

By: Representative Lamar

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1729

1 AN ACT TO AMEND SECTION 27-7-22.31, MISSISSIPPI CODE OF 1972,
2 WHICH AUTHORIZES AN INCOME TAX CREDIT FOR COSTS AND EXPENSES
3 INCURRED FOR THE REHABILITATION OF CERTAIN HISTORIC STRUCTURES; TO
4 REMOVE THE PROVISION THAT EXCLUDES SINGLE-FAMILY DWELLINGS FROM
5 THE DEFINITION OF THE TERM "ELIGIBLE PROPERTY"; TO REMOVE THE
6 PROVISION THAT AUTHORIZES A TAXPAYER TO ELECT TO RECEIVE A 75%
7 REBATE ON THE AMOUNT OF THE CREDIT IN EXCESS OF \$250,000.00 IN
8 LIEU OF THE TEN-YEAR CARRYFORWARD SO AS TO ALLOW THE TAXPAYER TO
9 ELECT TO RECEIVE A REBATE ON 75% OF THE TOTAL AMOUNT OF THE CREDIT
10 IN LIEU OF THE TEN-YEAR CARRYFORWARD; TO AUTHORIZE THE SALE OR
11 TRANSFER OF SUCH INCOME TAX CREDITS; TO INCREASE BY \$60,000,000.00
12 THE MAXIMUM AGGREGATE AMOUNT OF TAX CREDITS THAT MAY BE AWARDED
13 UNDER THIS SECTION AND TO REMOVE THE LIMITATION ON THE AMOUNT OF
14 CREDITS THAT MAY BE AWARDED IN ANY ONE STATE FISCAL YEAR; TO GRANT
15 PRIORITY FOR THE TAX CREDIT TO TAXPAYERS WHO WERE ISSUED A
16 CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT PRIOR TO JULY 1, 2020;
17 TO PROVIDE THAT THE TAX CREDIT SHALL APPLY TO TAXPAYERS WHO HAVE
18 BEEN ISSUED A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT BEFORE
19 DECEMBER 31, 2030, OR WHO, BEFORE DECEMBER 31, 2030, HAVE RECEIVED
20 A DETERMINATION IN WRITING FROM THE MISSISSIPPI DEPARTMENT OF
21 ARCHIVES AND HISTORY THAT THE REHABILITATION IS CONSISTENT WITH
22 THE HISTORIC CHARACTER OF THE PROPERTY AND THAT THE PROPERTY MEETS
23 THE UNITED STATES SECRETARY OF THE INTERIOR'S STANDARDS FOR
24 REHABILITATION AND WHO ARE ISSUED A CERTIFICATE EVIDENCING THE
25 ELIGIBLE CREDIT ON OR AFTER DECEMBER 31, 2030; TO AMEND SECTION
26 27-7-22.41, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME
27 TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS BY BUSINESS ENTERPRISES
28 TO ELIGIBLE CHARITABLE ORGANIZATIONS, TO INCREASE THE AGGREGATE
29 AMOUNT OF THE CREDITS THAT MAY BE AWARDED DURING A CALENDAR YEAR;
30 TO REVISE CERTAIN PROVISIONS RELATING TO THE ALLOCATION OF SUCH
31 CREDITS; TO AMEND SECTION 27-7-22.39, MISSISSIPPI CODE OF 1972,
32 WHICH AUTHORIZES SEPARATE INCOME TAX CREDITS FOR VOLUNTARY CASH
33 CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND
34 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS, TO DECREASE THE



35 AGGREGATE AMOUNT OF THE CREDITS THAT MAY BE AWARDED IN A CALENDAR
36 YEAR; TO PROVIDE THAT ANY TAX CREDITS NOT AWARDED UNDER THIS
37 SECTION DURING CALENDAR YEAR 2020, MAY BE ALLOCATED DURING
38 CALENDAR YEAR 2020 UNDER SECTION 27-7-22.41, MISSISSIPPI CODE OF
39 1972, FOR CONTRIBUTIONS BY TAXPAYERS TO CERTAIN ELIGIBLE
40 CHARITABLE ORGANIZATIONS; TO EXTEND THE DATE OF THE REPEALER ON
41 THAT SECTION OF LAW; TO AMEND SECTION 27-7-22.32, MISSISSIPPI CODE
42 OF 1972, WHICH AUTHORIZES AN INCOME TAX CREDIT FOR EXPENSES
43 INCURRED FOR THE ADOPTION OF A CHILD, TO EXTEND THE DATE OF THE
44 REVERTER ON THE PROVISION OF LAW THAT INCREASES THE MAXIMUM AMOUNT
45 OF THE TAX CREDIT FROM \$2,500.00 TO \$5,000.00 PER CHILD AND THE
46 PROVISION THAT AUTHORIZES AN INCOME TAX CREDIT FOR A CHILD ADOPTED
47 THROUGH THE MISSISSIPPI DEPARTMENT OF CHILD PROTECTION SERVICES;
48 TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972, TO EXTEND
49 UNTIL JULY 1, 2025, THE SALES TAX EXEMPTION ON SALES OF EQUIPMENT
50 TO TELECOMMUNICATIONS ENTERPRISES THAT IS USED IN THE DEPLOYMENT
51 OF BROADBAND TECHNOLOGIES; TO AMEND SECTION 57-87-5, MISSISSIPPI
52 CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE INCOME TAX CREDIT
53 AND CORPORATION FRANCHISE TAX CREDIT AUTHORIZED FOR
54 TELECOMMUNICATIONS ENTERPRISES FOR THE COST OF EQUIPMENT USED IN
55 THE DEPLOYMENT OF BROADBAND TECHNOLOGIES; TO AMEND SECTION
56 57-87-7, MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025,
57 THE AD VALOREM TAX EXEMPTION FOR EQUIPMENT USED IN THE DEPLOYMENT
58 OF BROADBAND TECHNOLOGIES BY TELECOMMUNICATIONS ENTERPRISES; AND
59 FOR RELATED PURPOSES.

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

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

63 27-7-22.31. (1) As used in this section:

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

66 (i) Listed individually on the National Register
67 of Historic Places; or

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



72 (iii) Property designated a Mississippi Landmark
73 by the Department of Archives and History pursuant to Section
74 39-7-3 et seq.

75 (b) "Eligible property" means property located in
76 Mississippi and offered or used for residential or business
77 purposes * * *; ~~however, the term "eligible property" shall not~~
78 ~~include a single-family dwelling unless:~~

79 ~~_____ (i) A certificate evidencing the eligible credit~~
80 ~~has been issued to the taxpayer by the department prior to July 1,~~
81 ~~2016, that applies to such dwelling; or~~

82 ~~_____ (ii) The dwelling is designated as a National~~
83 ~~Historic Landmark under the National Historic Landmarks Program.~~

84 (c) "Structure in a certified historic district" means
85 a structure (and its structural components) located in Mississippi
86 which:

87 (i) Is listed in the National Register of Historic
88 Places; or

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

93 (iii) Is located in a registered historic district
94 listed on the National Register of Historic Places or located in a
95 potential district that has been determined eligible for the
96 National Register of Historic Places by the Secretary of the



97 United States Department of the Interior and will be listed within
98 thirty (30) months of claiming the credit authorized by this
99 section, and is certified by the Secretary of the United States
100 Department of the Interior as being of historic significance to
101 the district; or

102 (iv) Is certified by the Mississippi Department of
103 Archives and History as contributing to the historic significance
104 of:

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

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

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

114 (d) "Department" means the Department of Archives and
115 History.

116 (2) Any taxpayer incurring costs and expenses for the
117 rehabilitation of eligible property, which is a certified historic
118 structure or a structure in a certified historic district, shall
119 be entitled to a credit against the taxes imposed pursuant to this
120 chapter in an amount equal to twenty-five percent (25%) of the
121 total costs and expenses of rehabilitation incurred after January



122 1, 2006, which shall include, but not be limited to, qualified
123 rehabilitation expenditures as defined under Section 47(c)(2)(A)
124 of the Internal Revenue Code of 1986, as amended, and the related
125 regulations thereunder:

126 (a) If the costs and expenses associated with
127 rehabilitation exceed:

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

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

132 (b) The rehabilitation is consistent with the standards
133 of the Secretary of the United States Department of the Interior
134 as determined by the department.

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

137 (a) There is a written set of architectural plans and
138 specifications for all phases of the rehabilitation (written plans
139 outlining and describing all phases of the rehabilitation shall be
140 accepted as written plans and specifications);

141 (b) The written set of architectural plans and
142 specifications are completed before the physical work on the
143 rehabilitation begins; and

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



146 (4) (a) (i) If the amount of the tax credit established by
147 this section exceeds the total state income tax liability for the
148 year in which the rehabilitated property is placed in service, the
149 amount that exceeds the total state income tax liability may be
150 carried forward for the ten (10) succeeding tax years. In
151 addition, a taxpayer may sell or transfer the excess portion of
152 the tax credit to any taxpayer having a liability for taxes under
153 this chapter. A tax credit may not be sold or transferred more
154 than one (1) time, subject to guidelines established by the
155 Department of Revenue. The buyer or transferee of a tax credit
156 may use the acquired credit in the same manner and to the same
157 extent as the seller or transferor of the credit; however, the
158 sell or transfer of a credit will not extend the length of time
159 that the credit may be carried forward. In order to sell or
160 transfer a tax credit, the seller or transferor shall notify the
161 department and the Department of Revenue in writing within thirty
162 (30) days after the date of the sale or transfer. The notice
163 shall include:

164 1. The seller's or transferor's tax credit
165 balance before the sale or transfer of the credit;

166 2. The tax credit identification number
167 assigned by the department;

168 3. The unused portion of the credit remaining
169 after the sale or transfer;



170 4. All federal and state tax identification
171 numbers for both the seller or transferor and the buyer or
172 transferee;

173 5. The date of the sale or transfer;

174 6. The amount of the credit sold or
175 transferred; and

176 7. Any other information required by the
177 department or the Department of Revenue.

178 Failure by the seller or transferor to comply with the notice
179 requirements of this subparagraph (i) shall void the sale or
180 transfer.

181 (ii) * * *~~If the amount of the tax credit~~
182 ~~established by this section exceeds Two Hundred Fifty Thousand~~
183 ~~Dollars (\$250,000.00),~~ The taxpayer may elect to claim a refund
184 in the amount of seventy-five percent (75%) of the excess credit
185 in lieu of the ten-year carryforward and the sale or transfer of
186 the credit. The election must be made in the year in which the
187 rehabilitated property is placed in service. Refunds will be paid
188 in equal installments over a two-year period and shall be made
189 from current collections.

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

193 (b) Not-for-profit entities, including, but not limited
194 to, nonprofit corporations organized under Section 79-11-101 et



195 seq. shall be ineligible for the credit authorized by this
196 section. Credits granted to a partnership, a limited liability
197 company taxed as a partnership or multiple owners of property
198 shall be passed through to the partners, members or owners on a
199 pro rata basis or pursuant to an executed agreement among the
200 partners, members or owners documenting an alternative
201 distribution method. Partners, members or other owners of a
202 pass-through entity are not eligible to elect a refund of excess
203 credit in lieu of a carryforward of the credit. However, a
204 partnership or limited liability company taxed as a partnership
205 may elect to claim a refund of excess credit at the entity level
206 on a form prescribed by the Department of Revenue. Additionally,
207 excess tax credits that are attributable to rehabilitated property
208 that was placed in service by a pass-through entity prior to
209 January 1, 2011, and that have previously been allocated to and
210 are held by another pass-through entity prior to January 1, 2011,
211 may be refunded to such other pass-through entity.

212 (5) (a) To claim the credit authorized pursuant to this
213 section, the taxpayer shall apply to the department which shall
214 determine the amount of eligible rehabilitation costs and expenses
215 and whether the rehabilitation is consistent with the standards of
216 the Secretary of the United States Department of the Interior.
217 The department shall issue a certificate evidencing the eligible
218 credit if the taxpayer is found to be eligible for the tax credit.
219 The taxpayer shall attach the certificate to all income tax



220 returns on which the credit is claimed. * * *~~The department shall~~
221 ~~not issue certificates evidencing the eligible credit which, when~~
222 ~~combined with certificates of eligible credits issued prior to~~
223 ~~July 1, 2016, will result in credits being awarded in excess of~~
224 ~~Twelve Million Dollars (\$12,000,000.00) in any one (1) state~~
225 ~~fiscal year.~~

226 (b) The aggregate amount of tax credits that may be
227 awarded under this section shall not exceed * * *~~One Hundred~~
228 ~~Twenty Million Dollars (\$120,000,000.00) and not more than Twelve~~
229 ~~Million Dollars (\$12,000,000.00) may be awarded in any one (1)~~
230 ~~state fiscal year~~ One Hundred Eighty Million Dollars
231 (\$180,000,000.00). A taxpayer who was issued a certificate
232 evidencing the eligible credit by the department prior to July
233 1, * * *~~2016~~ 2020, but who was unable to be awarded the credit due
234 to the limit on the aggregate amount of credits authorized under
235 this section prior to July 1, * * *~~2016~~ 2020:

236 (i) May be awarded the credit so long as the award
237 does not cause the aggregate amount of tax credits awarded to
238 exceed the * * *~~amounts~~ amount authorized in this paragraph; and

239 (ii) Shall be given priority for tax credits
240 awarded after July 1, * * *~~2016~~ 2020.

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

243 (i) The property is one that has been determined
244 eligible for the National Register of Historic Places but is not



245 listed on the National Register of Historic Places within thirty
246 (30) months of claiming the credit authorized by this section;

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

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

253 (b) The taxpayer shall notify the department and the
254 Department of Revenue if any of the situations that subject the
255 credit to recapture occur.

256 (7) (a) The board of trustees of the department shall
257 establish fees to be charged for the services performed by the
258 department under this section and shall publish the fee schedule.
259 The fees contained in the schedule shall be in amounts reasonably
260 calculated to recover the costs incurred by the department for the
261 administration of this section. Any taxpayer desiring to
262 participate in the tax credits authorized by this section shall
263 pay the appropriate fee as contained in the fee schedule to the
264 department, which shall be used by the department, without
265 appropriation, to offset the administrative costs of the
266 department associated with its duties under this section.

267 (b) There is hereby created within the State Treasury a
268 special fund into which shall be deposited all the fees collected
269 by the department pursuant to this section. Money deposited into



270 the fund shall not lapse at the end of any fiscal year and
271 investment earnings on the proceeds in such special fund shall be
272 deposited into such fund. Money from the fund shall be disbursed
273 upon warrants issued by the State Fiscal Officer upon requisitions
274 signed by the executive director of the department to assist the
275 department in carrying out its duties under this section.

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

277 (a) Who have been issued a certificate evidencing the
278 eligible credit before December 31, * * *~~2020~~ 2030; or

279 (b) Who, before December 31, * * *~~2020~~ 2030, have
280 received a determination in writing from the Mississippi
281 Department of Archives and History, in accordance with the
282 department's Historic Preservation Certificate Application, Part
283 2, that the rehabilitation is consistent with the historic
284 character of the property and that the property meets the United
285 States Secretary of the Interior's Standards for Rehabilitation,
286 or will meet the standards if certain specified conditions are
287 met, and, who are issued a certificate evidencing the eligible
288 credit on or after December 31, * * *~~2020~~ 2030.

289 **SECTION 2.** Section 27-7-22.41, Mississippi Code of 1972, is
290 amended as follows:

291 27-7-22.41. (1) For the purposes of this section, the
292 following words and phrases shall have the meanings ascribed in
293 this section unless the context clearly indicates otherwise:

294 (a) "Department" means the Department of Revenue.



295 (b) "Eligible charitable organization" means an
296 organization that is exempt from federal income taxation under
297 Section 501(c) (3) of the Internal Revenue Code and is:

298 (i) Licensed by or under contract or agreement
299 with the Department of Child Protection Services and provides
300 services for:

301 1. The prevention and diversion of children
302 from custody with the Department of Child Protection Services,

303 2. The safety, care and well-being of
304 children in custody with the Department of Child Protection
305 Services, or

306 3. The express purpose of creating permanency
307 for children through adoption; or

308 (ii) Certified by the department as a job
309 training, workforce development or educational services charitable
310 organization and provides services to:

311 1. Children in a foster care placement
312 program established by the Department of Child Protection
313 Services, children placed under the Safe Families for Children
314 model, or children at significant risk of entering a foster care
315 placement program established by the Department of Child
316 Protection Services,

317 2. Children who have a chronic illness or
318 physical, intellectual, developmental or emotional disability, or



319 3. Children eligible for free or reduced
320 price meals programs under Section 37-11-7.

321 (2) (a) The tax credit authorized in this section shall be
322 available only to a taxpayer who is a business enterprise engaged
323 in commercial, industrial or professional activities and operating
324 as a corporation, limited liability company, partnership or sole
325 proprietorship. Except as otherwise provided in this section, a
326 credit is allowed against the taxes imposed by Sections 27-7-5,
327 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
328 contributions made by a taxpayer during the taxable year to an
329 eligible charitable organization. The amount of credit that may
330 be utilized by a taxpayer in a taxable year shall be limited to an
331 amount not to exceed fifty percent (50%) of the total tax
332 liability of the taxpayer for the taxes imposed by such sections
333 of law. Any tax credit claimed under this section but not used in
334 any taxable year may be carried forward for five (5) consecutive
335 years from the close of the tax year in which the credits were
336 earned.

337 (b) A contribution to an eligible charitable
338 organization for which a credit is claimed under this section does
339 not qualify for and shall not be included in any credit that may
340 be claimed under Section 27-7-22.39.

341 (c) A contribution for which a credit is claimed under
342 this section may not be used as a deduction by the taxpayer for
343 state income tax purposes.



344 (3) Taxpayers taking a credit authorized by this section
345 shall provide the name of the eligible charitable organization and
346 the amount of the contribution to the department on forms provided
347 by the department.

348 (4) An eligible charitable organization shall provide the
349 department with a written certification that it meets all criteria
350 to be considered an eligible charitable organization. The
351 organization shall also notify the department of any changes that
352 may affect eligibility under this section.

353 (5) The eligible charitable organization's written
354 certification must be signed by an officer of the organization
355 under penalty of perjury. The written certification shall include
356 the following:

357 (a) Verification of the organization's status under
358 Section 501(c) (3) of the Internal Revenue Code;

359 (b) A statement that the organization does not provide,
360 pay for or provide coverage of abortions and does not financially
361 support any other entity that provides, pays for or provides
362 coverage of abortions;

363 (c) Any other information that the department requires
364 to administer this section.

365 (6) The department shall review each written certification
366 and determine whether the organization meets all the criteria to
367 be considered an eligible charitable organization and notify the
368 organization of its determination. The department may also



369 periodically request recertification from the organization. The
370 department shall compile and make available to the public a list
371 of eligible charitable organizations.

372 (7) Tax credits authorized by this section that are earned
373 by a partnership, limited liability company, S corporation or
374 other similar pass-through entity, shall be allocated among all
375 partners, members or shareholders, respectively, either in
376 proportion to their ownership interest in such entity or as the
377 partners, members or shareholders mutually agree as provided in an
378 executed document.

379 (8) (a) A taxpayer shall apply for credits with the
380 department on forms prescribed by the department. In the
381 application the taxpayer shall certify to the department the
382 dollar amount of the contributions made or to be made during the
383 calendar year. Within thirty (30) days after the receipt of an
384 application, the department shall allocate credits based on the
385 dollar amount of contributions as certified in the application.
386 However, if the department cannot allocate the full amount of
387 credits certified in the application due to the limit on the
388 aggregate amount of credits that may be awarded under this section
389 in a calendar year, the department shall so notify the applicant
390 within thirty (30) days with the amount of credits, if any, that
391 may be allocated to the applicant in the calendar year. Once the
392 department has allocated credits to a taxpayer, if the
393 contribution for which a credit is allocated has not been made as



394 of the date of the allocation, then the contribution must be made
395 not later than sixty (60) days from the date of the allocation.
396 If the contribution is not made within such time period, the
397 allocation shall be cancelled and returned to the department for
398 reallocation. Upon final documentation of the contributions, if
399 the actual dollar amount of the contributions is lower than the
400 amount estimated, the department shall adjust the tax credit
401 allowed under this section.

402 (b) A taxpayer who applied for a tax credit under this
403 section during calendar year 2020, but who was unable to be
404 awarded the credit due to the limit on the aggregate amount of
405 credits authorized for calendar year 2020, shall be given priority
406 for tax credits authorized to be allocated to taxpayers under this
407 section by Section 27-7-22.39.

408 (9) The aggregate amount of tax credits that may be
409 allocated by the department under this section during a calendar
410 year shall not exceed Five Million Dollars (\$5,000,000.00), and
411 not more than fifty percent (50%) of tax credits allocated during
412 a calendar year may be allocated for contributions to eligible
413 charitable organizations described in subsection (1)(b)(ii) of
414 this section. However, for calendar year 2021, and for each
415 calendar year thereafter, the aggregate amount of tax credits that
416 may be allocated by the department under this section during a
417 calendar year shall not exceed Ten Million Dollars
418 (\$10,000,000.00). For calendar year 2021, and for each calendar



419 year thereafter, fifty percent (50%) of the tax credits allocated
420 during a calendar year shall be allocated for contributions to
421 eligible charitable organizations described in subsection
422 (1)(b)(i) of this section and fifty percent (50%) of the tax
423 credits allocated during a calendar year shall be allocated for
424 contributions to eligible charitable organizations described in
425 subsection (1)(b)(ii) of this section. For calendar year 2021,
426 and for each calendar year thereafter, for credits allocated during
427 a calendar year for contributions to eligible charitable
428 organizations described in subsection (1)(b)(ii) of this section,
429 no more than ten percent (10%) of such credits may be allocated
430 for contributions to a single eligible charitable organization.

431 * * * ~~(10) The department shall not allocate any credits~~
432 ~~under this section after January 1, 2025.~~

433 **SECTION 3.** Section 27-7-22.39, Mississippi Code of 1972, is
434 amended as follows:

435 27-7-22.39. (1) As used in this section:

436 (a) "Low-income residents" means persons whose
437 household income is less than one hundred fifty percent (150%) of
438 the federal poverty level.

439 (b) "Qualifying charitable organization" means a
440 charitable organization that is exempt from federal income
441 taxation under Section 501(c)(3) of the Internal Revenue Code or
442 is a designated community action agency that receives community
443 services block grant program monies pursuant to 42 USC 9901. The



444 organization must spend at least fifty percent (50%) of its budget
445 on services to residents of this state who receive temporary
446 assistance for needy families benefits or low-income residents of
447 this state and their households or to children who have a chronic
448 illness or physical, intellectual, developmental or emotional
449 disability who are residents of this state. A charitable
450 organization that is exempt from federal income tax under Section
451 501(c)(3) of the Internal Revenue Code and that meets all other
452 requirements of this paragraph except that it does not spend at
453 least fifty percent (50%) of its overall budget in Mississippi may
454 be a qualifying charitable organization if it spends at least
455 fifty percent (50%) of its Mississippi budget on services to
456 qualified individuals in Mississippi and it certifies to the
457 department that one hundred percent (100%) of the voluntary cash
458 contributions from the taxpayer will be spent on services to
459 qualified individuals in Mississippi. Taxpayers choosing to make
460 donations through an umbrella charitable organization that
461 collects donations on behalf of member charities shall designate
462 that the donation be directed to a member charitable organization
463 that would qualify under this section on a stand-alone basis.
464 Qualifying charitable organization does not include any entity
465 that provides, pays for or provides coverage of abortions or that
466 financially supports any other entity that provides, pays for or
467 provides coverage of abortions.



468 (c) "Qualifying foster care charitable organization"
469 means a qualifying charitable organization that each operating
470 year provides services to at least one hundred (100) qualified
471 individuals in this state and spends at least fifty percent (50%)
472 of its budget on services to qualified individuals in this state.
473 A charitable organization that is exempt from federal income tax
474 under Section 501(c)(3) of the Internal Revenue Code and that
475 meets all other requirements of this paragraph except that it does
476 not spend at least fifty percent (50%) of its overall budget in
477 Mississippi may be a qualifying foster care charitable
478 organization if it spends at least fifty percent (50%) of its
479 Mississippi budget on services to qualified individuals in
480 Mississippi and it certifies to the department that one hundred
481 percent (100%) of the voluntary cash contributions from the
482 taxpayer will be spent on services to qualified individuals in
483 Mississippi. For the purposes of this paragraph, "qualified
484 individual" means a child in a foster care placement program
485 established by the Department of Child Protection Services, a
486 child placed under the Safe Families for Children model, or a
487 child at significant risk of entering a foster care placement
488 program established by the Department of Child Protection
489 Services.

490 (d) "Services" means:

491 (i) Cash assistance, medical care, child care,
492 food, clothing, shelter, and job-placement services or any other



493 assistance that is reasonably necessary to meet immediate basic
494 needs and that is provided and used in this state;

495 (ii) Job-training or education services or funding
496 for parents, foster parents or guardians; or

497 (iii) Job-training or education services or
498 funding provided as part of a foster care independent living
499 program.

500 (2) Except as provided in subsections (3) and (4) of this
501 section, a credit is allowed against the taxes imposed by this
502 chapter for voluntary cash contributions by the taxpayer during
503 the taxable year to a qualifying charitable organization, other
504 than a qualifying foster care charitable organization, not to
505 exceed:

506 (a) The lesser of Four Hundred Dollars (\$400.00) or the
507 amount of the contribution in any taxable year for a single
508 individual or a head of household.

509 (b) The lesser of Eight Hundred Dollars (\$800.00) or
510 the amount of the contribution in any taxable year for a married
511 couple filing a joint return.

512 (3) A separate credit is allowed against the taxes imposed
513 by this chapter for voluntary cash contributions during the
514 taxable year to a qualifying foster care charitable organization.
515 A contribution to a qualifying foster care charitable organization
516 does not qualify for, and shall not be included in, any credit
517 amount under subsection (2) of this section. If the voluntary



518 cash contribution by the taxpayer is to a qualifying foster care
519 charitable organization, the credit shall not exceed:

520 (a) The lesser of Five Hundred Dollars (\$500.00) or the
521 amount of the contribution in any taxable year for a single
522 individual or a head of household.

523 (b) The lesser of One Thousand Dollars (\$1,000.00) or
524 the amount of the contribution in any taxable year for a married
525 couple filing a joint return.

526 (4) Subsections (2) and (3) of this section provide separate
527 credits against taxes imposed by this chapter depending on the
528 recipients of the contributions. A taxpayer, including a married
529 couple filing a joint return, in the same taxable year, may either
530 or both:

531 (a) Contribute to a qualifying charitable organization,
532 other than a qualifying foster care charitable organization, and
533 claim a credit under subsection (2) of this section.

534 (b) Contribute to a qualifying foster care charitable
535 organization and claim a credit under subsection (3) of this
536 section.

537 (5) A husband and wife who file separate returns for a
538 taxable year in which they could have filed a joint return may
539 each claim only one-half (1/2) of the tax credit that would have
540 been allowed for a joint return.

541 (6) If the allowable tax credit exceeds the taxes otherwise
542 due under this chapter on the claimant's income, or if there are



543 no taxes due under this chapter, the taxpayer may carry forward
544 the amount of the claim not used to offset the taxes under this
545 chapter for not more than five (5) consecutive taxable years'
546 income tax liability.

547 (7) The credit allowed by this section is in lieu of a
548 deduction pursuant to Section 170 of the Internal Revenue Code and
549 taken for state tax purposes.

550 (8) Taxpayers taking a credit authorized by this section
551 shall provide the name of the qualifying charitable organization
552 and the amount of the contribution to the department on forms
553 provided by the department.

554 (9) A qualifying charitable organization shall provide the
555 department with a written certification that it meets all criteria
556 to be considered a qualifying charitable organization. The
557 organization shall also notify the department of any changes that
558 may affect the qualifications under this section.

559 (10) The charitable organization's written certification
560 must be signed by an officer of the organization under penalty of
561 perjury. The written certification shall include the following:

562 (a) Verification of the organization's status under
563 Section 501(c) (3) of the Internal Revenue Code or verification
564 that the organization is a designated community action agency that
565 receives community services block grant program monies pursuant to
566 42 USC 9901.



567 (b) Financial data indicating the organization's budget
568 for the organization's prior operating year and the amount of that
569 budget spent on services to residents of this state who either:

570 (i) Receive temporary assistance for needy
571 families benefits;

572 (ii) Are low-income residents of this state;

573 (iii) Are children who have a chronic illness or
574 physical, intellectual, developmental or emotional disability; or

575 (iv) Are children in a foster care placement
576 program established by the Department of Child Protection
577 Services, children placed under the Safe Families for Children
578 model or children at significant risk of entering a foster care
579 placement program established by the Department of Child
580 Protection Services.

581 (c) A statement that the organization plans to continue
582 spending at least fifty percent (50%) of its budget on services to
583 residents of this state who receive temporary assistance for needy
584 families benefits, who are low-income residents of this state, who
585 are children who have a chronic illness or physical, intellectual,
586 developmental or emotional disability or who are children in a
587 foster care placement program established by the Department of
588 Child Protection Services, children placed under the Safe Families
589 for Children model or children at significant risk of entering a
590 foster care placement program established by the Department of
591 Child Protection Services. A charitable organization that is



592 exempt from federal income tax under Section 501(c)(3) of the
593 Internal Revenue Code and that meets all other requirements for a
594 qualifying charitable organization or qualifying foster care
595 charitable organization except that it does not spend at least
596 fifty percent (50%) of its overall budget in Mississippi shall
597 submit a statement that it spends at least fifty percent (50%) of
598 its Mississippi budget on services to qualified individuals in
599 Mississippi and that one hundred percent (100%) of the voluntary
600 cash contributions it receives from Mississippi taxpayers will be
601 spent on services to qualified individuals in Mississippi.

602 (d) In the case of a foster care charitable
603 organization, a statement that each operating year it provides
604 services to at least one hundred (100) qualified individuals in
605 this state.

606 (e) A statement that the organization does not provide,
607 pay for or provide coverage of abortions and does not financially
608 support any other entity that provides, pays for or provides
609 coverage of abortions.

610 (f) Any other information that the department requires
611 to administer this section.

612 (11) The department shall review each written certification
613 and determine whether the organization meets all the criteria to
614 be considered a qualifying charitable organization and notify the
615 organization of its determination. The department may also
616 periodically request recertification from the organization. The



617 department shall compile and make available to the public a list
618 of the qualifying charitable organizations.

619 (12) The aggregate amount of tax credits that may be awarded
620 under this section in any calendar year shall not exceed Three
621 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
622 and for each calendar year thereafter, the aggregate amount of tax
623 credits that may be awarded under this section in any calendar
624 year shall not exceed One Million Dollars (\$1,000,000.00). In
625 addition, any tax credits not awarded under this section before
626 June 1, 2020, may be allocated during calendar year 2020 under
627 Section 27-7-22.41 for contributions by taxpayers to eligible
628 charitable organizations described in Section
629 27-7-22.41(1)(b)(ii) as provided under such section,
630 notwithstanding any limitation on the percentage of tax credits
631 that may be allocated for such contributions.

632 (13) A taxpayer shall apply for credits with the department
633 on forms prescribed by the department. In the application the
634 taxpayer shall certify to the department the dollar amount of the
635 contributions made or to be made during the calendar year. Within
636 thirty (30) days after the receipt of an application, the
637 department shall allocate credits based on the dollar amount of
638 contributions as certified in the application. However, if the
639 department cannot allocate the full amount of credits certified in
640 the application due to the limit on the aggregate amount of
641 credits that may be awarded under this section in a calendar year,



642 the department shall so notify the applicant within thirty (30)
643 days with the amount of credits, if any, that may be allocated to
644 the applicant in the calendar year. Once the department has
645 allocated credits to a taxpayer, if the contribution for which a
646 credit is allocated has not been made as of the date of the
647 allocation, then the contribution must be made not later than
648 sixty (60) days from the date of the allocation. If the
649 contribution is not made within such time period, the allocation
650 shall be cancelled and returned to the department for
651 reallocation. Upon final documentation of the contributions, if
652 the actual dollar amount of the contributions is lower than the
653 amount estimated, the department shall adjust the tax credit
654 allowed under this section.

655 (14) This section shall be repealed from and after January
656 1, * * *~~2021~~ 2025.

657 **SECTION 4.** Section 27-7-22.32, Mississippi Code of 1972, is
658 amended as follows:

659 **[Through December 31, * * *~~2020~~ 2023, this section shall read**
660 **as follows:]**

661 27-7-22.32. (1) (a) There shall be allowed as a credit
662 against the tax imposed by this chapter the amount of the
663 qualified adoption expenses paid or incurred, not to exceed Two
664 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
665 child legally adopted by a taxpayer under the laws of this state
666 during calendar year 2006 or during any calendar year thereafter



667 through calendar year 2017, and not to exceed Five Thousand
668 Dollars (\$5,000.00) for each dependent child legally adopted by a
669 taxpayer under the laws of this state during any calendar year
670 thereafter. A taxpayer claiming a credit under this paragraph (a)
671 may not claim a credit under paragraph (b) of this subsection for
672 the adoption of the same child.

673 (b) There shall be allowed as a credit against the tax
674 imposed by this chapter the amount of Five Thousand Dollars
675 (\$5,000.00) for each dependent child legally adopted by a taxpayer
676 under the laws of this state through the Mississippi Department of
677 Child Protection Services during calendar year 2018 or during any
678 calendar year thereafter. A taxpayer claiming a credit under this
679 paragraph (b) may not claim a credit under paragraph (a) of this
680 subsection for the adoption of the same child.

681 (2) The tax credit under this section may be claimed for the
682 taxable year in which the adoption becomes final under the laws of
683 this state. Any tax credit claimed under this section but not
684 used in any taxable year may be carried forward for the five (5)
685 succeeding tax years. A tax credit is allowed under this section
686 for any child for which an exemption is claimed during the same
687 taxable year under Section 27-7-21(e). For the purposes of this
688 section, the term "qualified adoption expenses" means and has the
689 same definition as that term has in 26 USCS 36C.

690 **[From and after January 1, * * *~~2021~~ 2024, this section shall**
691 **read as follows:]**



692 27-7-22.32. There shall be allowed as a credit against the
693 tax imposed by this chapter the amount of the qualified adoption
694 expenses paid or incurred, not to exceed Two Thousand Five Hundred
695 Dollars (\$2,500.00), for each dependent child legally adopted by a
696 taxpayer under the laws of this state during calendar year 2006 or
697 during any calendar year thereafter. The tax credit under this
698 section may be claimed for the taxable year in which the adoption
699 becomes final under the laws of this state. Any tax credit
700 claimed under this section but not used in any taxable year may be
701 carried forward for the three (3) succeeding tax years. A tax
702 credit is allowed under this section for any child for which an
703 exemption is claimed during the same taxable year under Section
704 27-7-21(e). For the purposes of this section, the term "qualified
705 adoption expenses" means and has the same definition as that term
706 has in 26 USCS 36C.

707 **SECTION 5.** Section 27-65-101, Mississippi Code of 1972, is
708 amended as follows:

709 27-65-101. (1) The exemptions from the provisions of this
710 chapter which are of an industrial nature or which are more
711 properly classified as industrial exemptions than any other
712 exemption classification of this chapter shall be confined to
713 those persons or property exempted by this section or by the
714 provisions of the Constitution of the United States or the State
715 of Mississippi. No industrial exemption as now provided by any
716 other section except Section 57-3-33 shall be valid as against the



717 tax herein levied. Any subsequent industrial exemption from the
718 tax levied hereunder shall be provided by amendment to this
719 section. No exemption provided in this section shall apply to
720 taxes levied by Section 27-65-15 or 27-65-21.

721 The tax levied by this chapter shall not apply to the
722 following:

723 (a) Sales of boxes, crates, cartons, cans, bottles and
724 other packaging materials to manufacturers and wholesalers for use
725 as containers or shipping materials to accompany goods sold by
726 said manufacturers or wholesalers where possession thereof will
727 pass to the customer at the time of sale of the goods contained
728 therein and sales to anyone of containers or shipping materials
729 for use in ships engaged in international commerce.

730 (b) Sales of raw materials, catalysts, processing
731 chemicals, welding gases or other industrial processing gases
732 (except natural gas) to a manufacturer for use directly in
733 manufacturing or processing a product for sale or rental or
734 repairing or reconditioning vessels or barges of fifty (50) tons
735 load displacement and over. For the purposes of this exemption,
736 electricity used directly in the electrolysis process in the
737 production of sodium chlorate shall be considered a raw material.
738 This exemption shall not apply to any property used as fuel except
739 to the extent that such fuel comprises by-products which have no
740 market value.



741 (c) The gross proceeds of sales of dry docks, offshore
742 drilling equipment for use in oil or natural gas exploration or
743 production, vessels or barges of fifty (50) tons load displacement
744 and over, when the vessels or barges are sold by the manufacturer
745 or builder thereof. In addition to other types of equipment,
746 offshore drilling equipment for use in oil or natural gas
747 exploration or production shall include aircraft used
748 predominately to transport passengers or property to or from
749 offshore oil or natural gas exploration or production platforms or
750 vessels, and engines, accessories and spare parts for such
751 aircraft.

752 (d) Sales to commercial fishermen of commercial fishing
753 boats of over five (5) tons load displacement and not more than
754 fifty (50) tons load displacement as registered with the United
755 States Coast Guard and licensed by the Mississippi Commission on
756 Marine Resources.

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

759 (f) Sales of petroleum products to vessels or barges
760 for consumption in marine international commerce or interstate
761 transportation businesses.

762 (g) Sales and rentals of rail rolling stock (and
763 component parts thereof) for ultimate use in interstate commerce
764 and gross income from services with respect to manufacturing,



765 repairing, cleaning, altering, reconditioning or improving such
766 rail rolling stock (and component parts thereof).

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

773 (i) Sales of machinery or tools or repair parts
774 therefor or replacements thereof, fuel or supplies used directly
775 in manufacturing, converting or repairing ships, vessels or barges
776 of three thousand (3,000) tons load displacement and over, but not
777 to include office and plant supplies or other equipment not
778 directly used on the ship, vessel or barge being built, converted
779 or repaired. For purposes of this exemption, "ships, vessels or
780 barges" shall not include floating structures described in Section
781 27-65-18.

782 (j) Sales of tangible personal property to persons
783 operating ships in international commerce for use or consumption
784 on board such ships. This exemption shall be limited to cases in
785 which procedures satisfactory to the commissioner, ensuring
786 against use in this state other than on such ships, are
787 established.

788 (k) Sales of materials used in the construction of a
789 building, or any addition or improvement thereon, and sales of any



790 machinery and equipment not later than three (3) months after the
791 completion of construction of the building, or any addition
792 thereon, to be used therein, to qualified businesses, as defined
793 in Section 57-51-5, which are located in a county or portion
794 thereof designated as an enterprise zone pursuant to Sections
795 57-51-1 through 57-51-15.

796 (l) Sales of materials used in the construction of a
797 building, or any addition or improvement thereon, and sales of any
798 machinery and equipment not later than three (3) months after the
799 completion of construction of the building, or any addition
800 thereon, to be used therein, to qualified businesses, as defined
801 in Section 57-54-5.

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

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

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

811 (p) Sales of materials used in the construction of a
812 building, or any addition or improvement thereon, and sales of any
813 machinery and equipment not later than three (3) months after the
814 completion of construction of the building, or any addition



815 thereon, to be used therein, to qualified companies, certified as
816 such by the Mississippi Development Authority under Section
817 57-53-1.

818 (q) Sales of component materials used in the
819 construction of a building, or any addition or improvement
820 thereon, sales of machinery and equipment to be used therein, and
821 sales of manufacturing or processing machinery and equipment which
822 is permanently attached to the ground or to a permanent foundation
823 and which is not by its nature intended to be housed within a
824 building structure, not later than three (3) months after the
825 initial start-up date, to permanent business enterprises engaging
826 in manufacturing or processing in Tier Three areas (as such term
827 is defined in Section 57-73-21), which businesses are certified by
828 the Department of Revenue as being eligible for the exemption
829 granted in this paragraph (q).

830 (r) (i) Sales of component materials used in the
831 construction of a building, or any addition or improvement
832 thereon, and sales of any machinery and equipment not later than
833 three (3) months after the completion of the building, addition or
834 improvement thereon, to be used therein, for any company
835 establishing or transferring its national or regional headquarters
836 from within or outside the State of Mississippi and creating a
837 minimum of twenty (20) jobs at the new headquarters in this state.
838 The Department of Revenue shall establish criteria and prescribe
839 procedures to determine if a company qualifies as a national or



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

842 (ii) Sales of component materials used in the
843 construction of a building, or any addition or improvement
844 thereon, and sales of any machinery and equipment not later than
845 three (3) months after the completion of the building, addition or
846 improvement thereon, to be used therein, for any company expanding
847 or making additions after January 1, 2013, to its national or
848 regional headquarters within the State of Mississippi and creating
849 a minimum of twenty (20) new jobs at the headquarters as a result
850 of the expansion or additions. The Department of Revenue shall
851 establish criteria and prescribe procedures to determine if a
852 company qualifies as a national or regional headquarters for the
853 purpose of receiving the exemption provided in this subparagraph
854 (ii).

855 (s) The gross proceeds from the sale of semitrailers,
856 trailers, boats, travel trailers, motorcycles, all-terrain cycles
857 and rotary-wing aircraft if exported from this state within
858 forty-eight (48) hours and registered and first used in another
859 state.

860 (t) Gross income from the storage and handling of
861 natural gas in underground salt domes and in other underground
862 reservoirs, caverns, structures and formations suitable for such
863 storage.



864 (u) Sales of machinery and equipment to nonprofit
865 organizations if the organization:

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

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

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

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

879 (v) Sales or leases of materials and equipment to
880 approved business enterprises as provided under the Growth and
881 Prosperity Act.

882 (w) From and after July 1, 2001, sales of pollution
883 control equipment to manufacturers or custom processors for
884 industrial use. For the purposes of this exemption, "pollution
885 control equipment" means equipment, devices, machinery or systems
886 used or acquired to prevent, control, monitor or reduce air, water
887 or groundwater pollution, or solid or hazardous waste as required
888 by federal or state law or regulation.



889 (x) Sales or leases to a manufacturer of motor vehicles
890 or powertrain components operating a project that has been
891 certified by the Mississippi Major Economic Impact Authority as a
892 project as defined in Section 57-75-5(f)(iv)1, Section
893 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
894 equipment; special tooling such as dies, molds, jigs and similar
895 items treated as special tooling for federal income tax purposes;
896 or repair parts therefor or replacements thereof; repair services
897 thereon; fuel, supplies, electricity, coal and natural gas used
898 directly in the manufacture of motor vehicles or motor vehicle
899 parts or used to provide climate control for manufacturing areas.

900 (y) Sales or leases of component materials, machinery
901 and equipment used in the construction of a building, or any
902 addition or improvement thereon to an enterprise operating a
903 project that has been certified by the Mississippi Major Economic
904 Impact Authority as a project as defined in Section
905 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
906 or Section 57-75-5(f)(xxviii) and any other sales or leases
907 required to establish or operate such project.

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

910 (aa) The gross income from the stripping and painting
911 of commercial aircraft engaged in foreign or interstate
912 transportation business.

913 (bb) [Repealed]



914 (cc) Sales or leases to an enterprise owning or
915 operating a project that has been designated by the Mississippi
916 Major Economic Impact Authority as a project as defined in Section
917 57-75-5(f) (xviii) of machinery and equipment; special tooling such
918 as dies, molds, jigs and similar items treated as special tooling
919 for federal income tax purposes; or repair parts therefor or
920 replacements thereof; repair services thereon; fuel, supplies,
921 electricity, coal and natural gas used directly in the
922 manufacturing/production operations of the project or used to
923 provide climate control for manufacturing/production areas.

924 (dd) Sales or leases of component materials, machinery
925 and equipment used in the construction of a building, or any
926 addition or improvement thereon to an enterprise owning or
927 operating a project that has been designated by the Mississippi
928 Major Economic Impact Authority as a project as defined in Section
929 57-75-5(f) (xviii) and any other sales or leases required to
930 establish or operate such project.

931 (ee) Sales of parts used in the repair and servicing of
932 aircraft not registered in Mississippi engaged exclusively in the
933 business of foreign or interstate transportation to businesses
934 engaged in aircraft repair and maintenance.

935 (ff) Sales of component materials used in the
936 construction of a facility, or any addition or improvement
937 thereon, and sales or leases of machinery and equipment not later
938 than three (3) months after the completion of construction of the



939 facility, or any addition or improvement thereto, to be used in
940 the building or any addition or improvement thereto, to a
941 permanent business enterprise operating a data/information
942 enterprise in Tier Three areas (as such areas are designated in
943 accordance with Section 57-73-21), meeting minimum criteria
944 established by the Mississippi Development Authority.

945 (gg) Sales of component materials used in the
946 construction of a facility, or any addition or improvement
947 thereto, and sales of machinery and equipment not later than three
948 (3) months after the completion of construction of the facility,
949 or any addition or improvement thereto, to be used in the facility
950 or any addition or improvement thereto, to technology intensive
951 enterprises for industrial purposes in Tier Three areas (as such
952 areas are designated in accordance with Section 57-73-21), as
953 certified by the Department of Revenue. For purposes of this
954 paragraph, an enterprise must meet the criteria provided for in
955 Section 27-65-17(1)(f) in order to be considered a technology
956 intensive enterprise.

957 (hh) Sales of component materials used in the
958 replacement, reconstruction or repair of a building or facility
959 that has been destroyed or sustained extensive damage as a result
960 of a disaster declared by the Governor, sales of machinery and
961 equipment to be used therein to replace machinery or equipment
962 damaged or destroyed as a result of such disaster, including, but
963 not limited to, manufacturing or processing machinery and



964 equipment which is permanently attached to the ground or to a
965 permanent foundation and which is not by its nature intended to be
966 housed within a building structure, to enterprises or companies
967 that were eligible for the exemptions authorized in paragraph (q),
968 (r), (ff) or (gg) of this subsection during initial construction
969 of the building that was destroyed or damaged, which enterprises
970 or companies are certified by the Department of Revenue as being
971 eligible for the exemption granted in this paragraph.

972 (ii) Sales of software or software services transmitted
973 by the Internet to a destination outside the State of Mississippi
974 where the first use of such software or software services by the
975 purchaser occurs outside the State of Mississippi.

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

979 (kk) Sales of component building materials and
980 equipment for initial construction of facilities or expansion of
981 facilities as authorized under Sections 57-113-1 through 57-113-7
982 and Sections 57-113-21 through 57-113-27.

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

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



989 (nn) Sales of component materials used in the
990 construction of a building, or any addition or improvement
991 thereon, and sales or leases of machinery and equipment not later
992 than three (3) months after the completion of the construction of
993 the facility, to be used in the facility, to permanent business
994 enterprises operating a facility producing renewable crude oil
995 from biomass harvested or produced, in whole or in part, in
996 Mississippi, which businesses meet minimum criteria established by
997 the Mississippi Development Authority. As used in this paragraph,
998 the term "biomass" shall have the meaning ascribed to such term in
999 Section 57-113-1.

1000 (oo) Sales of supplies, equipment and other personal
1001 property to an organization that is exempt from taxation under
1002 Section 501(c)(3) of the Internal Revenue Code and is the host
1003 organization coordinating a professional golf tournament played or
1004 to be played in this state and the supplies, equipment or other
1005 personal property will be used for purposes related to the golf
1006 tournament and related activities.

1007 (pp) Sales of materials used in the construction of a
1008 health care industry facility, as defined in Section 57-117-3, or
1009 any addition or improvement thereon, and sales of any machinery
1010 and equipment not later than three (3) months after the completion
1011 of construction of the facility, or any addition thereon, to be
1012 used therein, to qualified businesses, as defined in Section



1013 57-117-3. This paragraph shall be repealed from and after July 1,
1014 2022.

1015 (qq) Sales or leases to a manufacturer of automotive
1016 parts operating a project that has been certified by the
1017 Mississippi Major Economic Impact Authority as a project as
1018 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
1019 or repair parts therefor or replacements thereof; repair services
1020 thereon; fuel, supplies, electricity, coal, nitrogen and natural
1021 gas used directly in the manufacture of automotive parts or used
1022 to provide climate control for manufacturing areas.

1023 (rr) Gross collections derived from guided tours on any
1024 navigable waters of this state, which include providing
1025 accommodations, guide services and/or related equipment operated
1026 by or under the direction of the person providing the tour, for
1027 the purposes of outdoor tourism. The exemption provided in this
1028 paragraph (rr) does not apply to the sale of tangible personal
1029 property by a person providing such tours.

1030 (ss) Retail sales of truck-tractors and semitrailers
1031 used in interstate commerce and registered under the International
1032 Registration Plan (IRP) or any similar reciprocity agreement or
1033 compact relating to the proportional registration of commercial
1034 vehicles entered into as provided for in Section 27-19-143.

1035 (tt) Sales exempt under the Facilitating Business Rapid
1036 Response to State Declared Disasters Act of 2015 (Sections
1037 27-113-1 through 27-113-9).



1038 (uu) Sales or leases to an enterprise and its
1039 affiliates operating a project that has been certified by the
1040 Mississippi Major Economic Impact Authority as a project as
1041 defined in Section 57-75-5(f)(xxix) of:

1042 (i) All personal property and fixtures, including
1043 without limitation, sales or leases to the enterprise and its
1044 affiliates of:

1045 1. Manufacturing machinery and equipment;

1046 2. Special tooling such as dies, molds, jigs
1047 and similar items treated as special tooling for federal income
1048 tax purposes;

1049 3. Component building materials, machinery
1050 and equipment used in the construction of buildings, and any other
1051 additions or improvements to the project site for the project;

1052 4. Nonmanufacturing furniture, fixtures and
1053 equipment (inclusive of all communications, computer, server,
1054 software and other hardware equipment); and

1055 5. Fuel, supplies (other than
1056 nonmanufacturing consumable supplies and water), electricity,
1057 nitrogen gas and natural gas used directly in the
1058 manufacturing/production operations of such project or used to
1059 provide climate control for manufacturing/production areas of such
1060 project;



1061 (ii) All replacements of, repair parts for or
1062 services to repair items described in subparagraph (i)1, 2 and 3
1063 of this paragraph; and

1064 (iii) All services taxable pursuant to Section
1065 27-65-23 required to establish, support, operate, repair and/or
1066 maintain such project.

1067 (vv) Sales or leases to an enterprise operating a
1068 project that has been certified by the Mississippi Major Economic
1069 Impact Authority as a project as defined in Section
1070 57-75-5(f) (xxx) of:

1071 (i) Purchases required to establish and operate
1072 the project, including, but not limited to, sales of component
1073 building materials, machinery and equipment required to establish
1074 the project facility and any additions or improvements thereon;
1075 and

1076 (ii) Machinery, special tools (such as dies,
1077 molds, and jigs) or repair parts thereof, or replacements and
1078 lease thereof, repair services thereon, fuel, supplies and
1079 electricity, coal and natural gas used in the manufacturing
1080 process and purchased by the enterprise owning or operating the
1081 project for the benefit of the project.

1082 (ww) Sales of component materials used in the
1083 construction of a building, or any expansion or improvement
1084 thereon, sales of machinery and/or equipment to be used therein,
1085 and sales of processing machinery and equipment which is



1086 permanently attached to the ground or to a permanent foundation
1087 which is not by its nature intended to be housed in a building
1088 structure, no later than three (3) months after initial startup,
1089 expansion or improvement of a permanent enterprise solely engaged
1090 in the conversion of natural sand into proppants used in oil and
1091 gas exploration and development with at least ninety-five percent
1092 (95%) of such proppants used in the production of oil and/or gas
1093 from horizontally drilled wells and/or horizontally drilled
1094 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1095 (2) Sales of component materials used in the construction of
1096 a building, or any addition or improvement thereon, sales of
1097 machinery and equipment to be used therein, and sales of
1098 manufacturing or processing machinery and equipment which is
1099 permanently attached to the ground or to a permanent foundation
1100 and which is not by its nature intended to be housed within a
1101 building structure, not later than three (3) months after the
1102 initial start-up date, to permanent business enterprises engaging
1103 in manufacturing or processing in Tier Two areas and Tier One
1104 areas (as such areas are designated in accordance with Section
1105 57-73-21), which businesses are certified by the Department of
1106 Revenue as being eligible for the exemption granted in this
1107 subsection, shall be exempt from one-half (1/2) of the taxes
1108 imposed on such transactions under this chapter.

1109 (3) Sales of component materials used in the construction of
1110 a facility, or any addition or improvement thereon, and sales or



1111 leases of machinery and equipment not later than three (3) months
1112 after the completion of construction of the facility, or any
1113 addition or improvement thereto, to be used in the building or any
1114 addition or improvement thereto, to a permanent business
1115 enterprise operating a data/information enterprise in Tier Two
1116 areas and Tier One areas (as such areas are designated in
1117 accordance with Section 57-73-21), which businesses meet minimum
1118 criteria established by the Mississippi Development Authority,
1119 shall be exempt from one-half (1/2) of the taxes imposed on such
1120 transaction under this chapter.

1121 (4) Sales of component materials used in the construction of
1122 a facility, or any addition or improvement thereto, and sales of
1123 machinery and equipment not later than three (3) months after the
1124 completion of construction of the facility, or any addition or
1125 improvement thereto, to be used in the building or any addition or
1126 improvement thereto, to technology intensive enterprises for
1127 industrial purposes in Tier Two areas and Tier One areas (as such
1128 areas are designated in accordance with Section 57-73-21), which
1129 businesses are certified by the Department of Revenue as being
1130 eligible for the exemption granted in this subsection, shall be
1131 exempt from one-half (1/2) of the taxes imposed on such
1132 transactions under this chapter. For purposes of this subsection,
1133 an enterprise must meet the criteria provided for in Section
1134 27-65-17(1)(f) in order to be considered a technology intensive
1135 enterprise.



1136 (5) (a) For purposes of this subsection:
1137 (i) "Telecommunications enterprises" shall have
1138 the meaning ascribed to such term in Section 57-73-21;
1139 (ii) "Tier One areas" mean counties designated as
1140 Tier One areas pursuant to Section 57-73-21;
1141 (iii) "Tier Two areas" mean counties designated as
1142 Tier Two areas pursuant to Section 57-73-21;
1143 (iv) "Tier Three areas" mean counties designated
1144 as Tier Three areas pursuant to Section 57-73-21; and
1145 (v) "Equipment used in the deployment of broadband
1146 technologies" means any equipment capable of being used for or in
1147 connection with the transmission of information at a rate, prior
1148 to taking into account the effects of any signal degradation, that
1149 is not less than three hundred eighty-four (384) kilobits per
1150 second in at least one (1) direction, including, but not limited
1151 to, asynchronous transfer mode switches, digital subscriber line
1152 access multiplexers, routers, servers, multiplexers, fiber optics
1153 and related equipment.
1154 (b) Sales of equipment to telecommunications
1155 enterprises after June 30, 2003, and before July 1, * * *~~2020~~
1156 2025, that is installed in Tier One areas and used in the
1157 deployment of broadband technologies shall be exempt from one-half
1158 (1/2) of the taxes imposed on such transactions under this
1159 chapter.



1160 (c) Sales of equipment to telecommunications
1161 enterprises after June 30, 2003, and before July 1, * * *~~2020~~
1162 2025, that is installed in Tier Two and Tier Three areas and used
1163 in the deployment of broadband technologies shall be exempt from
1164 the taxes imposed on such transactions under this chapter.

1165 (6) Sales of component materials used in the replacement,
1166 reconstruction or repair of a building that has been destroyed or
1167 sustained extensive damage as a result of a disaster declared by
1168 the Governor, sales of machinery and equipment to be used therein
1169 to replace machinery or equipment damaged or destroyed as a result
1170 of such disaster, including, but not limited to, manufacturing or
1171 processing machinery and equipment which is permanently attached
1172 to the ground or to a permanent foundation and which is not by its
1173 nature intended to be housed within a building structure, to
1174 enterprises that were eligible for the partial exemptions provided
1175 for in subsections (2), (3) and (4) of this section during initial
1176 construction of the building that was destroyed or damaged, which
1177 enterprises are certified by the Department of Revenue as being
1178 eligible for the partial exemption granted in this subsection,
1179 shall be exempt from one-half (1/2) of the taxes imposed on such
1180 transactions under this chapter.

1181 **SECTION 6.** Section 57-87-5, Mississippi Code of 1972, is
1182 amended as follows:

1183 57-87-5. (1) For purposes of this section:



1184 (a) "Telecommunications enterprises" shall have the
1185 meaning ascribed to such term in Section 57-73-21(14);

1186 (b) "Tier One areas" mean counties designated as Tier
1187 One areas pursuant to Section 57-73-21(1);

1188 (c) "Tier Two areas" mean counties designated as Tier
1189 Two areas pursuant to Section 57-73-21(1);

1190 (d) "Tier Three areas" mean counties designated as Tier
1191 Three areas pursuant to Section 57-73-21(1); and

1192 (e) "Equipment used in the deployment of broadband
1193 technologies" means any equipment capable of being used for or in
1194 connection with the transmission of information at a rate, prior
1195 to taking into account the effects of any signal degradation, that
1196 is not less than three hundred eighty-four (384) kilobits per
1197 second in at least one (1) direction, including, but not limited
1198 to, asynchronous transfer mode switches, digital subscriber line
1199 access multiplexers, routers, servers, multiplexers, fiber optics
1200 and related equipment.

1201 (2) With respect to the investment in each year by a
1202 telecommunications enterprise after June 30, 2003, and before July
1203 1, * * *~~2020~~ 2025, there shall be allowed annually as a credit
1204 against the aggregate tax imposed by Chapters 7 and 13 of Title
1205 27, Mississippi Code of 1972, an amount equal to:

1206 (a) Five percent (5%) of the cost of equipment used in
1207 the deployment of broadband technologies in Tier One areas;



1208 (b) Ten percent (10%) of the cost of equipment used in
1209 the deployment of broadband technologies in Tier Two areas; and

1210 (c) Fifteen percent (15%) of the cost of equipment used
1211 in the deployment of broadband technologies in Tier Three areas.

1212 (3) Such annual credits shall be allowed commencing with the
1213 taxable year in which such property is placed in service and
1214 continue for nine (9) consecutive years thereafter. The aggregate
1215 credit established by this section taken in any one (1)
1216 tax year shall be limited to an amount not greater than fifty
1217 percent (50%) of the taxpayer's tax liabilities under Chapters 7
1218 and 13 of Title 27, Mississippi Code of 1972; however, any tax
1219 credit claimed under this section, but not used in any taxable
1220 year, may be carried forward for ten (10) consecutive years from
1221 the close of the tax year in which the credits were earned.

1222 (4) The maximum aggregate amount of credits that may be
1223 claimed under this section shall not exceed the original
1224 investment made by a telecommunications enterprise in the
1225 qualifying equipment used in the deployment of broadband
1226 technologies.

1227 (5) For purposes of this section, the tier in which
1228 broadband technology is deployed shall be determined in the year
1229 in which such technology is deployed in a county and such tier
1230 shall not change if the county is later designated in another
1231 tier.



1232 **SECTION 7.** Section 57-87-7, Mississippi Code of 1972, is
1233 amended as follows:

1234 57-87-7. Equipment used in the deployment of broadband
1235 technologies by a telecommunications enterprise (as defined in
1236 Section 57-73-21(14)), that is placed in service after June 30,
1237 2003, and before July 1, * * *~~2020~~ 2025, shall be exempt from ad
1238 valorem taxation for a period of ten (10) years after the date
1239 such equipment is placed in service. For purposes of this
1240 section, "equipment used in the deployment of broadband
1241 technologies" means any equipment capable of being used for or in
1242 connection with the transmission of information at a rate, prior
1243 to taking into account the effects of any signal degradation, that
1244 is not less than three hundred eighty-four (384) kilobits per
1245 second in at least one direction, including, but not limited to,
1246 asynchronous transfer mode switches, digital subscriber line
1247 access multiplexers, routers, servers, multiplexers, fiber optics
1248 and related equipment.

1249 **SECTION 8.** Nothing in this act shall affect or defeat any
1250 claim, assessment, appeal, suit, right or cause of action for
1251 taxes due or accrued under the income tax laws before the date on
1252 which this act becomes effective, whether such claims,
1253 assessments, appeals, suits or actions have been begun before the
1254 date on which this act becomes effective or are begun thereafter;
1255 and the provisions of the income tax laws are expressly continued
1256 in full force, effect and operation for the purpose of the



1257 assessment, collection and enrollment of liens for any taxes due
1258 or accrued and the execution of any warrant under such laws before
1259 the date on which this act becomes effective, and for the
1260 imposition of any penalties, forfeitures or claims for failure to
1261 comply with such laws.

1262 **SECTION 9.** Sections 2 and 3 of this act shall take effect
1263 and be in force from and after January 1, 2020, and the remaining
1264 sections of this act shall take effect and be in force from and
1265 after July 1, 2020.

