  
609 equipment for initial construction of facilities or expansion of  
610 facilities as authorized under Sections 57-113-1 through 57-113-7  
611 and Sections 57-113-21 through 57-113-27.

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

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

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



620 thereon, and sales or leases of machinery and equipment not later  
621 than three (3) months after the completion of the construction of  
622 the facility, to be used in the facility, to permanent business  
623 enterprises operating a facility producing renewable crude oil  
624 from biomass harvested or produced, in whole or in part, in  
625 Mississippi, which businesses meet minimum criteria established by  
626 the Mississippi Development Authority. As used in this paragraph,  
627 the term "biomass" shall have the meaning ascribed to such term in  
628 Section 57-113-1.

629           (oo) Sales of supplies, equipment and other personal  
630 property to an organization that is exempt from taxation under  
631 Section 501(c)(3) of the Internal Revenue Code and is the host  
632 organization coordinating a professional golf tournament played or  
633 to be played in this state and the supplies, equipment or other  
634 personal property will be used for purposes related to the golf  
635 tournament and related activities.

636           (pp) Sales of materials used in the construction of a  
637 health care industry facility, as defined in Section 57-117-3, or  
638 any addition or improvement thereon, and sales of any machinery  
639 and equipment not later than three (3) months after the completion  
640 of construction of the facility, or any addition thereon, to be  
641 used therein, to qualified businesses, as defined in Section  
642 57-117-3. This paragraph shall be repealed from and after July 1,  
643 2022.



644           (qq) Sales or leases to a manufacturer of automotive  
645 parts operating a project that has been certified by the  
646 Mississippi Major Economic Impact Authority as a project as  
647 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;  
648 or repair parts therefor or replacements thereof; repair services  
649 thereon; fuel, supplies, electricity, coal, nitrogen and natural  
650 gas used directly in the manufacture of automotive parts or used  
651 to provide climate control for manufacturing areas.

652           (rr) Gross collections derived from guided tours on any  
653 navigable waters of this state, which include providing  
654 accommodations, guide services and/or related equipment operated  
655 by or under the direction of the person providing the tour, for  
656 the purposes of outdoor tourism. The exemption provided in this  
657 paragraph (rr) does not apply to the sale of tangible personal  
658 property by a person providing such tours.

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

664           (tt) Sales exempt under the Facilitating Business Rapid  
665 Response to State Declared Disasters Act of 2015 (Sections  
666 27-113-1 through 27-113-9).

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



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

671 (i) All personal property and fixtures, including  
672 without limitation, sales or leases to the enterprise and its  
673 affiliates of:

674 1. Manufacturing machinery and equipment;

675 2. Special tooling such as dies, molds, jigs  
676 and similar items treated as special tooling for federal income  
677 tax purposes;

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

681 4. Nonmanufacturing furniture, fixtures and  
682 equipment (inclusive of all communications, computer, server,  
683 software and other hardware equipment); and

684 5. Fuel, supplies (other than  
685 nonmanufacturing consumable supplies and water), electricity,  
686 nitrogen gas and natural gas used directly in the  
687 manufacturing/production operations of such project or used to  
688 provide climate control for manufacturing/production areas of such  
689 project;

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



693 (iii) All services taxable pursuant to Section  
694 27-65-23 required to establish, support, operate, repair and/or  
695 maintain such project.

696 (vv) Sales or leases to an enterprise operating a  
697 project that has been certified by the Mississippi Major Economic  
698 Impact Authority as a project as defined in Section  
699 57-75-5(f) (xxx) of:

700 (i) Purchases required to establish and operate  
701 the project, including, but not limited to, sales of component  
702 building materials, machinery and equipment required to establish  
703 the project facility and any additions or improvements thereon;  
704 and

705 (ii) Machinery, special tools (such as dies,  
706 molds, and jigs) or repair parts thereof, or replacements and  
707 lease thereof, repair services thereon, fuel, supplies and  
708 electricity, coal and natural gas used in the manufacturing  
709 process and purchased by the enterprise owning or operating the  
710 project for the benefit of the project.

711 (ww) Sales of component materials used in the  
712 construction of a building, or any expansion or improvement  
713 thereon, sales of machinery and/or equipment to be used therein,  
714 and sales of processing machinery and equipment which is  
715 permanently attached to the ground or to a permanent foundation  
716 which is not by its nature intended to be housed in a building  
717 structure, no later than three (3) months after initial startup,



718 expansion or improvement of a permanent enterprise solely engaged  
719 in the conversion of natural sand into proppants used in oil and  
720 gas exploration and development with at least ninety-five percent  
721 (95%) of such proppants used in the production of oil and/or gas  
722 from horizontally drilled wells and/or horizontally drilled  
723 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

724 (xx) Sales of materials used in the construction of a  
725 facility in a corporate corridor redevelopment zone, or any  
726 addition or improvement thereon, and sales of any machinery and  
727 equipment not later than three (3) months after the completion of  
728 construction of the facility, or any addition or improvement  
729 thereon, to be used therein, to a qualified business enterprise.  
730 For the purposes of this paragraph (xx), the terms "corporate  
731 corridor redevelopment zone" and "qualified business enterprise"  
732 mean and have the same definitions as such terms have in Section 1  
733 of this act.

734 (2) Sales of component materials used in the construction of  
735 a building, or any addition or improvement thereon, sales of  
736 machinery and equipment to be used therein, and sales of  
737 manufacturing or processing machinery and equipment which is  
738 permanently attached to the ground or to a permanent foundation  
739 and which is not by its nature intended to be housed within a  
740 building structure, not later than three (3) months after the  
741 initial start-up date, to permanent business enterprises engaging  
742 in manufacturing or processing in Tier Two areas and Tier One



743 areas (as such areas are designated in accordance with Section  
744 57-73-21), which businesses are certified by the Department of  
745 Revenue as being eligible for the exemption granted in this  
746 subsection, shall be exempt from one-half (1/2) of the taxes  
747 imposed on such transactions under this chapter.

748 (3) Sales of component materials used in the construction of  
749 a facility, or any addition or improvement thereon, and sales or  
750 leases of machinery and equipment not later than three (3) months  
751 after the completion of construction of the facility, or any  
752 addition or improvement thereto, to be used in the building or any  
753 addition or improvement thereto, to a permanent business  
754 enterprise operating a data/information enterprise in Tier Two  
755 areas and Tier One areas (as such areas are designated in  
756 accordance with Section 57-73-21), which businesses meet minimum  
757 criteria established by the Mississippi Development Authority,  
758 shall be exempt from one-half (1/2) of the taxes imposed on such  
759 transaction under this chapter.

760 (4) Sales of component materials used in the construction of  
761 a facility, or any addition or improvement thereto, and sales of  
762 machinery and equipment not later than three (3) months after the  
763 completion of construction of the facility, or any addition or  
764 improvement thereto, to be used in the building or any addition or  
765 improvement thereto, to technology intensive enterprises for  
766 industrial purposes in Tier Two areas and Tier One areas (as such  
767 areas are designated in accordance with Section 57-73-21), which



768 businesses are certified by the Department of Revenue as being  
769 eligible for the exemption granted in this subsection, shall be  
770 exempt from one-half (1/2) of the taxes imposed on such  
771 transactions under this chapter. For purposes of this subsection,  
772 an enterprise must meet the criteria provided for in Section  
773 27-65-17(1)(f) in order to be considered a technology intensive  
774 enterprise.

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

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

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

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

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

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





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

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

803 (6) Sales of component materials used in the replacement,  
804 reconstruction or repair of a building that has been destroyed or  
805 sustained extensive damage as a result of a disaster declared by  
806 the Governor, sales of machinery and equipment to be used therein  
807 to replace machinery or equipment damaged or destroyed as a result  
808 of such disaster, including, but not limited to, manufacturing or  
809 processing machinery and equipment which is permanently attached  
810 to the ground or to a permanent foundation and which is not by its  
811 nature intended to be housed within a building structure, to  
812 enterprises that were eligible for the partial exemptions provided  
813 for in subsections (2), (3) and (4) of this section during initial  
814 construction of the building that was destroyed or damaged, which  
815 enterprises are certified by the Department of Revenue as being  
816 eligible for the partial exemption granted in this subsection,



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

819           **SECTION 4.** This act shall take effect and be in force from  
820 and after July 1, 2019.

