

By: Representative Steverson

To: Ways and Means

HOUSE BILL NO. 1296

1 AN ACT TO AMEND SECTION 27-65-101, MISSISSIPPI CODE OF 1972,  
 2 TO EXTEND UNTIL JULY 1, 2024, 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, 2024, 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, 2024,  
 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, \* \* \* 2024,  
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, \* \* \* 2024,



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, \* \* \* 2024, 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, \* \* \* 2024, 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.

