

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

House Bill No. 1729

BY: Committee

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

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

64 27-7-22.31. (1) As used in this section:

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

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

69 (ii) Determined eligible for the National Register
70 of Historic Places by the Secretary of the United States



71 Department of the Interior and will be listed within thirty (30)
72 months of claiming the credit authorized by this section; or

73 (iii) Property designated a Mississippi Landmark
74 by the Department of Archives and History pursuant to Section
75 39-7-3 et seq.

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

80 (i) A certificate evidencing the eligible credit
81 has been issued to the taxpayer by the department prior to July 1,
82 2016, that applies to such dwelling; or

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

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

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

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

94 (iii) Is located in a registered historic district
95 listed on the National Register of Historic Places or located in a



96 potential district that has been determined eligible for the
97 National Register of Historic Places by the Secretary of the
98 United States Department of the Interior and will be listed within
99 thirty (30) months of claiming the credit authorized by this
100 section, and is certified by the Secretary of the United States
101 Department of the Interior as being of historic significance to
102 the district; or

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

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

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

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

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

117 (2) Any taxpayer incurring costs and expenses for the
118 rehabilitation of eligible property, which is a certified historic
119 structure or a structure in a certified historic district, shall
120 be entitled to a credit against the taxes imposed pursuant to this



121 chapter in an amount equal to twenty-five percent (25%) of the
122 total costs and expenses of rehabilitation incurred after January
123 1, 2006, which shall include, but not be limited to, qualified
124 rehabilitation expenditures as defined under Section 47(c)(2)(A)
125 of the Internal Revenue Code of 1986, as amended, and the related
126 regulations thereunder:

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

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

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

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

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

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

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



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

147 (4) (a) (i) If the amount of the tax credit established by
148 this section exceeds the total state income tax liability for the
149 year in which the rehabilitated property is placed in service, the
150 amount that exceeds the total state income tax liability may be
151 carried forward for the ten (10) succeeding tax years.

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

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

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



170 pass-through entity are not eligible to elect a refund of excess
171 credit in lieu of a carryforward of the credit. However, a
172 partnership or limited liability company taxed as a partnership
173 may elect to claim a refund of excess credit at the entity level
174 on a form prescribed by the Department of Revenue. Additionally,
175 excess tax credits that are attributable to rehabilitated property
176 that was placed in service by a pass-through entity prior to
177 January 1, 2011, and that have previously been allocated to and
178 are held by another pass-through entity prior to January 1, 2011,
179 may be refunded to such other pass-through entity.

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



194 (b) The aggregate amount of tax credits that may be
195 awarded under this section shall not exceed * * * One Hundred
196 Eighty Million Dollars (\$180,000,000.00). A taxpayer who was
197 issued a certificate evidencing the eligible credit by the
198 department prior to July 1, * * * 2020, but who was unable to be
199 awarded the credit due to the limit on the aggregate amount of
200 credits authorized under this section prior to July 1, * * * 2020:

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

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

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

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

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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

288 (2) (a) The tax credit authorized in this section shall be
289 available only to a taxpayer who is a business enterprise engaged
290 in commercial, industrial or professional activities and operating



291 as a corporation, limited liability company, partnership or sole
292 proprietorship. Except as otherwise provided in this section, a
293 credit is allowed against the taxes imposed by Sections 27-7-5,
294 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
295 contributions made by a taxpayer during the taxable year to an
296 eligible charitable organization. The amount of credit that may
297 be utilized by a taxpayer in a taxable year shall be limited to an
298 amount not to exceed fifty percent (50%) of the total tax
299 liability of the taxpayer for the taxes imposed by such sections
300 of law. Any tax credit claimed under this section but not used in
301 any taxable year may be carried forward for five (5) consecutive
302 years from the close of the tax year in which the credits were
303 earned.

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

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

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



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

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

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

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

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

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



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

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



364 allocation shall be cancelled and returned to the department for
365 reallocation. Upon final documentation of the contributions, if
366 the actual dollar amount of the contributions is lower than the
367 amount estimated, the department shall adjust the tax credit
368 allowed under this section.

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

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



389 (1)(b)(i) of this section and fifty percent (50%) of the tax
390 credits allocated during a calendar year shall be allocated for
391 contributions to eligible charitable organizations described in
392 subsection (1)(b)(ii) of this section. For calendar year 2021,
393 and for each calendar year thereafter, for credits allocated
394 during a calendar year for contributions to eligible charitable
395 organizations described in subsection (1)(b)(i) of this section,
396 no more than twenty-five percent (25%) of such credits may be
397 allocated for contributions to a single eligible charitable
398 organization. For calendar year 2021, and for each calendar year
399 thereafter, for credits allocated during a calendar year for
400 contributions to eligible charitable organizations described in
401 subsection (1)(b)(ii) of this section, no more than five percent
402 (5%) of such credits may be allocated for contributions to a
403 single eligible charitable organization.

404 * * *

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

407 27-7-22.39. (1) As used in this section:

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

411 (b) "Qualifying charitable organization" means a
412 charitable organization that is exempt from federal income
413 taxation under Section 501(c)(3) of the Internal Revenue Code or



414 is a designated community action agency that receives community
415 services block grant program monies pursuant to 42 USC 9901. The
416 organization must spend at least fifty percent (50%) of its budget
417 on services to residents of this state who receive temporary
418 assistance for needy families benefits or low-income residents of
419 this state and their households or to children who have a chronic
420 illness or physical, intellectual, developmental or emotional
421 disability who are residents of this state. A charitable
422 organization that is exempt from federal income tax under Section
423 501(c)(3) of the Internal Revenue Code and that meets all other
424 requirements of this paragraph except that it does not spend at
425 least fifty percent (50%) of its overall budget in Mississippi may
426 be a qualifying charitable organization if it spends at least
427 fifty percent (50%) of its Mississippi budget on services to
428 qualified individuals in Mississippi and it certifies to the
429 department that one hundred percent (100%) of the voluntary cash
430 contributions from the taxpayer will be spent on services to
431 qualified individuals in Mississippi. Taxpayers choosing to make
432 donations through an umbrella charitable organization that
433 collects donations on behalf of member charities shall designate
434 that the donation be directed to a member charitable organization
435 that would qualify under this section on a stand-alone basis.
436 Qualifying charitable organization does not include any entity
437 that provides, pays for or provides coverage of abortions or that



438 financially supports any other entity that provides, pays for or
439 provides coverage of abortions.

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

462 (d) "Services" means:



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

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

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

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

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

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

484 (3) A separate credit is allowed against the taxes imposed
485 by this chapter for voluntary cash contributions during the
486 taxable year to a qualifying foster care charitable organization.
487 A contribution to a qualifying foster care charitable organization



488 does not qualify for, and shall not be included in, any credit
489 amount under subsection (2) of this section. If the voluntary
490 cash contribution by the taxpayer is to a qualifying foster care
491 charitable organization, the credit shall not exceed:

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

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

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

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

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

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



513 (6) If the allowable tax credit exceeds the taxes otherwise
514 due under this chapter on the claimant's income, or if there are
515 no taxes due under this chapter, the taxpayer may carry forward
516 the amount of the claim not used to offset the taxes under this
517 chapter for not more than five (5) consecutive taxable years'
518 income tax liability.

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

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

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

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

534 (a) Verification of the organization's status under
535 Section 501(c)(3) of the Internal Revenue Code or verification
536 that the organization is a designated community action agency that



537 receives community services block grant program monies pursuant to
538 42 USC 9901.

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

542 (i) Receive temporary assistance for needy
543 families benefits;

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

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

547 (iv) Are children in a foster care placement
548 program established by the Department of Child Protection
549 Services, children placed under the Safe Families for Children
550 model or children at significant risk of entering a foster care
551 placement program established by the Department of Child
552 Protection Services.

553 (c) A statement that the organization plans to continue
554 spending at least fifty percent (50%) of its budget on services to
555 residents of this state who receive temporary assistance for needy
556 families benefits, who are low-income residents of this state, who
557 are children who have a chronic illness or physical, intellectual,
558 developmental or emotional disability or who are children in a
559 foster care placement program established by the Department of
560 Child Protection Services, children placed under the Safe Families
561 for Children model or children at significant risk of entering a



562 foster care placement program established by the Department of
563 Child Protection Services. A charitable organization that is
564 exempt from federal income tax under Section 501(c)(3) of the
565 Internal Revenue Code and that meets all other requirements for a
566 qualifying charitable organization or qualifying foster care
567 charitable organization except that it does not spend at least
568 fifty percent (50%) of its overall budget in Mississippi shall
569 submit a statement that it spends at least fifty percent (50%) of
570 its Mississippi budget on services to qualified individuals in
571 Mississippi and that one hundred percent (100%) of the voluntary
572 cash contributions it receives from Mississippi taxpayers will be
573 spent on services to qualified individuals in Mississippi.

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

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

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

584 (11) The department shall review each written certification
585 and determine whether the organization meets all the criteria to
586 be considered a qualifying charitable organization and notify the



587 organization of its determination. The department may also
588 periodically request recertification from the organization. The
589 department shall compile and make available to the public a list
590 of the qualifying charitable organizations.

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

604 (13) A taxpayer shall apply for credits with the department
605 on forms prescribed by the department. In the application the
606 taxpayer shall certify to the department the dollar amount of the
607 contributions made or to be made during the calendar year. Within
608 thirty (30) days after the receipt of an application, the
609 department shall allocate credits based on the dollar amount of
610 contributions as certified in the application. However, if the
611 department cannot allocate the full amount of credits certified in



612 the application due to the limit on the aggregate amount of
613 credits that may be awarded under this section in a calendar year,
614 the department shall so notify the applicant within thirty (30)
615 days with the amount of credits, if any, that may be allocated to
616 the applicant in the calendar year. Once the department has
617 allocated credits to a taxpayer, if the contribution for which a
618 credit is allocated has not been made as of the date of the
619 allocation, then the contribution must be made not later than
620 sixty (60) days from the date of the allocation. If the
621 contribution is not made within such time period, the allocation
622 shall be cancelled and returned to the department for
623 reallocation. Upon final documentation of the contributions, if
624 the actual dollar amount of the contributions is lower than the
625 amount estimated, the department shall adjust the tax credit
626 allowed under this section.

627 (14) This section shall be repealed from and after January
628 1, * * * 2025.

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

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

633 27-7-22.32. (1) (a) There shall be allowed as a credit
634 against the tax imposed by this chapter the amount of the
635 qualified adoption expenses paid or incurred, not to exceed Two
636 Thousand Five Hundred Dollars (\$2,500.00), for each dependent



637 child legally adopted by a taxpayer under the laws of this state
638 during calendar year 2006 or during any calendar year thereafter
639 through calendar year 2017, and not to exceed Five Thousand
640 Dollars (\$5,000.00) for each dependent child legally adopted by a
641 taxpayer under the laws of this state during any calendar year
642 thereafter. A taxpayer claiming a credit under this paragraph (a)
643 may not claim a credit under paragraph (b) of this subsection for
644 the adoption of the same child.

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

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



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

664 27-7-22.32. There shall be allowed as a credit against the
665 tax imposed by this chapter the amount of the qualified adoption
666 expenses paid or incurred, not to exceed Two Thousand Five Hundred
667 Dollars (\$2,500.00), for each dependent child legally adopted by a
668 taxpayer under the laws of this state during calendar year 2006 or
669 during any calendar year thereafter. The tax credit under this
670 section may be claimed for the taxable year in which the adoption
671 becomes final under the laws of this state. Any tax credit
672 claimed under this section but not used in any taxable year may be
673 carried forward for the three (3) succeeding tax years. A tax
674 credit is allowed under this section for any child for which an
675 exemption is claimed during the same taxable year under Section
676 27-7-21(e). For the purposes of this section, the term "qualified
677 adoption expenses" means and has the same definition as that term
678 has in 26 USCS 36C.

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

681 27-65-101. (1) The exemptions from the provisions of this
682 chapter which are of an industrial nature or which are more
683 properly classified as industrial exemptions than any other
684 exemption classification of this chapter shall be confined to
685 those persons or property exempted by this section or by the
686 provisions of the Constitution of the United States or the State



687 of Mississippi. No industrial exemption as now provided by any
688 other section except Section 57-3-33 shall be valid as against the
689 tax herein levied. Any subsequent industrial exemption from the
690 tax levied hereunder shall be provided by amendment to this
691 section. No exemption provided in this section shall apply to
692 taxes levied by Section 27-65-15 or 27-65-21.

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

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

702 (b) Sales of raw materials, catalysts, processing
703 chemicals, welding gases or other industrial processing gases
704 (except natural gas) to a manufacturer for use directly in
705 manufacturing or processing a product for sale or rental or
706 repairing or reconditioning vessels or barges of fifty (50) tons
707 load displacement and over. For the purposes of this exemption,
708 electricity used directly in the electrolysis process in the
709 production of sodium chlorate shall be considered a raw material.
710 This exemption shall not apply to any property used as fuel except



711 to the extent that such fuel comprises by-products which have no
712 market value.

713 (c) The gross proceeds of sales of dry docks, offshore
714 drilling equipment for use in oil or natural gas exploration or
715 production, vessels or barges of fifty (50) tons load displacement
716 and over, when the vessels or barges are sold by the manufacturer
717 or builder thereof. In addition to other types of equipment,
718 offshore drilling equipment for use in oil or natural gas
719 exploration or production shall include aircraft used
720 predominately to transport passengers or property to or from
721 offshore oil or natural gas exploration or production platforms or
722 vessels, and engines, accessories and spare parts for such
723 aircraft.

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

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

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

734 (g) Sales and rentals of rail rolling stock (and
735 component parts thereof) for ultimate use in interstate commerce



736 and gross income from services with respect to manufacturing,
737 repairing, cleaning, altering, reconditioning or improving such
738 rail rolling stock (and component parts thereof).

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

745 (i) Sales of machinery or tools or repair parts
746 therefor or replacements thereof, fuel or supplies used directly
747 in manufacturing, converting or repairing ships, vessels or barges
748 of three thousand (3,000) tons load displacement and over, but not
749 to include office and plant supplies or other equipment not
750 directly used on the ship, vessel or barge being built, converted
751 or repaired. For purposes of this exemption, "ships, vessels or
752 barges" shall not include floating structures described in Section
753 27-65-18.

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



760 (k) Sales of materials used in the construction of a
761 building, or any addition or improvement thereon, and sales of any
762 machinery and equipment not later than three (3) months after the
763 completion of construction of the building, or any addition
764 thereon, to be used therein, to qualified businesses, as defined
765 in Section 57-51-5, which are located in a county or portion
766 thereof designated as an enterprise zone pursuant to Sections
767 57-51-1 through 57-51-15.

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

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

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

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

783 (p) Sales of materials used in the construction of a
784 building, or any addition or improvement thereon, and sales of any



785 machinery and equipment not later than three (3) months after the
786 completion of construction of the building, or any addition
787 thereon, to be used therein, to qualified companies, certified as
788 such by the Mississippi Development Authority under Section
789 57-53-1.

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

802 (r) (i) Sales of component materials used in the
803 construction of a building, or any addition or improvement
804 thereon, and sales of any machinery and equipment not later than
805 three (3) months after the completion of the building, addition or
806 improvement thereon, to be used therein, for any company
807 establishing or transferring its national or regional headquarters
808 from within or outside the State of Mississippi and creating a
809 minimum of twenty (20) jobs at the new headquarters in this state.



810 The Department of Revenue shall establish criteria and prescribe
811 procedures to determine if a company qualifies as a national or
812 regional headquarters for the purpose of receiving the exemption
813 provided in this subparagraph (i).

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

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

832 (t) Gross income from the storage and handling of
833 natural gas in underground salt domes and in other underground



834 reservoirs, caverns, structures and formations suitable for such
835 storage.

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

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

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

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

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

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

854 (w) From and after July 1, 2001, sales of pollution
855 control equipment to manufacturers or custom processors for
856 industrial use. For the purposes of this exemption, "pollution
857 control equipment" means equipment, devices, machinery or systems
858 used or acquired to prevent, control, monitor or reduce air, water



859 or groundwater pollution, or solid or hazardous waste as required
860 by federal or state law or regulation.

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

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

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



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

885 (bb) [Repealed]

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

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

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



907 (ff) Sales of component materials used in the
908 construction of a facility, or any addition or improvement
909 thereon, and sales or leases of machinery and equipment not later
910 than three (3) months after the completion of construction of the
911 facility, or any addition or improvement thereto, to be used in
912 the building or any addition or improvement thereto, to a
913 permanent business enterprise operating a data/information
914 enterprise in Tier Three areas (as such areas are designated in
915 accordance with Section 57-73-21), meeting minimum criteria
916 established by the Mississippi Development Authority.

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

929 (hh) Sales of component materials used in the
930 replacement, reconstruction or repair of a building or facility
931 that has been destroyed or sustained extensive damage as a result



932 of a disaster declared by the Governor, sales of machinery and
933 equipment to be used therein to replace machinery or equipment
934 damaged or destroyed as a result of such disaster, including, but
935 not limited to, manufacturing or processing machinery and
936 equipment which is permanently attached to the ground or to a
937 permanent foundation and which is not by its nature intended to be
938 housed within a building structure, to enterprises or companies
939 that were eligible for the exemptions authorized in paragraph (q),
940 (r), (ff) or (gg) of this subsection during initial construction
941 of the building that was destroyed or damaged, which enterprises
942 or companies are certified by the Department of Revenue as being
943 eligible for the exemption granted in this paragraph.

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

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

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



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

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

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

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



979 (pp) Sales of materials used in the construction of a
980 health care industry facility, as defined in Section 57-117-3, or
981 any addition or improvement thereon, and sales of any machinery
982 and equipment not later than three (3) months after the completion
983 of construction of the facility, or any addition thereon, to be
984 used therein, to qualified businesses, as defined in Section
985 57-117-3. This paragraph shall be repealed from and after July 1,
986 2022.

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

995 (rr) Gross collections derived from guided tours on any
996 navigable waters of this state, which include providing
997 accommodations, guide services and/or related equipment operated
998 by or under the direction of the person providing the tour, for
999 the purposes of outdoor tourism. The exemption provided in this
1000 paragraph (rr) does not apply to the sale of tangible personal
1001 property by a person providing such tours.

1002 (ss) Retail sales of truck-tractors and semitrailers
1003 used in interstate commerce and registered under the International



1004 Registration Plan (IRP) or any similar reciprocity agreement or
1005 compact relating to the proportional registration of commercial
1006 vehicles entered into as provided for in Section 27-19-143.

1007 (tt) Sales exempt under the Facilitating Business Rapid
1008 Response to State Declared Disasters Act of 2015 (Sections
1009 27-113-1 through 27-113-9).

1010 (uu) Sales or leases to an enterprise and its
1011 affiliates operating a project that has been certified by the
1012 Mississippi Major Economic Impact Authority as a project as
1013 defined in Section 57-75-5(f)(xxix) of:

1014 (i) All personal property and fixtures, including
1015 without limitation, sales or leases to the enterprise and its
1016 affiliates of:

1017 1. Manufacturing machinery and equipment;

1018 2. Special tooling such as dies, molds, jigs
1019 and similar items treated as special tooling for federal income
1020 tax purposes;

1021 3. Component building materials, machinery
1022 and equipment used in the construction of buildings, and any other
1023 additions or improvements to the project site for the project;

1024 4. Nonmanufacturing furniture, fixtures and
1025 equipment (inclusive of all communications, computer, server,
1026 software and other hardware equipment); and

1027 5. Fuel, supplies (other than
1028 nonmanufacturing consumable supplies and water), electricity,



1029 nitrogen gas and natural gas used directly in the
1030 manufacturing/production operations of such project or used to
1031 provide climate control for manufacturing/production areas of such
1032 project;

1033 (ii) All replacements of, repair parts for or
1034 services to repair items described in subparagraph (i)1, 2 and 3
1035 of this paragraph; and

1036 (iii) All services taxable pursuant to Section
1037 27-65-23 required to establish, support, operate, repair and/or
1038 maintain such project.

1039 (vv) Sales or leases to an enterprise operating a
1040 project that has been certified by the Mississippi Major Economic
1041 Impact Authority as a project as defined in Section
1042 57-75-5(f) (xxx) of:

1043 (i) Purchases required to establish and operate
1044 the project, including, but not limited to, sales of component
1045 building materials, machinery and equipment required to establish
1046 the project facility and any additions or improvements thereon;
1047 and

1048 (ii) Machinery, special tools (such as dies,
1049 molds, and jigs) or repair parts thereof, or replacements and
1050 lease thereof, repair services thereon, fuel, supplies and
1051 electricity, coal and natural gas used in the manufacturing
1052 process and purchased by the enterprise owning or operating the
1053 project for the benefit of the project.



1054 (ww) Sales of component materials used in the
1055 construction of a building, or any expansion or improvement
1056 thereon, sales of machinery and/or equipment to be used therein,
1057 and sales of processing machinery and equipment which is
1058 permanently attached to the ground or to a permanent foundation
1059 which is not by its nature intended to be housed in a building
1060 structure, no later than three (3) months after initial startup,
1061 expansion or improvement of a permanent enterprise solely engaged
1062 in the conversion of natural sand into proppants used in oil and
1063 gas exploration and development with at least ninety-five percent
1064 (95%) of such proppants used in the production of oil and/or gas
1065 from horizontally drilled wells and/or horizontally drilled
1066 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

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



1079 subsection, shall be exempt from one-half (1/2) of the taxes
1080 imposed on such transactions under this chapter.

1081 (3) Sales of component materials used in the construction of
1082 a facility, or any addition or improvement thereon, and sales or
1083 leases of machinery and equipment not later than three (3) months
1084 after the completion of construction of the facility, or any
1085 addition or improvement thereto, to be used in the building or any
1086 addition or improvement thereto, to a permanent business
1087 enterprise operating a data/information enterprise in Tier Two
1088 areas and Tier One areas (as such areas are designated in
1089 accordance with Section 57-73-21), which businesses meet minimum
1090 criteria established by the Mississippi Development Authority,
1091 shall be exempt from one-half (1/2) of the taxes imposed on such
1092 transaction under this chapter.

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



1104 transactions under this chapter. For purposes of this subsection,
1105 an enterprise must meet the criteria provided for in Section
1106 27-65-17(1)(f) in order to be considered a technology intensive
1107 enterprise.

1108 (5) (a) For purposes of this subsection:

1109 (i) "Telecommunications enterprises" shall have
1110 the meaning ascribed to such term in Section 57-73-21;

1111 (ii) "Tier One areas" mean counties designated as
1112 Tier One areas pursuant to Section 57-73-21;

1113 (iii) "Tier Two areas" mean counties designated as
1114 Tier Two areas pursuant to Section 57-73-21;

1115 (iv) "Tier Three areas" mean counties designated
1116 as Tier Three areas pursuant to Section 57-73-21; and

1117 (v) "Equipment used in the deployment of broadband
1118 technologies" means any equipment capable of being used for or in
1119 connection with the transmission of information at a rate, prior
1120 to taking into account the effects of any signal degradation, that
1121 is not less than three hundred eighty-four (384) kilobits per
1122 second in at least one (1) direction, including, but not limited
1123 to, asynchronous transfer mode switches, digital subscriber line
1124 access multiplexers, routers, servers, multiplexers, fiber optics
1125 and related equipment. Equipment which was paid for, or for which
1126 the cost was reimbursed by, funds made available under the
1127 Coronavirus Aid, Relief, and Economic Security (CARES) Act shall
1128 not be included in the definition of "equipment used in the



1129 deployment of broadband technologies" eligible for a sales or use
1130 tax exemption.

1131 (b) Sales of equipment to telecommunications
1132 enterprises after June 30, 2003, and before July 1, * * * 2025,
1133 that is installed in Tier One areas and used in the deployment of
1134 broadband technologies shall be exempt from one-half (1/2) of the
1135 taxes imposed on such transactions under this chapter.

1136 (c) Sales of equipment to telecommunications
1137 enterprises after June 30, 2003, and before July 1, * * * 2025,
1138 that is installed in Tier Two and Tier Three areas and used in the
1139 deployment of broadband technologies shall be exempt from the
1140 taxes imposed on such transactions under this chapter.

1141 (6) Sales of component materials used in the replacement,
1142 reconstruction or repair of a building that has been destroyed or
1143 sustained extensive damage as a result of a disaster declared by
1144 the Governor, sales of machinery and equipment to be used therein
1145 to replace machinery or equipment damaged or destroyed as a result
1146 of such disaster, including, but not limited to, manufacturing or
1147 processing machinery and equipment which is permanently attached
1148 to the ground or to a permanent foundation and which is not by its
1149 nature intended to be housed within a building structure, to
1150 enterprises that were eligible for the partial exemptions provided
1151 for in subsections (2), (3) and (4) of this section during initial
1152 construction of the building that was destroyed or damaged, which
1153 enterprises are certified by the Department of Revenue as being



1154 eligible for the partial exemption granted in this subsection,
1155 shall be exempt from one-half (1/2) of the taxes imposed on such
1156 transactions under this chapter.

1157 **SECTION 6.** Section 57-87-5, Mississippi Code of 1972, is
1158 amended as follows:

1159 57-87-5. (1) For purposes of this section:

1160 (a) "Telecommunications enterprises" shall have the
1161 meaning ascribed to such term in Section 57-73-21(14);

1162 (b) "Tier One areas" mean counties designated as Tier
1163 One areas pursuant to Section 57-73-21(1);

1164 (c) "Tier Two areas" mean counties designated as Tier
1165 Two areas pursuant to Section 57-73-21(1);

1166 (d) "Tier Three areas" mean counties designated as Tier
1167 Three areas pursuant to Section 57-73-21(1); and

1168 (e) "Equipment used in the deployment of broadband
1169 technologies" means any equipment capable of being used for or in
1170 connection with the transmission of information at a rate, prior
1171 to taking into account the effects of any signal degradation, that
1172 is not less than three hundred eighty-four (384) kilobits per
1173 second in at least one (1) direction, including, but not limited
1174 to, asynchronous transfer mode switches, digital subscriber line
1175 access multiplexers, routers, servers, multiplexers, fiber optics
1176 and related equipment.

1177 (2) With respect to the investment in each year by a
1178 telecommunications enterprise after June 30, 2003, and before July



1179 1, * * * 2025, there shall be allowed annually as a credit against
1180 the aggregate tax imposed by Chapters 7 and 13 of Title 27,
1181 Mississippi Code of 1972, an amount equal to:

1182 (a) Five percent (5%) of the cost of equipment used in
1183 the deployment of broadband technologies in Tier One areas;

1184 (b) Ten percent (10%) of the cost of equipment used in
1185 the deployment of broadband technologies in Tier Two areas; and

1186 (c) Fifteen percent (15%) of the cost of equipment used
1187 in the deployment of broadband technologies in Tier Three areas.

1188 (3) Such annual credits shall be allowed commencing with the
1189 taxable year in which such property is placed in service and
1190 continue for nine (9) consecutive years thereafter. The aggregate
1191 credit established by this section taken in any one (1)
1192 tax year shall be limited to an amount not greater than fifty
1193 percent (50%) of the taxpayer's tax liabilities under Chapters 7
1194 and 13 of Title 27, Mississippi Code of 1972; however, any tax
1195 credit claimed under this section, but not used in any taxable
1196 year, may be carried forward for ten (10) consecutive years from
1197 the close of the tax year in which the credits were earned.

1198 (4) The maximum aggregate amount of credits that may be
1199 claimed under this section shall not exceed the original
1200 investment made by a telecommunications enterprise in the
1201 qualifying equipment used in the deployment of broadband
1202 technologies.



1203 (5) For purposes of this section, the tier in which
1204 broadband technology is deployed shall be determined in the year
1205 in which such technology is deployed in a county and such tier
1206 shall not change if the county is later designated in another
1207 tier.

1208 (6) There will be no credit allowed under this section if
1209 the equipment used in the deployment of broadband technologies was
1210 paid for, or its cost was reimbursed by, funds made available
1211 under the Coronavirus Aid, Relief, and Economic Security (CARES)
1212 Act.

1213 **SECTION 7.** Section 57-87-7, Mississippi Code of 1972, is
1214 amended as follows:

1215 57-87-7. Equipment used in the deployment of broadband
1216 technologies by a telecommunications enterprise (as defined in
1217 Section 57-73-21(14)), that is placed in service after June 30,
1218 2003, and before July 1, * * * 2025, shall be exempt from ad
1219 valorem taxation for a period of ten (10) years after the date
1220 such equipment is placed in service. For purposes of this
1221 section, "equipment used in the deployment of broadband
1222 technologies" means any equipment capable of being used for or in
1223 connection with the transmission of information at a rate, prior
1224 to taking into account the effects of any signal degradation, that
1225 is not less than three hundred eighty-four (384) kilobits per
1226 second in at least one direction, including, but not limited to,
1227 asynchronous transfer mode switches, digital subscriber line



1228 access multiplexers, routers, servers, multiplexers, fiber optics
1229 and related equipment. There will be no exemption allowed under
1230 this section if the equipment used in the deployment of broadband
1231 technologies was paid for, or its cost was reimbursed by, funds
1232 made available under the Coronavirus Aid, Relief, and Economic
1233 Security (CARES) Act.

1234 **SECTION 8.** Nothing in this act shall affect or defeat any
1235 claim, assessment, appeal, suit, right or cause of action for
1236 taxes due or accrued under the income tax laws before the date on
1237 which this act becomes effective, whether such claims,
1238 assessments, appeals, suits or actions have been begun before the
1239 date on which this act becomes effective or are begun thereafter;
1240 and the provisions of the income tax laws are expressly continued
1241 in full force, effect and operation for the purpose of the
1242 assessment, collection and enrollment of liens for any taxes due
1243 or accrued and the execution of any warrant under such laws before
1244 the date on which this act becomes effective, and for the
1245 imposition of any penalties, forfeitures or claims for failure to
1246 comply with such laws.

1247 **SECTION 9.** Sections 2 and 3 of this act shall take effect
1248 and be in force from and after January 1, 2020, and the remaining
1249 sections of this act shall take effect and be in force from and
1250 after July 1, 2020.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**



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 EXEMPTIONS AND CREDITS UNDER CERTAIN SECTIONS OF THIS ACT SHALL
56 NOT APPLY TO EQUIPMENT USED IN THE DEPLOYMENT OF BROADBAND
57 TECHNOLOGIES IF SUCH EQUIPMENT WAS PAID FOR, OR ITS COST WAS
58 REIMBURSED BY, FUNDS MADE AVAILABLE UNDER THE CORONAVIRUS AID,
59 RELIEF, AND ECONOMIC SECURITY (CARES) ACT; AND FOR RELATED
60 PURPOSES.

