

By: Representatives Smith, Hines, Paden,
Anthony

To: Ways and Means

HOUSE BILL NO. 1431

1 AN ACT TO AMEND SECTION 57-113-1, MISSISSIPPI CODE OF 1972,
2 TO REVISE THE DEFINITION OF THE TERM "BUSINESS ENTERPRISE" FOR THE
3 PURPOSE OF ELIGIBILITY OF AEROSPACE INDUSTRIES FOR CERTAIN TAX
4 EXEMPTIONS BY EXPANDING THE OPERATIONS QUALIFYING AN ENTITY TO BE
5 INCLUDED IN SUCH DEFINITION, BY REDUCING THE MINIMUM CAPITAL
6 INVESTMENT AND NUMBER OF JOBS CREATED NECESSARY FOR AN AEROSPACE
7 ENTERPRISE TO BE INCLUDED IN SUCH DEFINITION, AND BY REQUIRING THE
8 NEW JOBS CREATED TO PROVIDE A CERTAIN AVERAGE ANNUAL SALARY; TO
9 EXPAND THE DEFINITION OF THE TERM "AEROSPACE INDUSTRY"; AND FOR
10 RELATED PURPOSES.

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

12 **SECTION 1.** Section 57-113-1, Mississippi Code of 1972, is
13 amended as follows:

14 57-113-1. As used in this article:

15 (a) "Business enterprise" means:

16 (i) Any enterprise owning or operating a facility
17 for the manufacture or assembly of systems or components used in
18 the generation of clean energy that locates or expands in this
19 state which will have a minimum capital investment in this state
20 of Fifty Million Dollars (\$50,000,000.00) and will create a
21 minimum of two hundred fifty (250) new, full-time jobs.



22 (ii) Any enterprise owning or operating a facility
23 that manufactures * * *, assembles or processes products,
24 components or systems for the aerospace industry or provides
25 research and development or training services in the aerospace
26 industry that locates or expands in this state, which will have a
27 minimum capital investment in this state of * * * Twenty-five
28 Million Dollars (\$25,000,000.00) in land, building and equipment
29 and will create a minimum of * * * twenty-five (25) new, full-time
30 jobs which provide an average annual salary, excluding benefits
31 which are not subject to Mississippi income taxes, of at least one
32 hundred ten percent (110%) of the most recently published state
33 average annual wage or the most recently published average annual
34 wage of the county in which the qualified business or industry is
35 located as determined by the Mississippi Department of Employment
36 Security, whichever is less.

37 (b) "Aerospace industry" means the industry that
38 researches, designs, manufactures, repairs, operates and/or
39 maintains products, components and systems which enable
40 vehicles * * * to move through the air and space.

41 (c) "Biomass" means and includes any of the following:

42 (i) Forest-related mill residues, pulping
43 by-product and other by-products of wood processing, thinnings,
44 slash, limbs, bark, brush and other cellulosic plant material or
45 nonmerchantable forest-related products;



46 (ii) Solid wood waste materials, including
47 dunnage, manufacturing and construction wood wastes, demolition
48 and storm debris and landscape or right-of-way trimmings;

49 (iii) Agriculture wastes, including orchard tree
50 crops, vineyard, grain, legumes, sugar and other crop by-products
51 or residues and livestock waste nutrients;

52 (iv) All plant and grass material that is grown
53 exclusively as a fuel for the production of electricity;

54 (v) Refuse derived fuels consisting of organic
55 components and fibers of waste water treatment solids; or

56 (vi) Whole trees.

57 (d) "Clean energy" means energy that is generated from
58 either:

59 (i) A renewable energy source such as wind, water,
60 biomass or solar; or

61 (ii) An alternative energy source such as nuclear.

62 (e) "MDA" means the Mississippi Development Authority.

63 (f) "State tax" means:

64 (i) Any sales or use tax imposed on the business
65 enterprise pursuant to law related to the purchase of component
66 building materials and equipment for initial construction of
67 facilities or expansion of facilities that are certified by the
68 Mississippi Development Authority;



69 (ii) All income tax imposed pursuant to law on
70 income earned by the business enterprise certified by the
71 Mississippi Development Authority;

72 (iii) Franchise tax imposed pursuant to law on the
73 value of capital used, invested or employed by the business
74 enterprise certified by the Mississippi Development Authority; and

75 (iv) Any sales or use tax imposed on the lease of
76 machinery and equipment acquired in the initial construction to
77 establish the facility or for an expansion certified by the
78 Mississippi Development Authority.

79 **SECTION 2.** This act shall take effect and be in force from
80 and after July 1, 2019.

