

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1239

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,
 2 TO EXTEND UNTIL JULY 1, 2030, THE SALES TAX EXEMPTION ON SALES OF
 3 EQUIPMENT TO TELECOMMUNICATIONS ENTERPRISES THAT IS USED IN THE
 4 DEPLOYMENT OF BROADBAND TECHNOLOGIES; TO AMEND SECTION 57-87-5,
 5 MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2030, THE INCOME
 6 TAX CREDIT AND CORPORATION FRANCHISE TAX CREDIT AUTHORIZED FOR
 7 TELECOMMUNICATIONS ENTERPRISES FOR THE COST OF EQUIPMENT USED IN
 8 THE DEPLOYMENT OF BROADBAND TECHNOLOGIES; TO AMEND SECTION
 9 57-87-7, MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2030,
 10 THE AD VALOREM TAX EXEMPTION FOR EQUIPMENT USED IN THE DEPLOYMENT
 11 OF BROADBAND TECHNOLOGIES BY TELECOMMUNICATIONS ENTERPRISES; AND
 12 FOR RELATED PURPOSES.

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

14 **SECTION 1.** Section 27-65-101, Mississippi Code of 1972, is
 15 amended as follows:

16 27-65-101. (1) The exemptions from the provisions of this
 17 chapter which are of an industrial nature or which are more
 18 properly classified as industrial exemptions than any other
 19 exemption classification of this chapter shall be confined to
 20 those persons or property exempted by this section or by the
 21 provisions of the Constitution of the United States or the State
 22 of Mississippi. No industrial exemption as now provided by any
 23 other section except Section 57-3-33 shall be valid as against the



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

28 The tax levied by this chapter shall not apply to the
29 following:

30 (a) Sales of boxes, crates, cartons, cans, bottles and
31 other packaging materials to manufacturers and wholesalers for use
32 as containers or shipping materials to accompany goods sold by
33 said manufacturers or wholesalers where possession thereof will
34 pass to the customer at the time of sale of the goods contained
35 therein and sales to anyone of containers or shipping materials
36 for use in ships engaged in international commerce.

37 (b) Sales of raw materials, catalysts, processing
38 chemicals, welding gases or other industrial processing gases
39 (except natural gas) to a manufacturer for use directly in
40 manufacturing or processing a product for sale or rental or
41 repairing or reconditioning vessels or barges of fifty (50) tons
42 load displacement and over. For the purposes of this exemption,
43 electricity used directly in the electrolysis process in the
44 production of sodium chlorate shall be considered a raw material.
45 This exemption shall not apply to any property used as fuel except
46 to the extent that such fuel comprises by-products which have no
47 market value.



48 (c) The gross proceeds of sales of dry docks, offshore
49 drilling equipment for use in oil or natural gas exploration or
50 production, vessels or barges of fifty (50) tons load displacement
51 and over, when the vessels or barges are sold by the manufacturer
52 or builder thereof. In addition to other types of equipment,
53 offshore drilling equipment for use in oil or natural gas
54 exploration or production shall include aircraft used
55 predominately to transport passengers or property to or from
56 offshore oil or natural gas exploration or production platforms or
57 vessels, and engines, accessories and spare parts for such
58 aircraft.

59 (d) Sales to commercial fishermen of commercial fishing
60 boats of over five (5) tons load displacement and not more than
61 fifty (50) tons load displacement as registered with the United
62 States Coast Guard and licensed by the Mississippi Commission on
63 Marine Resources.

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

66 (f) Sales of petroleum products to vessels or barges
67 for consumption in marine international commerce or interstate
68 transportation businesses.

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



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

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

80 (i) Sales of machinery or tools or repair parts
81 therefor or replacements thereof, fuel or supplies used directly
82 in manufacturing, converting or repairing ships, vessels or barges
83 of three thousand (3,000) tons load displacement and over, but not
84 to include office and plant supplies or other equipment not
85 directly used on the ship, vessel or barge being built, converted
86 or repaired. For purposes of this exemption, "ships, vessels or
87 barges" shall not include floating structures described in Section
88 27-65-18.

89 (j) Sales of tangible personal property to persons
90 operating ships in international commerce for use or consumption
91 on board such ships. This exemption shall be limited to cases in
92 which procedures satisfactory to the commissioner, ensuring
93 against use in this state other than on such ships, are
94 established.

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



97 machinery and equipment not later than three (3) months after the
98 completion of construction of the building, or any addition
99 thereon, to be used therein, to qualified businesses, as defined
100 in Section 57-51-5, which are located in a county or portion
101 thereof designated as an enterprise zone pursuant to Sections
102 57-51-1 through 57-51-15.

103 (l) Sales of materials used in the construction of a
104 building, or any addition or improvement thereon, and sales of any
105 machinery and equipment not later than three (3) months after the
106 completion of construction of the building, or any addition
107 thereon, to be used therein, to qualified businesses, as defined
108 in Section 57-54-5.

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

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

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

118 (p) Sales of materials used in the construction of a
119 building, or any addition or improvement thereon, and sales of any
120 machinery and equipment not later than three (3) months after the
121 completion of construction of the building, or any addition



122 thereon, to be used therein, to qualified companies, certified as
123 such by the Mississippi Development Authority under Section
124 57-53-1.

125 (q) Sales of component materials used in the
126 construction of a building, or any addition or improvement
127 thereon, sales of machinery and equipment to be used therein, and
128 sales of manufacturing or processing machinery and equipment which
129 is permanently attached to the ground or to a permanent foundation
130 and which is not by its nature intended to be housed within a
131 building structure, not later than three (3) months after the
132 initial start-up date, to permanent business enterprises engaging
133 in manufacturing or processing in Tier Three areas (as such term
134 is defined in Section 57-73-21), which businesses are certified by
135 the Department of Revenue as being eligible for the exemption
136 granted in this paragraph (q).

137 (r) (i) Sales of component materials used in the
138 construction of a building, or any addition or improvement
139 thereon, and sales of any machinery and equipment not later than
140 three (3) months after the completion of the building, addition or
141 improvement thereon, to be used therein, for any company
142 establishing or transferring its national or regional headquarters
143 from within or outside the State of Mississippi and creating a
144 minimum of twenty (20) jobs at the new headquarters in this state.
145 The Department of Revenue shall establish criteria and prescribe
146 procedures to determine if a company qualifies as a national or



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

149 (ii) Sales of component materials used in the
150 construction of a building, or any addition or improvement
151 thereon, and sales of any machinery and equipment not later than
152 three (3) months after the completion of the building, addition or
153 improvement thereon, to be used therein, for any company expanding
154 or making additions after January 1, 2013, to its national or
155 regional headquarters within the State of Mississippi and creating
156 a minimum of twenty (20) new jobs at the headquarters as a result
157 of the expansion or additions. The Department of Revenue shall
158 establish criteria and prescribe procedures to determine if a
159 company qualifies as a national or regional headquarters for the
160 purpose of receiving the exemption provided in this subparagraph
161 (ii).

162 (s) The gross proceeds from the sale of semitrailers,
163 trailers, boats, travel trailers, motorcycles, all-terrain cycles
164 and rotary-wing aircraft if exported from this state within
165 forty-eight (48) hours and registered and first used in another
166 state.

167 (t) Gross income from the storage and handling of
168 natural gas in underground salt domes and in other underground
169 reservoirs, caverns, structures and formations suitable for such
170 storage.



171 (u) Sales of machinery and equipment to nonprofit
172 organizations if the organization:

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

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

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

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

186 (v) Sales or leases of materials and equipment to
187 approved business enterprises as provided under the Growth and
188 Prosperity Act.

189 (w) From and after July 1, 2001, sales of pollution
190 control equipment to manufacturers or custom processors for
191 industrial use. For the purposes of this exemption, "pollution
192 control equipment" means equipment, devices, machinery or systems
193 used or acquired to prevent, control, monitor or reduce air, water
194 or groundwater pollution, or solid or hazardous waste as required
195 by federal or state law or regulation.



196 (x) Sales or leases to a manufacturer of motor vehicles
197 or powertrain components operating a project that has been
198 certified by the Mississippi Major Economic Impact Authority as a
199 project as defined in Section 57-75-5(f)(iv)1, Section
200 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
201 equipment; special tooling such as dies, molds, jigs and similar
202 items treated as special tooling for federal income tax purposes;
203 or repair parts therefor or replacements thereof; repair services
204 thereon; fuel, supplies, electricity, coal and natural gas used
205 directly in the manufacture of motor vehicles or motor vehicle
206 parts or used to provide climate control for manufacturing areas.

207 (y) Sales or leases of component materials, machinery
208 and equipment used in the construction of a building, or any
209 addition or improvement thereon to an enterprise operating a
210 project that has been certified by the Mississippi Major Economic
211 Impact Authority as a project as defined in Section
212 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
213 or Section 57-75-5(f)(xxviii) and any other sales or leases
214 required to establish or operate such project.

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

217 (aa) The gross income from the stripping and painting
218 of commercial aircraft engaged in foreign or interstate
219 transportation business.

220 (bb) [Repealed]



221 (cc) Sales or leases to an enterprise owning or
222 operating a project that has been designated by the Mississippi
223 Major Economic Impact Authority as a project as defined in Section
224 57-75-5(f) (xviii) of machinery and equipment; special tooling such
225 as dies, molds, jigs and similar items treated as special tooling
226 for federal income tax purposes; or repair parts therefor or
227 replacements thereof; repair services thereon; fuel, supplies,
228 electricity, coal and natural gas used directly in the
229 manufacturing/production operations of the project or used to
230 provide climate control for manufacturing/production areas.

231 (dd) Sales or leases of component materials, machinery
232 and equipment used in the construction of a building, or any
233 addition or improvement thereon to an enterprise owning or
234 operating a project that has been designated by the Mississippi
235 Major Economic Impact Authority as a project as defined in Section
236 57-75-5(f) (xviii) and any other sales or leases required to
237 establish or operate such project.

238 (ee) Sales of parts used in the repair and servicing of
239 aircraft not registered in Mississippi engaged exclusively in the
240 business of foreign or interstate transportation to businesses
241 engaged in aircraft repair and maintenance.

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



246 facility, or any addition or improvement thereto, to be used in
247 the building or any addition or improvement thereto, to a
248 permanent business enterprise operating a data/information
249 enterprise in Tier Three areas (as such areas are designated in
250 accordance with Section 57-73-21), meeting minimum criteria
251 established by the Mississippi Development Authority.

252 (gg) Sales of component materials used in the
253 construction of a facility, or any addition or improvement
254 thereto, and sales of machinery and equipment not later than three
255 (3) months after the completion of construction of the facility,
256 or any addition or improvement thereto, to be used in the facility
257 or any addition or improvement thereto, to technology intensive
258 enterprises for industrial purposes in Tier Three areas (as such
259 areas are designated in accordance with Section 57-73-21), as
260 certified by the Department of Revenue. For purposes of this
261 paragraph, an enterprise must meet the criteria provided for in
262 Section 27-65-17(1)(f) in order to be considered a technology
263 intensive enterprise.

264 (hh) Sales of component materials used in the
265 replacement, reconstruction or repair of a building or facility
266 that has been destroyed or sustained extensive damage as a result
267 of a disaster declared by the Governor, sales of machinery and
268 equipment to be used therein to replace machinery or equipment
269 damaged or destroyed as a result of such disaster, including, but
270 not limited to, manufacturing or processing machinery and



271 equipment which is permanently attached to the ground or to a
272 permanent foundation and which is not by its nature intended to be
273 housed within a building structure, to enterprises or companies
274 that were eligible for the exemptions authorized in paragraph (q),
275 (r), (ff) or (gg) of this subsection during initial construction
276 of the building that was destroyed or damaged, which enterprises
277 or companies are certified by the Department of Revenue as being
278 eligible for the exemption granted in this paragraph.

279 (ii) Sales of software or software services transmitted
280 by the Internet to a destination outside the State of Mississippi
281 where the first use of such software or software services by the
282 purchaser occurs outside the State of Mississippi.

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

286 (kk) Sales of component building materials and
287 equipment for initial construction of facilities or expansion of
288 facilities as authorized under Sections 57-113-1 through 57-113-7
289 and Sections 57-113-21 through 57-113-27.

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

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



296 (nn) Sales of component materials used in the
297 construction of a building, or any addition or improvement
298 thereon, and sales or leases of machinery and equipment not later
299 than three (3) months after the completion of the construction of
300 the facility, to be used in the facility, to permanent business
301 enterprises operating a facility producing renewable crude oil
302 from biomass harvested or produced, in whole or in part, in
303 Mississippi, which businesses meet minimum criteria established by
304 the Mississippi Development Authority. As used in this paragraph,
305 the term "biomass" shall have the meaning ascribed to such term in
306 Section 57-113-1.

307 (oo) Sales of supplies, equipment and other personal
308 property to an organization that is exempt from taxation under
309 Section 501(c) (3) of the Internal Revenue Code and is the host
310 organization coordinating a professional golf tournament played or
311 to be played in this state and the supplies, equipment or other
312 personal property will be used for purposes related to the golf
313 tournament and related activities.

314 (pp) Sales of materials used in the construction of a
315 health care industry facility, as defined in Section 57-117-3, or
316 any addition or improvement thereon, and sales of any machinery
317 and equipment not later than three (3) months after the completion
318 of construction of the facility, or any addition thereon, to be
319 used therein, to qualified businesses, as defined in Section



320 57-117-3. This paragraph shall be repealed from and after July 1,
321 2022.

322 (qq) Sales or leases to a manufacturer of automotive
323 parts operating a project that has been certified by the
324 Mississippi Major Economic Impact Authority as a project as
325 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
326 or repair parts therefor or replacements thereof; repair services
327 thereon; fuel, supplies, electricity, coal, nitrogen and natural
328 gas used directly in the manufacture of automotive parts or used
329 to provide climate control for manufacturing areas.

330 (rr) Gross collections derived from guided tours on any
331 navigable waters of this state, which include providing
332 accommodations, guide services and/or related equipment operated
333 by or under the direction of the person providing the tour, for
334 the purposes of outdoor tourism. The exemption provided in this
335 paragraph (rr) does not apply to the sale of tangible personal
336 property by a person providing such tours.

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

342 (tt) Sales exempt under the Facilitating Business Rapid
343 Response to State Declared Disasters Act of 2015 (Sections
344 27-113-1 through 27-113-9).



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

349 (i) All personal property and fixtures, including
350 without limitation, sales or leases to the enterprise and its
351 affiliates of:

352 1. Manufacturing machinery and equipment;

353 2. Special tooling such as dies, molds, jigs
354 and similar items treated as special tooling for federal income
355 tax purposes;

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

359 4. Nonmanufacturing furniture, fixtures and
360 equipment (inclusive of all communications, computer, server,
361 software and other hardware equipment); and

362 5. Fuel, supplies (other than
363 nonmanufacturing consumable supplies and water), electricity,
364 nitrogen gas and natural gas used directly in the
365 manufacturing/production operations of such project or used to
366 provide climate control for manufacturing/production areas of such
367 project;



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

371 (iii) All services taxable pursuant to Section
372 27-65-23 required to establish, support, operate, repair and/or
373 maintain such project.

374 (vv) Sales or leases to an enterprise operating a
375 project that has been certified by the Mississippi Major Economic
376 Impact Authority as a project as defined in Section
377 57-75-5(f) (xxx) of:

378 (i) Purchases required to establish and operate
379 the project, including, but not limited to, sales of component
380 building materials, machinery and equipment required to establish
381 the project facility and any additions or improvements thereon;
382 and

383 (ii) Machinery, special tools (such as dies,
384 molds, and jigs) or repair parts thereof, or replacements and
385 lease thereof, repair services thereon, fuel, supplies and
386 electricity, coal and natural gas used in the manufacturing
387 process and purchased by the enterprise owning or operating the
388 project for the benefit of the project.

389 (ww) Sales of component materials used in the
390 construction of a building, or any expansion or improvement
391 thereon, sales of machinery and/or equipment to be used therein,
392 and sales of processing machinery and equipment which is



393 permanently attached to the ground or to a permanent foundation
394 which is not by its nature intended to be housed in a building
395 structure, no later than three (3) months after initial startup,
396 expansion or improvement of a permanent enterprise solely engaged
397 in the conversion of natural sand into proppants used in oil and
398 gas exploration and development with at least ninety-five percent
399 (95%) of such proppants used in the production of oil and/or gas
400 from horizontally drilled wells and/or horizontally drilled
401 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

402 (2) Sales of component materials used in the construction of
403 a building, or any addition or improvement thereon, sales of
404 machinery and equipment to be used therein, and sales of
405 manufacturing or processing machinery and equipment which is
406 permanently attached to the ground or to a permanent foundation
407 and which is not by its nature intended to be housed within a
408 building structure, not later than three (3) months after the
409 initial start-up date, to permanent business enterprises engaging
410 in manufacturing or processing in Tier Two areas and Tier One
411 areas (as such areas are designated in accordance with Section
412 57-73-21), which businesses are certified by the Department of
413 Revenue as being eligible for the exemption granted in this
414 subsection, shall be exempt from one-half (1/2) of the taxes
415 imposed on such transactions under this chapter.

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



418 leases of machinery and equipment not later than three (3) months
419 after the completion of construction of the facility, or any
420 addition or improvement thereto, to be used in the building or any
421 addition or improvement thereto, to a permanent business
422 enterprise operating a data/information enterprise in Tier Two
423 areas and Tier One areas (as such areas are designated in
424 accordance with Section 57-73-21), which businesses meet minimum
425 criteria established by the Mississippi Development Authority,
426 shall be exempt from one-half (1/2) of the taxes imposed on such
427 transaction under this chapter.

428 (4) Sales of component materials used in the construction of
429 a facility, or any addition or improvement thereto, and sales of
430 machinery and equipment not later than three (3) months after the
431 completion of construction of the facility, or any addition or
432 improvement thereto, to be used in the building or any addition or
433 improvement thereto, to technology intensive enterprises for
434 industrial purposes in Tier Two areas and Tier One areas (as such
435 areas are designated in accordance with Section 57-73-21), which
436 businesses are certified by the Department of Revenue as being
437 eligible for the exemption granted in this subsection, shall be
438 exempt from one-half (1/2) of the taxes imposed on such
439 transactions under this chapter. For purposes of this subsection,
440 an enterprise must meet the criteria provided for in Section
441 27-65-17(1)(f) in order to be considered a technology intensive
442 enterprise.



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

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

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

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

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

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

461 (b) Sales of equipment to telecommunications
462 enterprises after June 30, 2003, and before July 1, * * * 2030,
463 that is installed in Tier One areas and used in the deployment of
464 broadband technologies shall be exempt from one-half (1/2) of the
465 taxes imposed on such transactions under this chapter.

466 (c) Sales of equipment to telecommunications
467 enterprises after June 30, 2003, and before July 1, * * * 2030,



468 that is installed in Tier Two and Tier Three areas and used in the
469 deployment of broadband technologies shall be exempt from the
470 taxes imposed on such transactions under this chapter.

471 (6) Sales of component materials used in the replacement,
472 reconstruction or repair of a building that has been destroyed or
473 sustained extensive damage as a result of a disaster declared by
474 the Governor, sales of machinery and equipment to be used therein
475 to replace machinery or equipment damaged or destroyed as a result
476 of such disaster, including, but not limited to, manufacturing or
477 processing machinery and equipment which is permanently attached
478 to the ground or to a permanent foundation and which is not by its
479 nature intended to be housed within a building structure, to
480 enterprises that were eligible for the partial exemptions provided
481 for in subsections (2), (3) and (4) of this section during initial
482 construction of the building that was destroyed or damaged, which
483 enterprises are certified by the Department of Revenue as being
484 eligible for the partial exemption granted in this subsection,
485 shall be exempt from one-half (1/2) of the taxes imposed on such
486 transactions under this chapter.

487 **SECTION 2.** Section 57-87-5, Mississippi Code of 1972, is
488 amended as follows:

489 57-87-5. (1) For purposes of this section:

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



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

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

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

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

507 (2) With respect to the investment in each year by a
508 telecommunications enterprise after June 30, 2003, and before July
509 1, * * * 2030, there shall be allowed annually as a credit against
510 the aggregate tax imposed by Chapters 7 and 13 of Title 27,
511 Mississippi Code of 1972, an amount equal to:

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

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



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

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

528 (4) The maximum aggregate amount of credits that may be
529 claimed under this section shall not exceed the original
530 investment made by a telecommunications enterprise in the
531 qualifying equipment used in the deployment of broadband
532 technologies.

533 (5) For purposes of this section, the tier in which
534 broadband technology is deployed shall be determined in the year
535 in which such technology is deployed in a county and such tier
536 shall not change if the county is later designated in another
537 tier.

538 **SECTION 3.** Section 57-87-7, Mississippi Code of 1972, is
539 amended as follows:



540 57-87-7. Equipment used in the deployment of broadband
541 technologies by a telecommunications enterprise (as defined in
542 Section 57-73-21(14)), that is placed in service after June 30,
543 2003, and before July 1, * * * 2030, shall be exempt from ad
544 valorem taxation for a period of ten (10) years after the date
545 such equipment is placed in service. For purposes of this
546 section, "equipment used in the deployment of broadband
547 technologies" means any equipment capable of being used for or in
548 connection with the transmission of information at a rate, prior
549 to taking into account the effects of any signal degradation, that
550 is not less than three hundred eighty-four (384) kilobits per
551 second in at least one direction, including, but not limited to,
552 asynchronous transfer mode switches, digital subscriber line
553 access multiplexers, routers, servers, multiplexers, fiber optics
554 and related equipment.

555 **SECTION 4.** This act shall take effect and be in force from
556 and after July 1, 2020.

