

By: Representative Lamar

To: Ways and Means

HOUSE BILL NO. 1729
(As Sent to Governor)

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 AUTHORIZES A TAXPAYER TO ELECT TO
5 RECEIVE A 75% REBATE ON THE AMOUNT OF THE CREDIT IN EXCESS OF
6 \$250,000.00 IN LIEU OF THE TEN-YEAR CARRYFORWARD SO AS TO ALLOW
7 THE TAXPAYER TO ELECT TO RECEIVE A REBATE ON 75% OF THE TOTAL
8 AMOUNT OF THE CREDIT IN LIEU OF THE TEN-YEAR CARRYFORWARD; TO
9 INCREASE BY \$60,000,000.00 THE MAXIMUM AGGREGATE AMOUNT OF TAX
10 CREDITS THAT MAY BE AWARDED UNDER THIS SECTION; TO GRANT PRIORITY
11 FOR THE TAX CREDIT TO TAXPAYERS WHO WERE ISSUED A CERTIFICATE
12 EVIDENCING THE ELIGIBLE CREDIT PRIOR TO JULY 1, 2020; TO PROVIDE
13 THAT THE TAX CREDIT SHALL APPLY TO TAXPAYERS WHO HAVE BEEN ISSUED
14 A CERTIFICATE EVIDENCING THE ELIGIBLE CREDIT BEFORE DECEMBER 31,
15 2030, OR WHO, BEFORE DECEMBER 31, 2030, HAVE RECEIVED A
16 DETERMINATION IN WRITING FROM THE MISSISSIPPI DEPARTMENT OF
17 ARCHIVES AND HISTORY THAT THE REHABILITATION IS CONSISTENT WITH
18 THE HISTORIC CHARACTER OF THE PROPERTY AND THAT THE PROPERTY MEETS
19 THE UNITED STATES SECRETARY OF THE INTERIOR'S STANDARDS FOR
20 REHABILITATION AND WHO ARE ISSUED A CERTIFICATE EVIDENCING THE
21 ELIGIBLE CREDIT ON OR AFTER DECEMBER 31, 2030; TO AMEND SECTION
22 27-7-22.41, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME
23 TAX CREDIT FOR VOLUNTARY CASH CONTRIBUTIONS BY BUSINESS ENTERPRISES
24 TO ELIGIBLE CHARITABLE ORGANIZATIONS, TO INCREASE THE AGGREGATE
25 AMOUNT OF THE CREDITS THAT MAY BE AWARDED DURING A CALENDAR YEAR;
26 TO REVISE CERTAIN PROVISIONS RELATING TO THE ALLOCATION OF SUCH
27 CREDITS; TO AMEND SECTION 27-7-22.39, MISSISSIPPI CODE OF 1972,
28 WHICH AUTHORIZES SEPARATE INCOME TAX CREDITS FOR VOLUNTARY CASH
29 CONTRIBUTIONS TO QUALIFYING CHARITABLE ORGANIZATIONS AND
30 QUALIFYING FOSTER CARE CHARITABLE ORGANIZATIONS, TO DECREASE THE
31 AGGREGATE AMOUNT OF THE CREDITS THAT MAY BE AWARDED IN A CALENDAR
32 YEAR; TO PROVIDE THAT ANY TAX CREDITS NOT AWARDED UNDER THIS
33 SECTION DURING CALENDAR YEAR 2020, MAY BE ALLOCATED DURING
34 CALENDAR YEAR 2020 UNDER SECTION 27-7-22.41 FOR CONTRIBUTIONS BY



35 TAXPAYERS TO CERTAIN ELIGIBLE CHARITABLE ORGANIZATIONS; TO EXTEND
36 THE DATE OF THE REPEALER ON THAT SECTION OF LAW; TO AMEND SECTION
37 27-7-22.32, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES AN INCOME
38 TAX CREDIT FOR EXPENSES INCURRED FOR THE ADOPTION OF A CHILD, TO
39 EXTEND THE DATE OF THE REVERTER ON THE PROVISION OF LAW THAT
40 INCREASES THE MAXIMUM AMOUNT OF THE TAX CREDIT FROM \$2,500.00 TO
41 \$5,000.00 PER CHILD AND THE PROVISION THAT AUTHORIZES AN INCOME
42 TAX CREDIT FOR A CHILD ADOPTED THROUGH THE MISSISSIPPI DEPARTMENT
43 OF CHILD PROTECTION SERVICES; TO AMEND SECTION 27-65-101,
44 MISSISSIPPI CODE OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE SALES
45 TAX EXEMPTION ON SALES OF EQUIPMENT TO TELECOMMUNICATIONS
46 ENTERPRISES THAT IS USED IN THE DEPLOYMENT OF BROADBAND
47 TECHNOLOGIES; TO AMEND SECTION 57-87-5, MISSISSIPPI CODE OF 1972,
48 TO EXTEND UNTIL JULY 1, 2025, THE INCOME TAX CREDIT AND
49 CORPORATION FRANCHISE TAX CREDIT AUTHORIZED FOR TELECOMMUNICATIONS
50 ENTERPRISES FOR THE COST OF EQUIPMENT USED IN THE DEPLOYMENT OF
51 BROADBAND TECHNOLOGIES; TO AMEND SECTION 57-87-7, MISSISSIPPI CODE
52 OF 1972, TO EXTEND UNTIL JULY 1, 2025, THE AD VALOREM TAX
53 EXEMPTION FOR EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND
54 TECHNOLOGIES BY TELECOMMUNICATIONS ENTERPRISES; TO PROVIDE THAT
55 CERTAIN TAX CREDITS SHALL NOT APPLY TO EQUIPMENT USED IN THE
56 DEPLOYMENT OF BROADBAND TECHNOLOGIES IF SUCH EQUIPMENT WAS PAID
57 FOR, OR ITS COST WAS REIMBURSED BY, FUNDS MADE AVAILABLE UNDER THE
58 CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT; 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 include
78 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.

151 (ii) * * * The taxpayer may elect to claim a
152 refund in the amount of seventy-five percent (75%) of the excess
153 credit in lieu of the ten-year carryforward. The election must be
154 made in the year in which the rehabilitated property is placed in
155 service. Refunds will be paid in equal installments over a
156 two-year period and shall be made from current collections.

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

160 (b) Not-for-profit entities, including, but not limited
161 to, nonprofit corporations organized under Section 79-11-101 et
162 seq. shall be ineligible for the credit authorized by this
163 section. Credits granted to a partnership, a limited liability
164 company taxed as a partnership or multiple owners of property
165 shall be passed through to the partners, members or owners on a
166 pro rata basis or pursuant to an executed agreement among the
167 partners, members or owners documenting an alternative
168 distribution method. Partners, members or other owners of a
169 pass-through entity are not eligible to elect a refund of excess
170 credit in lieu of a carryforward of the credit. However, a



171 partnership or limited liability company taxed as a partnership
172 may elect to claim a refund of excess credit at the entity level
173 on a form prescribed by the Department of Revenue. Additionally,
174 excess tax credits that are attributable to rehabilitated property
175 that was placed in service by a pass-through entity prior to
176 January 1, 2011, and that have previously been allocated to and
177 are held by another pass-through entity prior to January 1, 2011,
178 may be refunded to such other pass-through entity.

179 (5) (a) To claim the credit authorized pursuant to this
180 section, the taxpayer shall apply to the department which shall
181 determine the amount of eligible rehabilitation costs and expenses
182 and whether the rehabilitation is consistent with the standards of
183 the Secretary of the United States Department of the Interior.
184 The department shall issue a certificate evidencing the eligible
185 credit if the taxpayer is found to be eligible for the tax credit.
186 The taxpayer shall attach the certificate to all income tax
187 returns on which the credit is claimed. The department shall not
188 issue certificates evidencing the eligible credit which, when
189 combined with certificates of eligible credits issued prior to
190 July 1, 2016, will result in credits being awarded in excess of
191 Twelve Million Dollars (\$12,000,000.00) in any one (1) state
192 fiscal year.

193 (b) The aggregate amount of tax credits that may be
194 awarded under this section shall not exceed * * * One Hundred
195 Eighty Million Dollars (\$180,000,000.00). A taxpayer who was



196 issued a certificate evidencing the eligible credit by the
197 department prior to July 1, * * * 2020, but who was unable to be
198 awarded the credit due to the limit on the aggregate amount of
199 credits authorized under this section prior to July 1, * * * 2020:

200 (i) May be awarded the credit so long as the award
201 does not cause the aggregate amount of tax credits awarded to
202 exceed the * * * amount authorized in this paragraph; and

203 (ii) Shall be given priority for tax credits
204 awarded after July 1, * * * 2020.

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

207 (i) The property is one that has been determined
208 eligible for the National Register of Historic Places but is not
209 listed on the National Register of Historic Places within thirty
210 (30) months of claiming the credit authorized by this section;

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

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

217 (b) The taxpayer shall notify the department and the
218 Department of Revenue if any of the situations that subject the
219 credit to recapture occur.



220 (7) (a) The board of trustees of the department shall
221 establish fees to be charged for the services performed by the
222 department under this section and shall publish the fee schedule.
223 The fees contained in the schedule shall be in amounts reasonably
224 calculated to recover the costs incurred by the department for the
225 administration of this section. Any taxpayer desiring to
226 participate in the tax credits authorized by this section shall
227 pay the appropriate fee as contained in the fee schedule to the
228 department, which shall be used by the department, without
229 appropriation, to offset the administrative costs of the
230 department associated with its duties under this section.

231 (b) There is hereby created within the State Treasury a
232 special fund into which shall be deposited all the fees collected
233 by the department pursuant to this section. Money deposited into
234 the fund shall not lapse at the end of any fiscal year and
235 investment earnings on the proceeds in such special fund shall be
236 deposited into such fund. Money from the fund shall be disbursed
237 upon warrants issued by the State Fiscal Officer upon requisitions
238 signed by the executive director of the department to assist the
239 department in carrying out its duties under this section.

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

241 (a) Who have been issued a certificate evidencing the
242 eligible credit before December 31, * * * 2030; or

243 (b) Who, before December 31, * * * 2030, have received
244 a determination in writing from the Mississippi Department of



245 Archives and History, in accordance with the department's Historic
246 Preservation Certificate Application, Part 2, that the
247 rehabilitation is consistent with the historic character of the
248 property and that the property meets the United States Secretary
249 of the Interior's Standards for Rehabilitation, or will meet the
250 standards if certain specified conditions are met, and, who are
251 issued a certificate evidencing the eligible credit on or after
252 December 31, * * * 2030.

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

255 27-7-22.41. (1) For the purposes of this section, the
256 following words and phrases shall have the meanings ascribed in
257 this section unless the context clearly indicates otherwise:

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

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

262 (i) Licensed by or under contract or agreement
263 with the Department of Child Protection Services and provides
264 services for:

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

267 2. The safety, care and well-being of
268 children in custody with the Department of Child Protection
269 Services, or



270 3. The express purpose of creating permanency
271 for children through adoption; or

272 (ii) Certified by the department as a job
273 training, workforce development or educational services charitable
274 organization and provides services to:

275 1. Children in a foster care placement
276 program established by the Department of Child Protection
277 Services, children placed under the Safe Families for Children
278 model, or children at significant risk of entering a foster care
279 placement program established by the Department of Child
280 Protection Services,

281 2. Children who have a chronic illness or
282 physical, intellectual, developmental or emotional disability, or

283 3. Children eligible for free or reduced
284 price meals programs under Section 37-11-7, or selected for
285 participation in the Promise Neighborhoods Program sponsored by
286 the U.S. Department of Education.

287 (2) (a) The tax credit authorized in this section shall be
288 available only to a taxpayer who is a business enterprise engaged
289 in commercial, industrial or professional activities and operating
290 as a corporation, limited liability company, partnership or sole
291 proprietorship. Except as otherwise provided in this section, a
292 credit is allowed against the taxes imposed by Sections 27-7-5,
293 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
294 contributions made by a taxpayer during the taxable year to an



295 eligible charitable organization. The amount of credit that may
296 be utilized by a taxpayer in a taxable year shall be limited to an
297 amount not to exceed fifty percent (50%) of the total tax
298 liability of the taxpayer for the taxes imposed by such sections
299 of law. Any tax credit claimed under this section but not used in
300 any taxable year may be carried forward for five (5) consecutive
301 years from the close of the tax year in which the credits were
302 earned.

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

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

310 (3) Taxpayers taking a credit authorized by this section
311 shall provide the name of the eligible charitable organization and
312 the amount of the contribution to the department on forms provided
313 by the department.

314 (4) An eligible charitable organization shall provide the
315 department with a written certification that it meets all criteria
316 to be considered an eligible charitable organization. The
317 organization shall also notify the department of any changes that
318 may affect eligibility under this section.



319 (5) The eligible charitable organization's written
320 certification must be signed by an officer of the organization
321 under penalty of perjury. The written certification shall include
322 the following:

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

325 (b) A statement that the organization does not provide,
326 pay for or provide coverage of abortions and does not financially
327 support any other entity that provides, pays for or provides
328 coverage of abortions;

329 (c) Any other information that the department requires
330 to administer this section.

331 (6) The department shall review each written certification
332 and determine whether the organization meets all the criteria to
333 be considered an eligible charitable organization and notify the
334 organization of its determination. The department may also
335 periodically request recertification from the organization. The
336 department shall compile and make available to the public a list
337 of eligible charitable organizations.

338 (7) Tax credits authorized by this section that are earned
339 by a partnership, limited liability company, S corporation or
340 other similar pass-through entity, shall be allocated among all
341 partners, members or shareholders, respectively, either in
342 proportion to their ownership interest in such entity or as the



343 partners, members or shareholders mutually agree as provided in an
344 executed document.

345 (8) (a) A taxpayer shall apply for credits with the
346 department on forms prescribed by the department. In the
347 application the taxpayer shall certify to the department the
348 dollar amount of the contributions made or to be made during the
349 calendar year. Within thirty (30) days after the receipt of an
350 application, the department shall allocate credits based on the
351 dollar amount of contributions as certified in the application.
352 However, if the department cannot allocate the full amount of
353 credits certified in the application due to the limit on the
354 aggregate amount of credits that may be awarded under this section
355 in a calendar year, the department shall so notify the applicant
356 within thirty (30) days with the amount of credits, if any, that
357 may be allocated to the applicant in the calendar year. Once the
358 department has allocated credits to a taxpayer, if the
359 contribution for which a credit is allocated has not been made as
360 of the date of the allocation, then the contribution must be made
361 not later than sixty (60) days from the date of the allocation.
362 If the contribution is not made within such time period, the
363 allocation shall be cancelled and returned to the department for
364 reallocation. Upon final documentation of the contributions, if
365 the actual dollar amount of the contributions is lower than the
366 amount estimated, the department shall adjust the tax credit
367 allowed under this section.



368 (b) A taxpayer who applied for a tax credit under this
369 section during calendar year 2020, but who was unable to be
370 awarded the credit due to the limit on the aggregate amount of
371 credits authorized for calendar year 2020, shall be given priority
372 for tax credits authorized to be allocated to taxpayers under this
373 section by Section 27-7-22.39.

374 (9) The aggregate amount of tax credits that may be
375 allocated by the department under this section during a calendar
376 year shall not exceed Five Million Dollars (\$5,000,000.00), and
377 not more than fifty percent (50%) of tax credits allocated during
378 a calendar year may be allocated for contributions to eligible
379 charitable organizations described in subsection (1)(b)(ii) of
380 this section. However, for calendar year 2021, and for each
381 calendar year thereafter, the aggregate amount of tax credits that
382 may be allocated by the department under this section during a
383 calendar year shall not exceed Ten Million Dollars
384 (\$10,000,000.00). For calendar year 2021, and for each calendar
385 year thereafter, fifty percent (50%) of the tax credits allocated
386 during a calendar year shall be allocated for contributions to
387 eligible charitable organizations described in subsection
388 (1)(b)(i) of this section and fifty percent (50%) of the tax
389 credits allocated during a calendar year shall be allocated for
390 contributions to eligible charitable organizations described in
391 subsection (1)(b)(ii) of this section. For calendar year 2021,
392 and for each calendar year thereafter, for credits allocated



393 during a calendar year for contributions to eligible charitable
394 organizations described in subsection (1)(b)(i) of this section,
395 no more than twenty-five percent (25%) of such credits may be
396 allocated for contributions to a single eligible charitable
397 organization. For calendar year 2021, and for each calendar year
398 thereafter, for credits allocated during a calendar year for
399 contributions to eligible charitable organizations described in
400 subsection (1)(b)(ii) of this section, no more than five percent
401 (5%) of such credits may be allocated for contributions to a
402 single eligible charitable organization.

403 * * *

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

406 27-7-22.39. (1) As used in this section:

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

410 (b) "Qualifying charitable organization" means a
411 charitable organization that is exempt from federal income
412 taxation under Section 501(c)(3) of the Internal Revenue Code or
413 is a designated community action agency that receives community
414 services block grant program monies pursuant to 42 USC 9901. The
415 organization must spend at least fifty percent (50%) of its budget
416 on services to residents of this state who receive temporary
417 assistance for needy families benefits or low-income residents of



418 this state and their households or to children who have a chronic
419 illness or physical, intellectual, developmental or emotional
420 disability who are residents of this state. A charitable
421 organization that is exempt from federal income tax under Section
422 501(c)(3) of the Internal Revenue Code and that meets all other
423 requirements of this paragraph except that it does not spend at
424 least fifty percent (50%) of its overall budget in Mississippi may
425 be a qualifying charitable organization if it spends at least
426 fifty percent (50%) of its Mississippi budget on services to
427 qualified individuals in Mississippi and it certifies to the
428 department that one hundred percent (100%) of the voluntary cash
429 contributions from the taxpayer will be spent on services to
430 qualified individuals in Mississippi. Taxpayers choosing to make
431 donations through an umbrella charitable organization that
432 collects donations on behalf of member charities shall designate
433 that the donation be directed to a member charitable organization
434 that would qualify under this section on a stand-alone basis.
435 Qualifying charitable organization does not include any entity
436 that provides, pays for or provides coverage of abortions or that
437 financially supports any other entity that provides, pays for or
438 provides coverage of abortions.

439 (c) "Qualifying foster care charitable organization"
440 means a qualifying charitable organization that each operating
441 year provides services to at least one hundred (100) qualified
442 individuals in this state and spends at least fifty percent (50%)



443 of its budget on services to qualified individuals in this state.
444 A charitable organization that is exempt from federal income tax
445 under Section 501(c)(3) of the Internal Revenue Code and that
446 meets all other requirements of this paragraph except that it does
447 not spend at least fifty percent (50%) of its overall budget in
448 Mississippi may be a qualifying foster care charitable
449 organization if it spends at least fifty percent (50%) of its
450 Mississippi budget on services to qualified individuals in
451 Mississippi and it certifies to the department that one hundred
452 percent (100%) of the voluntary cash contributions from the
453 taxpayer will be spent on services to qualified individuals in
454 Mississippi. For the purposes of this paragraph, "qualified
455 individual" means a child in a foster care placement program
456 established by the Department of Child Protection Services, a
457 child placed under the Safe Families for Children model, or a
458 child at significant risk of entering a foster care placement
459 program established by the Department of Child Protection
460 Services.

461 (d) "Services" means:

462 (i) Cash assistance, medical care, child care,
463 food, clothing, shelter, and job-placement services or any other
464 assistance that is reasonably necessary to meet immediate basic
465 needs and that is provided and used in this state;

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



468 (iii) Job-training or education services or
469 funding provided as part of a foster care independent living
470 program.

471 (2) Except as provided in subsections (3) and (4) of this
472 section, a credit is allowed against the taxes imposed by this
473 chapter for voluntary cash contributions by the taxpayer during
474 the taxable year to a qualifying charitable organization, other
475 than a qualifying foster care charitable organization, not to
476 exceed:

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

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

483 (3) A separate credit is allowed against the taxes imposed
484 by this chapter for voluntary cash contributions during the
485 taxable year to a qualifying foster care charitable organization.
486 A contribution to a qualifying foster care charitable organization
487 does not qualify for, and shall not be included in, any credit
488 amount under subsection (2) of this section. If the voluntary
489 cash contribution by the taxpayer is to a qualifying foster care
490 charitable organization, the credit shall not exceed:



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

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

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

502 (a) Contribute to a qualifying charitable organization,
503 other than a qualifying foster care charitable organization, and
504 claim a credit under subsection (2) of this section.

505 (b) Contribute to a qualifying foster care charitable
506 organization and claim a credit under subsection (3) of this
507 section.

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

512 (6) If the allowable tax credit exceeds the taxes otherwise
513 due under this chapter on the claimant's income, or if there are
514 no taxes due under this chapter, the taxpayer may carry forward
515 the amount of the claim not used to offset the taxes under this



516 chapter for not more than five (5) consecutive taxable years'
517 income tax liability.

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

521 (8) Taxpayers taking a credit authorized by this section
522 shall provide the name of the qualifying charitable organization
523 and the amount of the contribution to the department on forms
524 provided by the department.

525 (9) A qualifying charitable organization shall provide the
526 department with a written certification that it meets all criteria
527 to be considered a qualifying charitable organization. The
528 organization shall also notify the department of any changes that
529 may affect the qualifications under this section.

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

533 (a) Verification of the organization's status under
534 Section 501(c)(3) of the Internal Revenue Code or verification
535 that the organization is a designated community action agency that
536 receives community services block grant program monies pursuant to
537 42 USC 9901.

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



541 (i) Receive temporary assistance for needy
542 families benefits;
543 (ii) Are low-income residents of this state;
544 (iii) Are children who have a chronic illness or
545 physical, intellectual, developmental or emotional disability; or
546 (iv) Are children in a foster care placement
547 program established by the Department of Child Protection
548 Services, children placed under the Safe Families for Children
549 model or children at significant risk of entering a foster care
550 placement program established by the Department of Child
551 Protection Services.

552 (c) A statement that the organization plans to continue
553 spending at least fifty percent (50%) of its budget on services to
554 residents of this state who receive temporary assistance for needy
555 families benefits, who are low-income residents of this state, who
556 are children who have a chronic illness or physical, intellectual,
557 developmental or emotional disability or who are children in a
558 foster care placement program established by the Department of
559 Child Protection Services, children placed under the Safe Families
560 for Children model or children at significant risk of entering a
561 foster care placement program established by the Department of
562 Child Protection Services. A charitable organization that is
563 exempt from federal income tax under Section 501(c)(3) of the
564 Internal Revenue Code and that meets all other requirements for a
565 qualifying charitable organization or qualifying foster care



566 charitable organization except that it does not spend at least
567 fifty percent (50%) of its overall budget in Mississippi shall
568 submit a statement that it spends at least fifty percent (50%) of
569 its Mississippi budget on services to qualified individuals in
570 Mississippi and that one hundred percent (100%) of the voluntary
571 cash contributions it receives from Mississippi taxpayers will be
572 spent on services to qualified individuals in Mississippi.

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

577 (e) A statement that the organization does not provide,
578 pay for or provide coverage of abortions and does not financially
579 support any other entity that provides, pays for or provides
580 coverage of abortions.

581 (f) Any other information that the department requires
582 to administer this section.

583 (11) The department shall review each written certification
584 and determine whether the organization meets all the criteria to
585 be considered a qualifying charitable organization and notify the
586 organization of its determination. The department may also
587 periodically request recertification from the organization. The
588 department shall compile and make available to the public a list
589 of the qualifying charitable organizations.



590 (12) The aggregate amount of tax credits that may be awarded
591 under this section in any calendar year shall not exceed Three
592 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
593 and for each calendar year thereafter, the aggregate amount of tax
594 credits that may be awarded under this section in any calendar
595 year shall not exceed One Million Dollars (\$1,000,000.00). In
596 addition, any tax credits not awarded under this section before
597 June 1, 2020, may be allocated during calendar year 2020 under
598 Section 27-7-22.41 for contributions by taxpayers to eligible
599 charitable organizations described in Section
600 27-7-22.41(1)(b)(ii) as provided under such section,
601 notwithstanding any limitation on the percentage of tax credits
602 that may be allocated for such contributions.

603 (13) A taxpayer shall apply for credits with the department
604 on forms prescribed by the department. In the application the
605 taxpayer shall certify to the department the dollar amount of the
606 contributions made or to be made during the calendar year. Within
607 thirty (30) days after the receipt of an application, the
608 department shall allocate credits based on the dollar amount of
609 contributions as certified in the application. However, if the
610 department cannot allocate the full amount of credits certified in
611 the application due to the limit on the aggregate amount of
612 credits that may be awarded under this section in a calendar year,
613 the department shall so notify the applicant within thirty (30)
614 days with the amount of credits, if any, that may be allocated to



615 the applicant in the calendar year. Once the department has
616 allocated credits to a taxpayer, if the contribution for which a
617 credit is allocated has not been made as of the date of the
618 allocation, then the contribution must be made not later than
619 sixty (60) days from the date of the allocation. If the
620 contribution is not made within such time period, the allocation
621 shall be cancelled and returned to the department for
622 reallocation. Upon final documentation of the contributions, if
623 the actual dollar amount of the contributions is lower than the
624 amount estimated, the department shall adjust the tax credit
625 allowed under this section.

626 (14) This section shall be repealed from and after January
627 1, * * * 2025.

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

630 **[Through December 31, * * * 2023, this section shall read as**
631 **follows:]**

632 27-7-22.32. (1) (a) There shall be allowed as a credit
633 against the tax imposed by this chapter the amount of the
634 qualified adoption expenses paid or incurred, not to exceed Two
635 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
636 child legally adopted by a taxpayer under the laws of this state
637 during calendar year 2006 or during any calendar year thereafter
638 through calendar year 2017, and not to exceed Five Thousand
639 Dollars (\$5,000.00) for each dependent child legally adopted by a



640 taxpayer under the laws of this state during any calendar year
641 thereafter. A taxpayer claiming a credit under this paragraph (a)
642 may not claim a credit under paragraph (b) of this subsection for
643 the adoption of the same child.

644 (b) There shall be allowed as a credit against the tax
645 imposed by this chapter the amount of Five Thousand Dollars
646 (\$5,000.00) for each dependent child legally adopted by a taxpayer
647 under the laws of this state through the Mississippi Department of
648 Child Protection Services during calendar year 2018 or during any
649 calendar year thereafter. A taxpayer claiming a credit under this
650 paragraph (b) may not claim a credit under paragraph (a) of this
651 subsection for the adoption of the same child.

652 (2) The tax credit under this section may be claimed for the
653 taxable year in which the adoption becomes final under the laws of
654 this state. Any tax credit claimed under this section but not
655 used in any taxable year may be carried forward for the five (5)
656 succeeding tax years. A tax credit is allowed under this section
657 for any child for which an exemption is claimed during the same
658 taxable year under Section 27-7-21(e). For the purposes of this
659 section, the term "qualified adoption expenses" means and has the
660 same definition as that term has in 26 USCS 36C.

661 **[From and after January 1, * * * 2024, this section shall**
662 **read as follows:]**

663 27-7-22.32. There shall be allowed as a credit against the
664 tax imposed by this chapter the amount of the qualified adoption



665 expenses paid or incurred, not to exceed Two Thousand Five Hundred
666 Dollars (\$2,500.00), for each dependent child legally adopted by a
667 taxpayer under the laws of this state during calendar year 2006 or
668 during any calendar year thereafter. The tax credit under this
669 section may be claimed for the taxable year in which the adoption
670 becomes final under the laws of this state. Any tax credit
671 claimed under this section but not used in any taxable year may be
672 carried forward for the three (3) succeeding tax years. A tax
673 credit is allowed under this section for any child for which an
674 exemption is claimed during the same taxable year under Section
675 27-7-21(e). For the purposes of this section, the term "qualified
676 adoption expenses" means and has the same definition as that term
677 has in 26 USCS 36C.

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

680 27-65-101. (1) The exemptions from the provisions of this
681 chapter which are of an industrial nature or which are more
682 properly classified as industrial exemptions than any other
683 exemption classification of this chapter shall be confined to
684 those persons or property exempted by this section or by the
685 provisions of the Constitution of the United States or the State
686 of Mississippi. No industrial exemption as now provided by any
687 other section except Section 57-3-33 shall be valid as against the
688 tax herein levied. Any subsequent industrial exemption from the
689 tax levied hereunder shall be provided by amendment to this



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

692 The tax levied by this chapter shall not apply to the
693 following:

694 (a) Sales of boxes, crates, cartons, cans, bottles and
695 other packaging materials to manufacturers and wholesalers for use
696 as containers or shipping materials to accompany goods sold by
697 said manufacturers or wholesalers where possession thereof will
698 pass to the customer at the time of sale of the goods contained
699 therein and sales to anyone of containers or shipping materials
700 for use in ships engaged in international commerce.

701 (b) Sales of raw materials, catalysts, processing
702 chemicals, welding gases or other industrial processing gases
703 (except natural gas) to a manufacturer for use directly in
704 manufacturing or processing a product for sale or rental or
705 repairing or reconditioning vessels or barges of fifty (50) tons
706 load displacement and over. For the purposes of this exemption,
707 electricity used directly in the electrolysis process in the
708 production of sodium chlorate shall be considered a raw material.
709 This exemption shall not apply to any property used as fuel except
710 to the extent that such fuel comprises by-products which have no
711 market value.

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



715 and over, when the vessels or barges are sold by the manufacturer
716 or builder thereof. In addition to other types of equipment,
717 offshore drilling equipment for use in oil or natural gas
718 exploration or production shall include aircraft used
719 predominately to transport passengers or property to or from
720 offshore oil or natural gas exploration or production platforms or
721 vessels, and engines, accessories and spare parts for such
722 aircraft.

723 (d) Sales to commercial fishermen of commercial fishing
724 boats of over five (5) tons load displacement and not more than
725 fifty (50) tons load displacement as registered with the United
726 States Coast Guard and licensed by the Mississippi Commission on
727 Marine Resources.

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

730 (f) Sales of petroleum products to vessels or barges
731 for consumption in marine international commerce or interstate
732 transportation businesses.

733 (g) Sales and rentals of rail rolling stock (and
734 component parts thereof) for ultimate use in interstate commerce
735 and gross income from services with respect to manufacturing,
736 repairing, cleaning, altering, reconditioning or improving such
737 rail rolling stock (and component parts thereof).

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



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

744 (i) Sales of machinery or tools or repair parts
745 therefor or replacements thereof, fuel or supplies used directly
746 in manufacturing, converting or repairing ships, vessels or barges
747 of three thousand (3,000) tons load displacement and over, but not
748 to include office and plant supplies or other equipment not
749 directly used on the ship, vessel or barge being built, converted
750 or repaired. For purposes of this exemption, "ships, vessels or
751 barges" shall not include floating structures described in Section
752 27-65-18.

753 (j) Sales of tangible personal property to persons
754 operating ships in international commerce for use or consumption
755 on board such ships. This exemption shall be limited to cases in
756 which procedures satisfactory to the commissioner, ensuring
757 against use in this state other than on such ships, are
758 established.

759 (k) Sales of materials used in the construction of a
760 building, or any addition or improvement thereon, and sales of any
761 machinery and equipment not later than three (3) months after the
762 completion of construction of the building, or any addition
763 thereon, to be used therein, to qualified businesses, as defined
764 in Section 57-51-5, which are located in a county or portion



765 thereof designated as an enterprise zone pursuant to Sections
766 57-51-1 through 57-51-15.

767 (l) Sales of materials used in the construction of a
768 building, or any addition or improvement thereon, and sales of any
769 machinery and equipment not later than three (3) months after the
770 completion of construction of the building, or any addition
771 thereon, to be used therein, to qualified businesses, as defined
772 in Section 57-54-5.

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

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

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

782 (p) Sales of materials used in the construction of a
783 building, or any addition or improvement thereon, and sales of any
784 machinery and equipment not later than three (3) months after the
785 completion of construction of the building, or any addition
786 thereon, to be used therein, to qualified companies, certified as
787 such by the Mississippi Development Authority under Section
788 57-53-1.



789 (q) Sales of component materials used in the
790 construction of a building, or any addition or improvement
791 thereon, sales of machinery and equipment to be used therein, and
792 sales of manufacturing or processing machinery and equipment which
793 is permanently attached to the ground or to a permanent foundation
794 and which is not by its nature intended to be housed within a
795 building structure, not later than three (3) months after the
796 initial start-up date, to permanent business enterprises engaging
797 in manufacturing or processing in Tier Three areas (as such term
798 is defined in Section 57-73-21), which businesses are certified by
799 the Department of Revenue as being eligible for the exemption
800 granted in this paragraph (q).

801 (r) (i) Sales of component materials used in the
802 construction of a building, or any addition or improvement
803 thereon, and sales of any machinery and equipment not later than
804 three (3) months after the completion of the building, addition or
805 improvement thereon, to be used therein, for any company
806 establishing or transferring its national or regional headquarters
807 from within or outside the State of Mississippi and creating a
808 minimum of twenty (20) jobs at the new headquarters in this state.
809 The Department of Revenue shall establish criteria and prescribe
810 procedures to determine if a company qualifies as a national or
811 regional headquarters for the purpose of receiving the exemption
812 provided in this subparagraph (i).



813 (ii) Sales of component materials used in the
814 construction of a building, or any addition or improvement
815 thereon, and sales of any machinery and equipment not later than
816 three (3) months after the completion of the building, addition or
817 improvement thereon, to be used therein, for any company expanding
818 or making additions after January 1, 2013, to its national or
819 regional headquarters within the State of Mississippi and creating
820 a minimum of twenty (20) new jobs at the headquarters as a result
821 of the expansion or additions. The Department of Revenue shall
822 establish criteria and prescribe procedures to determine if a
823 company qualifies as a national or regional headquarters for the
824 purpose of receiving the exemption provided in this subparagraph
825 (ii).

826 (s) The gross proceeds from the sale of semitrailers,
827 trailers, boats, travel trailers, motorcycles, all-terrain cycles
828 and rotary-wing aircraft if exported from this state within
829 forty-eight (48) hours and registered and first used in another
830 state.

831 (t) Gross income from the storage and handling of
832 natural gas in underground salt domes and in other underground
833 reservoirs, caverns, structures and formations suitable for such
834 storage.

835 (u) Sales of machinery and equipment to nonprofit
836 organizations if the organization:



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

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

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

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

850 (v) Sales or leases of materials and equipment to
851 approved business enterprises as provided under the Growth and
852 Prosperity Act.

853 (w) From and after July 1, 2001, sales of pollution
854 control equipment to manufacturers or custom processors for
855 industrial use. For the purposes of this exemption, "pollution
856 control equipment" means equipment, devices, machinery or systems
857 used or acquired to prevent, control, monitor or reduce air, water
858 or groundwater pollution, or solid or hazardous waste as required
859 by federal or state law or regulation.

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



862 certified by the Mississippi Major Economic Impact Authority as a
863 project as defined in Section 57-75-5(f)(iv)1, Section
864 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
865 equipment; special tooling such as dies, molds, jigs and similar
866 items treated as special tooling for federal income tax purposes;
867 or repair parts therefor or replacements thereof; repair services
868 thereon; fuel, supplies, electricity, coal and natural gas used
869 directly in the manufacture of motor vehicles or motor vehicle
870 parts or used to provide climate control for manufacturing areas.

871 (y) Sales or leases of component materials, machinery
872 and equipment used in the construction of a building, or any
873 addition or improvement thereon to an enterprise operating a
874 project that has been certified by the Mississippi Major Economic
875 Impact Authority as a project as defined in Section
876 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
877 or Section 57-75-5(f)(xxviii) and any other sales or leases
878 required to establish or operate such project.

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

881 (aa) The gross income from the stripping and painting
882 of commercial aircraft engaged in foreign or interstate
883 transportation business.

884 (bb) [Repealed]

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



887 Major Economic Impact Authority as a project as defined in Section
888 57-75-5(f) (xviii) of machinery and equipment; special tooling such
889 as dies, molds, jigs and similar items treated as special tooling
890 for federal income tax purposes; or repair parts therefor or
891 replacements thereof; repair services thereon; fuel, supplies,
892 electricity, coal and natural gas used directly in the
893 manufacturing/production operations of the project or used to
894 provide climate control for manufacturing/production areas.

895 (dd) Sales or leases of component materials, machinery
896 and equipment used in the construction of a building, or any
897 addition or improvement thereon to an enterprise owning or
898 operating a project that has been designated by the Mississippi
899 Major Economic Impact Authority as a project as defined in Section
900 57-75-5(f) (xviii) and any other sales or leases required to
901 establish or operate such project.

902 (ee) Sales of parts used in the repair and servicing of
903 aircraft not registered in Mississippi engaged exclusively in the
904 business of foreign or interstate transportation to businesses
905 engaged in aircraft repair and maintenance.

906 (ff) Sales of component materials used in the
907 construction of a facility, or any addition or improvement
908 thereon, and sales or leases of machinery and equipment not later
909 than three (3) months after the completion of construction of the
910 facility, or any addition or improvement thereto, to be used in
911 the building or any addition or improvement thereto, to a



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

916 (gg) Sales of component materials used in the
917 construction of a facility, or any addition or improvement
918 thereto, and sales of machinery and equipment not later than three
919 (3) months after the completion of construction of the facility,
920 or any addition or improvement thereto, to be used in the facility
921 or any addition or improvement thereto, to technology intensive
922 enterprises for industrial purposes in Tier Three areas (as such
923 areas are designated in accordance with Section 57-73-21), as
924 certified by the Department of Revenue. For purposes of this
925 paragraph, an enterprise must meet the criteria provided for in
926 Section 27-65-17(1)(f) in order to be considered a technology
927 intensive enterprise.

928 (hh) Sales of component materials used in the
929 replacement, reconstruction or repair of a building or facility
930 that has been destroyed or sustained extensive damage as a result
931 of a disaster declared by the Governor, sales of machinery and
932 equipment to be used therein to replace machinery or equipment
933 damaged or destroyed as a result of such disaster, including, but
934 not limited to, manufacturing or processing machinery and
935 equipment which is permanently attached to the ground or to a
936 permanent foundation and which is not by its nature intended to be



937 housed within a building structure, to enterprises or companies
938 that were eligible for the exemptions authorized in paragraph (q),
939 (r), (ff) or (gg) of this subsection during initial construction
940 of the building that was destroyed or damaged, which enterprises
941 or companies are certified by the Department of Revenue as being
942 eligible for the exemption granted in this paragraph.

943 (ii) Sales of software or software services transmitted
944 by the Internet to a destination outside the State of Mississippi
945 where the first use of such software or software services by the
946 purchaser occurs outside the State of Mississippi.

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

950 (kk) Sales of component building materials and
951 equipment for initial construction of facilities or expansion of
952 facilities as authorized under Sections 57-113-1 through 57-113-7
953 and Sections 57-113-21 through 57-113-27.

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

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

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



962 thereon, and sales or leases of machinery and equipment not later
963 than three (3) months after the completion of the construction of
964 the facility, to be used in the facility, to permanent business
965 enterprises operating a facility producing renewable crude oil
966 from biomass harvested or produced, in whole or in part, in
967 Mississippi, which businesses meet minimum criteria established by
968 the Mississippi Development Authority. As used in this paragraph,
969 the term "biomass" shall have the meaning ascribed to such term in
970 Section 57-113-1.

971 (oo) Sales of supplies, equipment and other personal
972 property to an organization that is exempt from taxation under
973 Section 501(c)(3) of the Internal Revenue Code and is the host
974 organization coordinating a professional golf tournament played or
975 to be played in this state and the supplies, equipment or other
976 personal property will be used for purposes related to the golf
977 tournament and related activities.

978 (pp) Sales of materials used in the construction of a
979 health care industry facility, as defined in Section 57-117-3, or
980 any addition or improvement thereon, and sales of any machinery
981 and equipment not later than three (3) months after the completion
982 of construction of the facility, or any addition thereon, to be
983 used therein, to qualified businesses, as defined in Section
984 57-117-3. This paragraph shall be repealed from and after July 1,
985 2022.



986 (qq) Sales or leases to a manufacturer of automotive
987 parts operating a project that has been certified by the
988 Mississippi Major Economic Impact Authority as a project as
989 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
990 or repair parts therefor or replacements thereof; repair services
991 thereon; fuel, supplies, electricity, coal, nitrogen and natural
992 gas used directly in the manufacture of automotive parts or used
993 to provide climate control for manufacturing areas.

994 (rr) Gross collections derived from guided tours on any
995 navigable waters of this state, which include providing
996 accommodations, guide services and/or related equipment operated
997 by or under the direction of the person providing the tour, for
998 the purposes of outdoor tourism. The exemption provided in this
999 paragraph (rr) does not apply to the sale of tangible personal
1000 property by a person providing such tours.

1001 (ss) Retail sales of truck-tractors and semitrailers
1002 used in interstate commerce and registered under the International
1003 Registration Plan (IRP) or any similar reciprocity agreement or
1004 compact relating to the proportional registration of commercial
1005 vehicles entered into as provided for in Section 27-19-143.

1006 (tt) Sales exempt under the Facilitating Business Rapid
1007 Response to State Declared Disasters Act of 2015 (Sections
1008 27-113-1 through 27-113-9).

1009 (uu) Sales or leases to an enterprise and its
1010 affiliates operating a project that has been certified by the



1011 Mississippi Major Economic Impact Authority as a project as
1012 defined in Section 57-75-5(f) (xxix) of:

1013 (i) All personal property and fixtures, including
1014 without limitation, sales or leases to the enterprise and its
1015 affiliates of:

1016 1. Manufacturing machinery and equipment;

1017 2. Special tooling such as dies, molds, jigs
1018 and similar items treated as special tooling for federal income
1019 tax purposes;

1020 3. Component building materials, machinery
1021 and equipment used in the construction of buildings, and any other
1022 additions or improvements to the project site for the project;

1023 4. Nonmanufacturing furniture, fixtures and
1024 equipment (inclusive of all communications, computer, server,
1025 software and other hardware equipment); and

1026 5. Fuel, supplies (other than
1027 nonmanufacturing consumable supplies and water), electricity,
1028 nitrogen gas and natural gas used directly in the
1029 manufacturing/production operations of such project or used to
1030 provide climate control for manufacturing/production areas of such
1031 project;

1032 (ii) All replacements of, repair parts for or
1033 services to repair items described in subparagraph (i)1, 2 and 3
1034 of this paragraph; and



1035 (iii) All services taxable pursuant to Section
1036 27-65-23 required to establish, support, operate, repair and/or
1037 maintain such project.

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

1042 (i) Purchases required to establish and operate
1043 the project, including, but not limited to, sales of component
1044 building materials, machinery and equipment required to establish
1045 the project facility and any additions or improvements thereon;
1046 and

1047 (ii) Machinery, special tools (such as dies,
1048 molds, and jigs) or repair parts thereof, or replacements and
1049 lease thereof, repair services thereon, fuel, supplies and
1050 electricity, coal and natural gas used in the manufacturing
1051 process and purchased by the enterprise owning or operating the
1052 project for the benefit of the project.

1053 (ww) Sales of component materials used in the
1054 construction of a building, or any expansion or improvement
1055 thereon, sales of machinery and/or equipment to be used therein,
1056 and sales of processing machinery and equipment which is
1057 permanently attached to the ground or to a permanent foundation
1058 which is not by its nature intended to be housed in a building
1059 structure, no later than three (3) months after initial startup,



1060 expansion or improvement of a permanent enterprise solely engaged
1061 in the conversion of natural sand into proppants used in oil and
1062 gas exploration and development with at least ninety-five percent
1063 (95%) of such proppants used in the production of oil and/or gas
1064 from horizontally drilled wells and/or horizontally drilled
1065 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

1066 (2) Sales of component materials used in the construction of
1067 a building, or any addition or improvement thereon, sales of
1068 machinery and equipment to be used therein, and sales of
1069 manufacturing or processing machinery and equipment which is
1070 permanently attached to the ground or to a permanent foundation
1071 and which is not by its nature intended to be housed within a
1072 building structure, not later than three (3) months after the
1073 initial start-up date, to permanent business enterprises engaging
1074 in manufacturing or processing in Tier Two areas and Tier One
1075 areas (as such areas are designated in accordance with Section
1076 57-73-21), which businesses are certified by the Department of
1077 Revenue as being eligible for the exemption granted in this
1078 subsection, shall be exempt from one-half (1/2) of the taxes
1079 imposed on such transactions under this chapter.

1080 (3) Sales of component materials used in the construction of
1081 a facility, or any addition or improvement thereon, and sales or
1082 leases of machinery and equipment not later than three (3) months
1083 after the completion of construction of the facility, or any
1084 addition or improvement thereto, to be used in the building or any



1085 addition or improvement thereto, to a permanent business
1086 enterprise operating a data/information enterprise in Tier Two
1087 areas and Tier One areas (as such areas are designated in
1088 accordance with Section 57-73-21), which businesses meet minimum
1089 criteria established by the Mississippi Development Authority,
1090 shall be exempt from one-half (1/2) of the taxes imposed on such
1091 transaction under this chapter.

1092 (4) Sales of component materials used in the construction of
1093 a facility, or any addition or improvement thereto, and sales of
1094 machinery and equipment not later than three (3) months after the
1095 completion of construction of the facility, or any addition or
1096 improvement thereto, to be used in the building or any addition or
1097 improvement thereto, to technology intensive enterprises for
1098 industrial purposes in Tier Two areas and Tier One areas (as such
1099 areas are designated in accordance with Section 57-73-21), which
1100 businesses are certified by the Department of Revenue as being
1101 eligible for the exemption granted in this subsection, shall be
1102 exempt from one-half (1/2) of the taxes imposed on such
1103 transactions under this chapter. For purposes of this subsection,
1104 an enterprise must meet the criteria provided for in Section
1105 27-65-17(1)(f) in order to be considered a technology intensive
1106 enterprise.

1107 (5) (a) For purposes of this subsection:

1108 (i) "Telecommunications enterprises" shall have
1109 the meaning ascribed to such term in Section 57-73-21;



1110 (ii) "Tier One areas" mean counties designated as
1111 Tier One areas pursuant to Section 57-73-21;

1112 (iii) "Tier Two areas" mean counties designated as
1113 Tier Two areas pursuant to Section 57-73-21;

1114 (iv) "Tier Three areas" mean counties designated
1115 as Tier Three areas pursuant to Section 57-73-21; and

1116 (v) "Equipment used in the deployment of broadband
1117 technologies" means any equipment capable of being used for or in
1118 connection with the transmission of information at a rate, prior
1119 to taking into account the effects of any signal degradation, that
1120 is not less than three hundred eighty-four (384) kilobits per
1121 second in at least one (1) direction, including, but not limited
1122 to, asynchronous transfer mode switches, digital subscriber line
1123 access multiplexers, routers, servers, multiplexers, fiber optics
1124 and related equipment.

1125 (b) Sales of equipment to telecommunications
1126 enterprises after June 30, 2003, and before July 1, * * * 2025,
1127 that is installed in Tier One areas and used in the deployment of
1128 broadband technologies shall be exempt from one-half (1/2) of the
1129 taxes imposed on such transactions under this chapter.

1130 (c) Sales of equipment to telecommunications
1131 enterprises after June 30, 2003, and before July 1, * * * 2025,
1132 that is installed in Tier Two and Tier Three areas and used in the
1133 deployment of broadband technologies shall be exempt from the
1134 taxes imposed on such transactions under this chapter.



1135 (6) Sales of component materials used in the replacement,
1136 reconstruction or repair of a building that has been destroyed or
1137 sustained extensive damage as a result of a disaster declared by
1138 the Governor, sales of machinery and equipment to be used therein
1139 to replace machinery or equipment damaged or destroyed as a result
1140 of such disaster, including, but not limited to, manufacturing or
1141 processing machinery and equipment which is permanently attached
1142 to the ground or to a permanent foundation and which is not by its
1143 nature intended to be housed within a building structure, to
1144 enterprises that were eligible for the partial exemptions provided
1145 for in subsections (2), (3) and (4) of this section during initial
1146 construction of the building that was destroyed or damaged, which
1147 enterprises are certified by the Department of Revenue as being
1148 eligible for the partial exemption granted in this subsection,
1149 shall be exempt from one-half (1/2) of the taxes imposed on such
1150 transactions under this chapter.

1151 **SECTION 6.** Section 57-87-5, Mississippi Code of 1972, is
1152 amended as follows:

1153 57-87-5. (1) For purposes of this section:

1154 (a) "Telecommunications enterprises" shall have the
1155 meaning ascribed to such term in Section 57-73-21(14);

1156 (b) "Tier One areas" mean counties designated as Tier
1157 One areas pursuant to Section 57-73-21(1);

1158 (c) "Tier Two areas" mean counties designated as Tier
1159 Two areas pursuant to Section 57-73-21(1);



1160 (d) "Tier Three areas" mean counties designated as Tier
1161 Three areas pursuant to Section 57-73-21(1); and

1162 (e) "Equipment used in the deployment of broadband
1163 technologies" means any equipment capable of being used for or in
1164 connection with the transmission of information at a rate, prior
1165 to taking into account the effects of any signal degradation, that
1166 is not less than three hundred eighty-four (384) kilobits per
1167 second in at least one (1) direction, including, but not limited
1168 to, asynchronous transfer mode switches, digital subscriber line
1169 access multiplexers, routers, servers, multiplexers, fiber optics
1170 and related equipment.

1171 (2) With respect to the investment in each year by a
1172 telecommunications enterprise after June 30, 2003, and before July
1173 1, * * * 2025, there shall be allowed annually as a credit against
1174 the aggregate tax imposed by Chapters 7 and 13 of Title 27,
1175 Mississippi Code of 1972, an amount equal to:

1176 (a) Five percent (5%) of the cost of equipment used in
1177 the deployment of broadband technologies in Tier One areas;

1178 (b) Ten percent (10%) of the cost of equipment used in
1179 the deployment of broadband technologies in Tier Two areas; and

1180 (c) Fifteen percent (15%) of the cost of equipment used
1181 in the deployment of broadband technologies in Tier Three areas.

1182 (3) Such annual credits shall be allowed commencing with the
1183 taxable year in which such property is placed in service and



1184 continue for nine (9) consecutive years thereafter. The aggregate
1185 credit established by this section taken in any one (1)
1186 tax year shall be limited to an amount not greater than fifty
1187 percent (50%) of the taxpayer's tax liabilities under Chapters 7
1188 and 13 of Title 27, Mississippi Code of 1972; however, any tax
1189 credit claimed under this section, but not used in any taxable
1190 year, may be carried forward for ten (10) consecutive years from
1191 the close of the tax year in which the credits were earned.

1192 (4) The maximum aggregate amount of credits that may be
1193 claimed under this section shall not exceed the original
1194 investment made by a telecommunications enterprise in the
1195 qualifying equipment used in the deployment of broadband
1196 technologies.

1197 (5) For purposes of this section, the tier in which
1198 broadband technology is deployed shall be determined in the year
1199 in which such technology is deployed in a county and such tier
1200 shall not change if the county is later designated in another
1201 tier.

1202 (6) There will be no credit allowed under this section if
1203 the equipment used in the deployment of broadband technologies was
1204 paid for, or its cost was reimbursed by, funds made available
1205 under the Coronavirus Aid, Relief, and Economic Security (CARES)
1206 Act.

1207 **SECTION 7.** Section 57-87-7, Mississippi Code of 1972, is
1208 amended as follows:



1209 57-87-7. Equipment used in the deployment of broadband
1210 technologies by a telecommunications enterprise (as defined in
1211 Section 57-73-21(14)), that is placed in service after June 30,
1212 2003, and before July 1, * * * 2025, shall be exempt from ad
1213 valorem taxation for a period of ten (10) years after the date
1214 such equipment is placed in service. For purposes of this
1215 section, "equipment used in the deployment of broadband
1216 technologies" means any equipment capable of being used for or in
1217 connection with the transmission of information at a rate, prior
1218 to taking into account the effects of any signal degradation, that
1219 is not less than three hundred eighty-four (384) kilobits per
1220 second in at least one direction, including, but not limited to,
1221 asynchronous transfer mode switches, digital subscriber line
1222 access multiplexers, routers, servers, multiplexers, fiber optics
1223 and related equipment.

1224 **SECTION 8.** Nothing in this act shall affect or defeat any
1225 claim, assessment, appeal, suit, right or cause of action for
1226 taxes due or accrued under the income tax laws before the date on
1227 which this act becomes effective, whether such claims,
1228 assessments, appeals, suits or actions have been begun before the
1229 date on which this act becomes effective or are begun thereafter;
1230 and the provisions of the income tax laws are expressly continued
1231 in full force, effect and operation for the purpose of the
1232 assessment, collection and enrollment of liens for any taxes due
1233 or accrued and the execution of any warrant under such laws before



1234 the date on which this act becomes effective, and for the
1235 imposition of any penalties, forfeitures or claims for failure to
1236 comply with such laws.

1237 **SECTION 9.** Sections 2 and 3 of this act shall take effect
1238 and be in force from and after January 1, 2020, and the remaining
1239 sections of this act shall take effect and be in force from and
1240 after July 1, 2020.

