

By: False

To: Ways and Means

HOUSE BILL NO. 1439

1 AN ACT TO CREATE THE MISSISSIPPI TAX FREEDOM ACT OF 2021; TO
2 AMEND SECTION 27-7-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE
3 AMOUNT OF THE PERSONAL EXEMPTIONS UNDER THE STATE INCOME TAX LAW
4 FOR SINGLE INDIVIDUALS, MARRIED INDIVIDUALS AND HEAD OF FAMILY
5 INDIVIDUALS AND TO PROVIDE FOR THE ANNUAL ADJUSTMENT OF THE
6 AMOUNTS OF SUCH PERSONAL EXEMPTIONS; TO AMEND SECTION 27-65-17,
7 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE ON THE
8 SALE OF TANGIBLE PERSONAL PROPERTY; TO INCREASE THE SALES TAX RATE
9 ON RETAIL SALES OF FARM TRACTORS AND PARTS AND LABOR USED TO
10 MAINTAIN OR REPAIR SUCH TRACTORS WHEN MADE TO FARMERS FOR
11 AGRICULTURAL PURPOSES; TO INCREASE THE SALES TAX RATE ON RETAIL
12 SALES OF FARM IMPLEMENTS SOLD TO FARMERS AND PARTS AND LABOR USED
13 TO MAINTAIN OR REPAIR SUCH IMPLEMENTS; TO INCREASE THE SALES TAX
14 RATE ON SALES OF EQUIPMENT USED IN LOGGING, PULPWOOD OPERATIONS OR
15 TREE FARMING, AND PARTS AND LABOR USED TO MAINTAIN OR REPAIR SUCH
16 EQUIPMENT; TO INCREASE THE SALES TAX RATE ON RETAIL SALES OF
17 AIRCRAFT, AUTOMOBILES, TRUCKS, TRUCK-TRACTORS, SEMITRAILERS AND
18 MANUFACTURED AND MOBILE HOMES; TO INCREASE THE SALES TAX RATE ON
19 SALES OF MANUFACTURING MACHINERY AND MACHINE PARTS; TO INCREASE
20 THE SALES TAX RATE ON SALES OF MACHINERY AND MACHINE PARTS WHEN
21 MADE TO A TECHNOLOGY INTENSIVE ENTERPRISE FOR PLANT USE ONLY WHEN
22 THE MACHINERY AND MACHINE PARTS WILL BE USED EXCLUSIVELY AND
23 DIRECTLY WITHIN THIS STATE FOR INDUSTRIAL PURPOSES; TO INCREASE
24 THE SALES TAX RATE ON SALES OF MATERIALS FOR USE IN TRACK AND
25 TRACK STRUCTURES TO A RAILROAD WHOSE RATES ARE FIXED BY THE
26 INTERSTATE COMMERCE COMMISSION OR THE MISSISSIPPI PUBLIC SERVICE
27 COMMISSION; TO INCREASE THE SALES TAX RATE ON SALES OF TANGIBLE
28 PERSONAL PROPERTY TO ELECTRIC POWER ASSOCIATIONS FOR USE IN THE
29 ORDINARY AND NECESSARY OPERATION OF THEIR GENERATING OR
30 DISTRIBUTION SYSTEMS; TO INCREASE THE SALES TAX RATE ON SALES OF
31 THE FACTORY-BUILT COMPONENTS OF MODULAR HOMES, PANELIZED HOMES AND
32 PRECUT HOMES, AND PANEL CONSTRUCTED HOMES CONSISTING OF STRUCTURAL
33 INSULATED PANELS; TO INCREASE THE SALES TAX RATE ON SALES OF
34 MATERIALS USED IN THE REPAIR, RENOVATION, ADDITION TO, EXPANSION



35 OR IMPROVEMENT OF BUILDINGS AND RELATED FACILITIES USED BY DAIRY
36 PRODUCERS; TO REDUCE THE SALES TAX RATE ON RETAIL SALES OF FOOD
37 FOR HUMAN CONSUMPTION NOT PURCHASED WITH FOOD STAMPS BUT WHICH
38 WOULD BE EXEMPT FROM SALES TAX IF PURCHASED WITH FOOD STAMPS; TO
39 AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE
40 SALES TAX RATE ON SALES OF UTILITIES AND TELECOMMUNICATIONS
41 SERVICES; TO AMEND SECTION 27-65-20, MISSISSIPPI CODE OF 1972, TO
42 INCREASE THE SALES TAX RATE ON SALES OF MACHINERY, MACHINE PARTS
43 AND EQUIPMENT TO AN OPERATOR OR LESSEE OF COUNTY PORT AUTHORITY OR
44 COUNTY DEVELOPMENT COMMISSION STRUCTURES, FACILITIES AND LANDS; TO
45 AMEND SECTION 27-65-21, MISSISSIPPI CODE OF 1972, TO INCREASE THE
46 SALES TAX RATE ON AMOUNTS INCLUDED IN THE CONTRACT PRICE OR
47 COMPENSATION RECEIVED REPRESENTING THE SALE OF MANUFACTURING OR
48 PROCESSING MACHINERY FOR A MANUFACTURER OR CUSTOM PROCESSOR; TO
49 AMEND SECTION 27-65-22, MISSISSIPPI CODE OF 1972, TO INCREASE THE
50 SALES TAX RATE ON AMUSEMENT AND ENTERTAINMENT ADMISSIONS; TO AMEND
51 SECTION 27-65-23, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES
52 TAX RATE ON VARIOUS SERVICES; TO AMEND SECTION 27-65-25,
53 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE ON RETAIL
54 SALES OF ALCOHOLIC BEVERAGES; TO AMEND SECTION 27-65-26,
55 MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES TAX RATE ON THE
56 SALE, RENTING OR LEASING OF SPECIFIED DIGITAL PRODUCTS; TO AMEND
57 SECTION 27-65-201, MISSISSIPPI CODE OF 1972, TO INCREASE THE SALES
58 TAX RATE ON CASUAL SALES OF MOTOR VEHICLES; TO AMEND SECTION
59 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE STATE
60 SALES REVENUE COLLECTED FROM INCREASES TO SALES TAX RATES UNDER
61 THIS ACT SHALL BE DEPOSITED, WITHOUT DIVERSION, INTO THE STATE
62 TREASURY TO THE CREDIT OF THE GENERAL FUND, EXCEPT THAT A PORTION
63 OF SUCH REVENUE SHALL BE TEMPORARILY DEPOSITED INTO A SPECIAL FUND
64 CREATED IN THE STATE TREASURY AS THE "BUDGET STABILIZATION FUND";
65 TO REVISE THE DISTRIBUTION OF STATE SALES TAX REVENUE COLLECTED
66 FROM RETAIL SALES OF FOOD FOR HUMAN CONSUMPTION NOT PURCHASED WITH
67 FOOD STAMPS BUT WHICH WOULD BE EXEMPT FROM SALES TAX IF PURCHASED
68 WITH FOOD STAMPS; TO AMEND SECTION 27-67-31, MISSISSIPPI CODE OF
69 1972, TO PROVIDE THAT THE STATE USE TAX REVENUE COLLECTED AS A
70 RESULT OF THE INCREASES TO SALES TAX RATES UNDER THIS ACT SHALL BE
71 DEPOSITED, WITHOUT DIVERSION, INTO THE STATE TREASURY TO THE
72 CREDIT OF THE GENERAL FUND, EXCEPT THAT A PORTION OF SUCH REVENUE
73 SHALL BE TEMPORARILY DEPOSITED INTO A SPECIAL FUND CREATED IN THE
74 STATE TREASURY AS THE "BUDGET STABILIZATION FUND"; TO AMEND
75 SECTION 27-65-241, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES
76 CERTAIN MUNICIPALITIES TO LEVY A MUNICIPAL SPECIAL SALES TAX, TO
77 CONFORM TO THE PROVISIONS OF THIS ACT; TO AMEND SECTIONS 27-69-3,
78 27-69-13 AND 27-69-75, MISSISSIPPI CODE OF 1972, TO REVISE THE
79 DEFINITION OF THE TERM "TOBACCO" UNDER THE TOBACCO TAX LAW; TO
80 INCREASE THE RATE OF THE TOBACCO TAX ON CIGARETTES AND OTHER
81 TOBACCO; TO PROVIDE THAT TOBACCO TAXES COLLECTED FROM THE
82 INCREASES TO TOBACCO TAX RATES UNDER THIS ACT SHALL BE TEMPORARILY
83 DEPOSITED INTO A SPECIAL FUND CREATED IN THE STATE TREASURY AS THE
84 "BUDGET STABILIZATION FUND"; TO CREATE THE "BUDGET STABILIZATION
85 FUND" AS A SPECIAL FUND IN THE STATE TREASURY; TO PROVIDE THAT



86 MONIES IN THE FUND SHALL ONLY BE APPROPRIATED BY THE LEGISLATURE
87 TO FURTHER THE PURPOSES OF THIS ACT; TO AMEND SECTION 27-7-5,
88 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT FROM AND AFTER JANUARY 1
89 OF THE NEXT SUCCEEDING YEAR AFTER THE DATE THAT THE COMMISSIONER
90 OF REVENUE CERTIFIES THAT THE REDUCTION IN REVENUE MANDATED BY
91 SECTION 27-7-21, MISSISSIPPI CODE OF 1972, EQUALS OR EXCEEDS THE
92 REMAINING REVENUE PRODUCED BY THE INDIVIDUAL INCOME TAX, THE
93 INDIVIDUAL INCOME TAX SHALL BE REPEALED; TO BRING FORWARD SECTION
94 27-7-3, MISSISSIPPI CODE OF 1972, WHICH DEFINES CERTAIN TERMS
95 UNDER THE STATE INCOME TAX LAW, FOR THE PURPOSES OF POSSIBLE
96 AMENDMENT; TO BRING FORWARD SECTION 27-7-27, MISSISSIPPI CODE OF
97 1972, WHICH RELATES TO THE INCOME TAXATION OF ESTATES AND TRUSTS;
98 TO BRING FORWARD SECTIONS 27-7-22.5, 27-7-22.15, 27-7-22.21,
99 27-7-22.22, 27-7-22.31, 27-7-22.32, 27-7-22.33, 27-7-22.37,
100 27-7-22.39, 27-7-22.41 AND 27-7-207, MISSISSIPPI CODE OF 1972,
101 WHICH PROVIDE FOR VARIOUS INCOME TAX CREDITS, FOR THE PURPOSES OF
102 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 27-7-312, 57-62-5,
103 57-62-9, 57-62-11 AND 57-62-13, MISSISSIPPI CODE OF 1972, WHICH
104 RELATE TO THE MISSISSIPPI ADVANTAGE JOBS ACT, FOR THE PURPOSES OF
105 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 57-89-3 AND 57-89-7,
106 MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE MISSISSIPPI
107 MOTION PICTURE INCENTIVE ACT, FOR THE PURPOSES OF POSSIBLE
108 AMENDMENT; TO BRING FORWARD SECTIONS 57-99-1, 57-99-3, 57-99-5,
109 57-99-7, 57-99-21, 57-99-23, 57-99-25 AND 57-99-27, MISSISSIPPI
110 CODE OF 1972, WHICH RELATE TO THE MISSISSIPPI MAJOR ECONOMIC
111 IMPACT WITHHOLDING REBATE INCENTIVE PROGRAM, FOR THE PURPOSES OF
112 POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS 37-148-3 AND
113 37-148-5, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
114 STRENGTHENING MISSISSIPPI ACADEMIC RESEARCH THROUGH BUSINESS ACT,
115 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTION
116 57-105-1, MISSISSIPPI CODE OF 1972, WHICH AUTHORIZES INCOME TAX
117 AND INSURANCE PREMIUM TAX CREDITS FOR TAXPAYERS HOLDING CERTAIN
118 QUALIFIED EQUITY INVESTMENTS, FOR THE PURPOSES OF POSSIBLE
119 AMENDMENT; TO BRING FORWARD SECTIONS 27-25-503 AND 27-25-505,
120 MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE STATE OIL
121 SEVERANCE TAX LAW, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO
122 BRING FORWARD SECTIONS 27-25-703 AND 27-25-705, MISSISSIPPI CODE
123 OF 1972, WHICH ARE SECTIONS OF THE STATE GAS SEVERANCE TAX LAW,
124 FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO BRING FORWARD SECTIONS
125 27-65-101, 27-65-103, 27-65-105, 27-65-107 AND 27-65-111,
126 MISSISSIPPI CODE OF 1972, WHICH AUTHORIZE VARIOUS SALES TAX
127 EXEMPTIONS, FOR THE PURPOSES OF POSSIBLE AMENDMENT; TO AMEND
128 SECTION 37-19-7, MISSISSIPPI CODE OF 1972, TO REVISE THE MINIMUM
129 TEACHER SALARY SCALE BY INCREASING THE MINIMUM SALARY; TO AMEND
130 SECTION 37-21-7, MISSISSIPPI CODE OF 1972, TO INCREASE THE MINIMUM
131 ANNUAL SALARY FOR TEACHER ASSISTANTS; AND FOR RELATED PURPOSES.

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



133 **SECTION 1.** Section 27-7-21, Mississippi Code of 1972, is
134 amended as follows:

135 27-7-21. (a) **Allowance of deductions.** In the case of a
136 resident individual, the exemptions provided by this section, as
137 applicable to individuals, shall be allowed as deductions in
138 computing taxable income.

139 (b) **Single individuals.** In the case of a single individual,
140 a personal exemption of Five Thousand Two Hundred Fifty Dollars
141 (\$5,250.00) for the 1979 and 1980 calendar years * * *, Six
142 Thousand Dollars (\$6,000.00) for each calendar year thereafter
143 through calendar year 2021, and Forty-seven Thousand Seven Hundred
144 Dollars (\$47,700.00) for each calendar year thereafter.

145 (c) **Married individuals.** In the case of married individuals
146 living together, a joint personal exemption of Eight Thousand
147 Dollars (\$8,000.00) for the 1979 and 1980 calendar years and Nine
148 Thousand Five Hundred Dollars (\$9,500.00) for the 1981 through
149 1997 calendar years, Ten Thousand Dollars (\$10,000.00) for the
150 calendar year 1998, Eleven Thousand Dollars (\$11,000.00) for the
151 calendar year 1999, * * * Twelve Thousand Dollars (\$12,000.00) for
152 each calendar year thereafter through calendar year 2021, and
153 Ninety-five Thousand Four Hundred Dollars (\$95,400.00) for each
154 calendar year thereafter. A husband and wife living together
155 shall receive but one (1) personal exemption in the amounts
156 provided for in this subsection for each calendar year against
157 their aggregate income.



158 (d) **Head of family individuals.** In the case of a head of
159 family individual, a personal exemption of Eight Thousand Dollars
160 (\$8,000.00) for the 1979 and 1980 calendar years * * *, Nine
161 Thousand Five Hundred Dollars (\$9,500.00) for each calendar year
162 thereafter through calendar year 2021, and Forty-six Thousand Six
163 Hundred Dollars (\$46,600.00) for each calendar year thereafter.
164 The term "head of family" means an individual who is single, or
165 married but not living with his spouse for the entire taxable
166 year, who maintains a household which constitutes the principal
167 place of abode of himself and one or more individuals who are
168 dependents under the provisions of Section 152(a) of the Internal
169 Revenue Code of 1954, as amended. The head of family individual
170 shall be entitled to the additional dependent exemption as
171 provided in subsection (e) of this section only to the extent of
172 dependents in excess of the one (1) dependent needed to qualify as
173 head of family.

174 (e) **Additional exemption for dependents.** In the case of any
175 individual having a dependent, other than husband or wife, an
176 additional personal exemption of One Thousand Five Hundred Dollars
177 (\$1,500.00) for each such dependent, except as otherwise provided
178 in subsection (d) of this section. The term "dependent" as used
179 in this subsection shall mean any person or individual who
180 qualifies as a dependent under the provisions of Section 152,
181 Internal Revenue Code of 1954, as amended.



182 (f) **Additional exemption for taxpayer or spouse aged**
183 **sixty-five (65) or more.** In the case of any taxpayer or the
184 spouse of the taxpayer who has attained the age of sixty-five (65)
185 before the close of his taxable year, an additional exemption of
186 One Thousand Five Hundred Dollars (\$1,500.00).

187 (g) **Additional exemption for blindness of taxpayer or**
188 **spouse.** In the case of any taxpayer or the spouse of the taxpayer
189 who is blind at the close of the taxable year, an additional
190 exemption of One Thousand Five Hundred Dollars (\$1,500.00). For
191 the purpose of this subsection, an individual is blind only if his
192 central visual acuity does not exceed 20/200 in the better eye
193 with correcting lenses, or if his visual acuity is greater than
194 20/200 but is accompanied by a limitation in the fields of vision
195 such that the widest diameter of the visual field subtends an
196 angle no greater than twenty (20) degrees.

197 (h) **Husband and wife--claiming exemptions.** In the case of
198 husband and wife living together and filing combined returns, the
199 personal and additional exemptions authorized and allowed by this
200 section may be taken by either, or divided between them in any
201 manner they may choose. If the husband and wife fail to choose,
202 the commissioner shall divide the exemptions between husband and
203 wife in an equitable manner. In the case of a husband and wife
204 filing separate returns, the personal and additional exemptions
205 authorized and allowed by this section shall be divided equally
206 between the spouses.



207 (i) **Nonresidents.** A nonresident individual shall be allowed
208 the same personal and additional exemptions as are authorized for
209 resident individuals in subsection (a) of this section; however,
210 the nonresident individual is entitled only to that proportion of
211 the personal and additional exemptions as his net income from
212 sources within the State of Mississippi bears to his total or
213 entire net income from all sources.

214 A nonresident individual who is married and whose spouse has
215 income from independent sources must declare the joint income of
216 himself and his spouse from sources within and without Mississippi
217 and claim as a personal exemption that proportion of the
218 authorized personal and additional exemptions which the total net
219 income from Mississippi sources bears to the total net income of
220 both spouses from all sources. If both spouses have income from
221 sources within Mississippi and wish to file separate returns,
222 their combined personal and additional exemptions shall be that
223 proration of the exemption which their combined net income from
224 Mississippi sources is of their total combined net income from all
225 sources. The amount of the personal and additional exemptions so
226 computed may be divided between them in any manner they choose.

227 In the case of married individuals where one (1) spouse is a
228 resident and the other is a nonresident, the personal exemption of
229 the resident individual shall be prorated on the same basis as if
230 both were nonresidents having net income from within and without
231 the State of Mississippi.



232 For the purpose of this subsection, the term "net income"
233 means gross income less business expenses incurred in the
234 taxpayer's regular trade or business and computed in accordance
235 with the provisions of the Mississippi Income Tax Law.

236 (j) **Part-year residents.** An individual who is a resident of
237 Mississippi for only a part of his taxable year by reason of
238 either moving into the state or moving from the state shall be
239 allowed the same personal and additional exemptions as authorized
240 for resident individuals in subsection (a) of this section; the
241 part-year resident shall prorate his exemption on the same basis
242 as nonresidents having net income from within and without the
243 state.

244 (k) **Estates.** In the case of an estate, a specific exemption
245 of Six Hundred Dollars (\$600.00).

246 (l) **Trusts.** In the case of a trust which, under its
247 governing instrument, is required to distribute all of its income
248 currently, a specific exemption of Three Hundred Dollars
249 (\$300.00). In the case of all other trusts, a specific exemption
250 of One Hundred Dollars (\$100.00).

251 (m) **Corporations, foundations, joint ventures, associations.**
252 In the case of a corporation, foundation, joint venture or
253 association taxable herein, there shall be allowed no specific
254 exemption, except as provided under the Growth and Prosperity Act,
255 Sections 57-113-1 through 57-113-7, and Sections 57-113-21 through
256 57-113-27.



257 (n) **Status.** The status on the last day of the taxable year,
258 except in the case of the head of family as provided in subsection
259 (d) of this section, shall determine the right to the exemptions
260 provided in this section; provided, that a taxpayer shall be
261 entitled to such exemptions, otherwise allowable, if the husband
262 or wife or dependent has died during the taxable year.

263 (o) **Fiscal-year taxpayers.** Individual taxpayers reporting
264 on a fiscal year basis shall prorate their exemptions in a manner
265 established by regulations promulgated by the commissioner.

266

(p) (i) On or before December 1, 2022, and on or before
267 December 1 of each succeeding year, the Commissioner of Revenue
268 shall calculate the amount of the increases in the personal
269 exemption for single individuals, the personal exemption for
270 married individuals, and the personal exemption for head of family
271 individuals, that will produce a reduction in revenue equal to the
272 tax reduction growth amount calculated as provided in paragraph
273 (ii) of this subsection (p). The commissioner shall increase each
274 of the personal exemptions by the amount calculated in this
275 paragraph (i), rounded down to the nearest One Thousand Dollars
276 (\$1,000.00) increment, and the revised personal exemption amounts
277 calculated by the commissioner shall be effective for the next
278 calendar year. From and after January 1 of the next succeeding
279 year after the date that the Commissioner of Revenue certifies
280 that the reduction in revenue mandated by this paragraph (i)
281 equals or exceeds the remaining revenue produced by the individual



282 income tax, the individual income tax shall stand repealed as
283 provided in Section 27-7-5.

284 (ii) On or before October 1, 2022, and on or before
285 October 1 of each succeeding year, the Legislative Budget Office
286 shall provide to the Commissioner of Revenue the following
287 amounts:

288 1. The amount of the actual general fund revenue
289 collected during the most recent full fiscal year, excluding any
290 funds received from a nonrecurring revenue source;

291 2. The amount of the actual general fund revenue
292 collected during the fiscal year immediately preceding the most
293 recent full fiscal year, excluding any funds received from a
294 nonrecurring revenue source;

295 3. The inflation factor, which shall be determined
296 by dividing the CPI-U for the most recent full fiscal year by the
297 CPI-U for the fiscal year immediately preceding the most recent
298 full fiscal year. As used in this paragraph (ii), "CPI-U" means
299 the United States Consumer Price Index for All Urban Consumers,
300 South Region as defined and reported by the United States
301 Department of Labor, Bureau of Labor Statistics;

302 4. The adjusted inflation factor, which is the
303 lesser of 1.015 or the inflation factor determined under
304 subparagraph 3 of this paragraph (ii); and

305 5. The tax reduction growth amount for the current
306 fiscal year, which shall be determined by:



307 a. Multiplying the amount of the actual
308 general fund revenue collected during the fiscal year immediately
309 preceding the most recent full fiscal year by the adjusted
310 inflation factor, and

311 b. Subtracting the amount determined under
312 item a of this subparagraph 5 from the amount of the actual
313 general fund revenue collected during the most recent full fiscal
314 year.

315 (iii) For the purposes of paragraph (ii)1 of this
316 subsection (p), the amount of the actual general fund revenue
317 collected during Fiscal Year 2022 shall be reduced by the amount
318 of income tax paid during the months of January through June of
319 Fiscal Year 2022 for calendar year 2021 on amounts up to
320 Forty-seven Thousand Seven Hundred Dollars (\$47,700.00) for single
321 individuals, Ninety-five Thousand Four Hundred Dollars
322 (\$95,400.00) for married individuals, and Forty-six Thousand Six
323 Hundred Dollars (\$46,600.00) for head of family individuals.

324 (q) Notwithstanding any other provision of this section,
325 with regard to the personal exemptions authorized under this
326 section, a taxpayer may elect to have the taxpayer's individual
327 income tax liability for any year after calendar year 2021
328 assessed with the personal exemptions authorized under this
329 section as it existed on January 1, 2021, or with the personal
330 exemptions authorized under this section, as amended by this act.



331 **SECTION 2.** Section 27-65-17, Mississippi Code of 1972, is
332 amended as follows:

333 27-65-17. (1) (a) Except as otherwise provided in this
334 section, upon every person engaging or continuing within this
335 state in the business of selling any tangible personal property
336 whatsoever there is hereby levied, assessed and shall be collected
337 a tax equal to * * * nine and one-half percent (9-1/2%) of the
338 gross proceeds of the retail sales of the business.

339 (b) Retail sales of farm tractors and parts and labor
340 used to maintain and/or repair such tractors shall be taxed at the
341 rate of * * * four percent (4%) when made to farmers for
342 agricultural purposes.

343 (c) (i) Retail sales of farm implements sold to
344 farmers and used directly in the production of poultry, ratite,
345 domesticated fish as defined in Section 69-7-501, livestock,
346 livestock products, agricultural crops or ornamental plant crops
347 or used for other agricultural purposes, and parts and labor used
348 to maintain and/or repair such implements, shall be taxed at the
349 rate of * * * four percent (4%) when used on the farm.

350 (ii) The * * * four percent (4%) rate shall also
351 apply to all equipment used in logging, pulpwood operations or
352 tree farming, and parts and labor used to maintain and/or repair
353 such equipment, which is either:

354 1. Self-propelled, or



355 2. Mounted so that it is permanently attached
356 to other equipment which is self-propelled or attached to other
357 equipment drawn by a vehicle which is self-propelled.

358 In order to be eligible for the rate of tax provided for in
359 this subparagraph (ii), such sales must be made to a professional
360 logger. For the purposes of this subparagraph (ii), a
361 "professional logger" is a person, corporation, limited liability
362 company or other entity, or an agent thereof, who possesses a
363 professional logger's permit issued by the Department of Revenue
364 and who presents the permit to the seller at the time of purchase.
365 The department shall establish an application process for a
366 professional logger's permit to be issued, which shall include a
367 requirement that the applicant submit a copy of documentation
368 verifying that the applicant is certified according to Sustainable
369 Forestry Initiative guidelines. Upon a determination that an
370 applicant is a professional logger, the department shall issue the
371 applicant a numbered professional logger's permit.

372 (d) Except as otherwise provided in subsection (3) of
373 this section, retail sales of aircraft, automobiles, trucks,
374 truck-tractors, semitrailers and manufactured or mobile homes
375 shall be taxed at the rate of * * * five and one-half percent
376 (5-1/2%).

377 (e) Sales of manufacturing machinery or manufacturing
378 machine parts when made to a manufacturer or custom processor for
379 plant use only when the machinery and machine parts will be used



380 exclusively and directly within this state in manufacturing a
381 commodity for sale, rental or in processing for a fee shall be
382 taxed at the rate of * * * four percent (4%).

383 (f) Sales of machinery and machine parts when made to a
384 technology intensive enterprise for plant use only when the
385 machinery and machine parts will be used exclusively and directly
386 within this state for industrial purposes, including, but not
387 limited to, manufacturing or research and development activities,
388 shall be taxed at the rate of * * * four percent (4%). In order
389 to be considered a technology intensive enterprise for purposes of
390 this paragraph:

391 (i) The enterprise shall meet minimum criteria
392 established by the Mississippi Development Authority;

393 (ii) The enterprise shall employ at least ten (10)
394 persons in full-time jobs;

395 (iii) At least ten percent (10%) of the workforce
396 in the facility operated by the enterprise shall be scientists,
397 engineers or computer specialists;

398 (iv) The enterprise shall manufacture plastics,
399 chemicals, automobiles, aircraft, computers or electronics; or
400 shall be a research and development facility, a computer design or
401 related facility, or a software publishing facility or other
402 technology intensive facility or enterprise as determined by the
403 Mississippi Development Authority;



404 (v) The average wage of all workers employed by
405 the enterprise at the facility shall be at least one hundred fifty
406 percent (150%) of the state average annual wage; and

407 (vi) The enterprise must provide a basic health
408 care plan to all employees at the facility.

409 (g) Sales of materials for use in track and track
410 structures to a railroad whose rates are fixed by the Interstate
411 Commerce Commission or the Mississippi Public Service Commission
412 shall be taxed at the rate of * * * five and one-half percent
413 (5-1/2%).

414 (h) Sales of tangible personal property to electric
415 power associations for use in the ordinary and necessary operation
416 of their generating or distribution systems shall be taxed at the
417 rate of * * * three and one-half percent (3-1/2%).

418 (i) Wholesale sales of beer shall be taxed at the rate
419 of seven percent (7%), and the retailer shall file a return and
420 compute the retail tax on retail sales but may take credit for the
421 amount of the tax paid to the wholesaler on said return covering
422 the subsequent sales of same property, provided adequate invoices
423 and records are maintained to substantiate the credit.

424 (j) Wholesale sales of food and drink for human
425 consumption to full-service vending machine operators to be sold
426 through vending machines located apart from and not connected with
427 other taxable businesses shall be taxed at the rate of eight
428 percent (8%).



429 (k) Sales of equipment used or designed for the purpose
430 of assisting disabled persons, such as wheelchair equipment and
431 lifts, that is mounted or attached to or installed on a private
432 carrier of passengers or light carrier of property, as defined in
433 Section 27-51-101, at the time when the private carrier of
434 passengers or light carrier of property is sold shall be taxed at
435 the same rate as the sale of such vehicles under this section.

436 (l) Sales of the factory-built components of modular
437 homes, panelized homes and precut homes, and panel constructed
438 homes consisting of structural insulated panels, shall be taxed at
439 the rate of * * * five and one-half percent (5-1/2%).

440 (m) Sales of materials used in the repair, renovation,
441 addition to, expansion and/or improvement of buildings and related
442 facilities used by a dairy producer shall be taxed at the rate
443 of * * * six percent (6%). For the purposes of this paragraph
444 (m), "dairy producer" means any person engaged in the production
445 of milk for commercial use.

446 (n) From and after July 1, 2021, retail sales of food
447 for human consumption not purchased with food stamps issued by the
448 United States Department of Agriculture, or other federal agency,
449 but which would be exempt under Section 27-65-111(o) from the
450 taxes imposed by this chapter if the food items were purchased
451 with food stamps, shall be taxed as follows:



452 (i) From and after July 1, 2021, through June 30,
453 2024, such sales shall be taxed at the rate of four and one-half
454 percent (4-1/2%);

455 (ii) From and after July 1, 2024, through June 30,
456 2026, such sales shall be taxed at the rate of four percent (4%);
457 and

458 (ii) From and after July 1, 2026, such sales shall
459 be taxed at the rate of three and one-half percent (3-1/2%).

460 (2) From and after January 1, 1995, retail sales of private
461 carriers of passengers and light carriers of property, as defined
462 in Section 27-51-101, shall be taxed an additional two percent
463 (2%).

464 (3) A manufacturer selling at retail in this state shall be
465 required to make returns of the gross proceeds of such sales and
466 pay the tax imposed in this section.

467 **SECTION 3.** Section 27-65-19, Mississippi Code of 1972, is
468 amended as follows:

469 27-65-19. (1) (a) (i) Except as otherwise provided in
470 this subsection, upon every person selling to consumers,
471 electricity, current, power, potable water, steam, coal, natural
472 gas, liquefied petroleum gas or other fuel, there is hereby
473 levied, assessed and shall be collected a tax equal to * * * nine
474 and one-half percent (9-1/2%) of the gross income of the business.
475 Provided, gross income from sales to consumers of electricity,
476 current, power, natural gas, liquefied petroleum gas or other fuel



477 for residential heating, lighting or other residential
478 noncommercial or nonagricultural use, and sales of potable water
479 for residential, noncommercial or nonagricultural use shall be
480 excluded from taxable gross income of the business. Provided
481 further, upon every such seller using electricity, current, power,
482 potable water, steam, coal, natural gas, liquefied petroleum gas
483 or other fuel for nonindustrial purposes, there is hereby levied,
484 assessed and shall be collected a tax equal to * * * nine and
485 one-half percent (9-1/2%) of the cost or value of the product or
486 service used.

487 (ii) Gross income from sales to a church that is
488 exempt from federal income taxation under 26 USCS Section
489 501(c)(3) of electricity, current, power, natural gas, liquefied
490 petroleum gas or other fuel for heating, lighting or other use,
491 and sales of potable water to such a church shall be excluded from
492 taxable gross income of the business if the electricity, current,
493 power, natural gas, liquefied petroleum gas or potable water is
494 utilized on property that is primarily used for religious or
495 educational purposes.

496 (b) (i) There is hereby levied, assessed and shall be
497 collected a tax equal to one and one-half percent (1-1/2%) of the
498 gross income of the business from the sale of naturally occurring
499 carbon dioxide and anthropogenic carbon dioxide lawfully injected
500 into the earth for:



501 1. Use in an enhanced oil recovery project,
502 including, but not limited to, use for cycling, repressuring or
503 lifting of oil; or

504 2. Permanent sequestration in a geological
505 formation.

506 (ii) The one and one-half percent (1-1/2%) rate
507 provided for in this subsection shall apply to electricity,
508 current, power, steam, coal, natural gas, liquefied petroleum gas
509 or other fuel that is sold to a producer of oil and gas for use
510 directly in enhanced oil recovery using carbon dioxide and/or the
511 permanent sequestration of carbon dioxide in a geological
512 formation.

513 (c) The one and one-half percent (1-1/2%) rate provided
514 for in this subsection shall not apply to sales of fuel for
515 automobiles, trucks, truck-tractors, buses, farm tractors or
516 airplanes.

517 (d) (i) Upon every person providing services in this
518 state, there is hereby levied, assessed and shall be collected:

519 1. A tax equal to * * * nine and one-half
520 percent (9-1/2%) of the gross income received from all charges for
521 intrastate telecommunications services.

522 2. A tax equal to * * * nine and one-half
523 percent (9-1/2%) of the gross income received from all charges for
524 interstate telecommunications services.



525 3. A tax equal to * * * nine and one-half
526 percent (9-1/2%) of the gross income received from all charges for
527 international telecommunications services.

528 4. A tax equal to * * * nine and one-half
529 percent (9-1/2%) of the gross income received from all charges for
530 ancillary services.

531 5. A tax equal to * * * nine and one-half
532 percent (9-1/2%) of the gross income received from all charges for
533 products delivered electronically, including, but not limited to,
534 software, music, games, reading materials or ring tones.

535 (ii) A person, upon proof that he has paid a tax
536 in another state on an event described in subparagraph (i) of this
537 paragraph (d), shall be allowed a credit against the tax imposed
538 in this paragraph (d) on interstate telecommunications service
539 charges to the extent that the amount of such tax is properly due
540 and actually paid in such other state and to the extent that the
541 rate of sales tax imposed by and paid in such other state does not
542 exceed the rate of sales tax imposed by this paragraph (d).

543 (iii) Charges by one (1) telecommunications
544 provider to another telecommunications provider holding a permit
545 issued under Section 27-65-27 for services that are resold by such
546 other telecommunications provider, including, but not limited to,
547 access charges, shall not be subject to the tax levied pursuant to
548 this paragraph (d).

549 (iv) For purposes of this paragraph (d):



550 1. "Telecommunications service" means the
551 electronic transmission, conveyance or routing of voice, data,
552 audio, video or any other information or signals to a point, or
553 between points. The term "telecommunications service" includes
554 such transmission, conveyance or routing in which computer
555 processing applications are used to act on the form, code or
556 protocol of the content for purposes of transmission, conveyance
557 or routing without regard to whether such service is referred to
558 as voice over Internet protocol services or is classified by the
559 Federal Communications Commission as enhanced or value added. The
560 term "telecommunications service" shall not include:

561 a. Data processing and information
562 services that allow data to be generated, acquired, stored,
563 processed or retrieved and delivered by an electronic transmission
564 to a purchaser where such purchaser's primary purpose for the
565 underlying transaction is the processed data or information;

566 b. Installation or maintenance of wiring
567 or equipment on a customer's premises;

568 c. Tangible personal property;

569 d. Advertising, including, but not
570 limited to, directory advertising;

571 e. Billing and collection services
572 provided to third parties;

573 f. Internet access service;



574 g. Radio and television audio and video
575 programming services regardless of the medium, including the
576 furnishing of transmission, conveyance and routing of such
577 services by the programming service provider. Radio and
578 television audio and video programming services shall include, but
579 not be limited to, cable service as defined in 47 USCS 522(6) and
580 audio and video programming services delivered by commercial
581 mobile radio service providers, as defined in 47 CFR 20.3;

582 h. Ancillary services; or

583 i. Digital products delivered
584 electronically, including, but not limited to, software, music,
585 video, reading materials or ring tones.

586 2. "Ancillary services" means services that
587 are associated with or incidental to the provision of
588 telecommunications services, including, but not limited to,
589 detailed telecommunications billing, directory assistance,
590 vertical service and voice mail service.

591 a. "Conference bridging" means an
592 ancillary service that links two (2) or more participants of an
593 audio or video conference call and may include the provision of a
594 telephone number. Conference bridging does not include the
595 telecommunications services used to reach the conference bridge.

596 b. "Detailed telecommunications billing
597 service" means an ancillary service of separately stating



598 information pertaining to individual calls on a customer's billing
599 statement.

600 c. "Directory assistance" means an
601 ancillary service of providing telephone number information and/or
602 address information.

603 d. "Vertical service" means an ancillary
604 service that is offered in connection with one or more
605 telecommunications services, which offers advanced calling
606 features that allow customers to identify callers and to manage
607 multiple calls and call connections, including conference bridging
608 services.

609 e. "Voice mail service" means an
610 ancillary service that enables the customer to store, send or
611 receive recorded messages. Voice mail service does not include
612 any vertical services that the customer may be required to have in
613 order to utilize the voice mail service.

614 3. "Intrastate" means telecommunications
615 service that originates in one (1) United States state or United
616 States territory or possession, and terminates in the same United
617 States state or United States territory or possession.

618 4. "Interstate" means a telecommunications
619 service that originates in one (1) United States state or United
620 States territory or possession, and terminates in a different
621 United States state or United States territory or possession.



622 5. "International" means a telecommunications
623 service that originates or terminates in the United States and
624 terminates or originates outside the United States, respectively.

625 (v) For purposes of paragraph (d), the following
626 sourcing rules shall apply:

627 1. Except for the defined telecommunications
628 services in item 3 of this subparagraph, the sales of
629 telecommunications services sold on a call-by-call basis shall be
630 sourced to:

631 a. Each level of taxing jurisdiction
632 where the call originates and terminates in that jurisdiction, or

633 b. Each level of taxing jurisdiction
634 where the call either originates or terminates and in which the
635 service address is also located.

636 2. Except for the defined telecommunications
637 services in item 3 of this subparagraph, a sale of
638 telecommunications services sold on a basis other than a
639 call-by-call basis, is sourced to the customer's place of primary
640 use.

641 3. The sale of the following
642 telecommunications services shall be sourced to each level of
643 taxing jurisdiction as follows:

644 a. A sale of mobile telecommunications
645 services other than air-to-ground radiotelephone service and
646 prepaid calling service is sourced to the customer's place of



647 primary use as required by the Mobile Telecommunication Sourcing
648 Act.

649 A. A home service provider shall be
650 responsible for obtaining and maintaining the customer's place of
651 primary use. The home service provider shall be entitled to rely
652 on the applicable residential or business street address supplied
653 by such customer, if the home service provider's reliance is in
654 good faith; and the home service provider shall be held harmless
655 from liability for any additional taxes based on a different
656 determination of the place of primary use for taxes that are
657 customarily passed on to the customer as a separate itemized
658 charge. A home service provider shall be allowed to treat the
659 address used for purposes of the tax levied by this chapter for
660 any customer under a service contract in effect on August 1, 2002,
661 as that customer's place of primary use for the remaining term of
662 such service contract or agreement, excluding any extension or
663 renewal of such service contract or agreement. Month-to-month
664 services provided after the expiration of a contract shall be
665 treated as an extension or renewal of such contract or agreement.

666 B. If the commissioner determines
667 that the address used by a home service provider as a customer's
668 place of primary use does not meet the definition of the term
669 "place of primary use" as defined in subitem a.A. of this item 3,
670 the commissioner shall give binding notice to the home service
671 provider to change the place of primary use on a prospective basis



672 from the date of notice of determination; however, the customer
673 shall have the opportunity, prior to such notice of determination,
674 to demonstrate that such address satisfies the definition.

675 C. The department has the right to
676 collect any taxes due directly from the home service provider's
677 customer that has failed to provide an address that meets the
678 definition of the term "place of primary use" which resulted in a
679 failure of tax otherwise due being remitted.

680 b. A sale of postpaid calling service is
681 sourced to the origination point of the telecommunications signal
682 as first identified by either:

683 A. The seller's telecommunications
684 system; or

685 B. Information received by the
686 seller from its service provider, where the system used to
687 transport such signals is not that of the seller.

688 c. A sale of a prepaid calling service
689 or prepaid wireless calling service shall be subject to the tax
690 imposed by this paragraph if the sale takes place in this state.
691 If the customer physically purchases a prepaid calling service or
692 prepaid wireless calling service at the vendor's place of
693 business, the sale is deemed to take place at the vendor's place
694 of business. If the customer does not physically purchase the
695 service at the vendor's place of business, the sale of a prepaid
696 calling card or prepaid wireless calling card is deemed to take



697 place at the first of the following locations that applies to the
698 sale:

699 A. The customer's shipping address,
700 if the sale involves a shipment;

701 B. The customer's billing address;

702 C. Any other address of the
703 customer that is known by the vendor; or

704 D. The address of the vendor, or
705 alternatively, in the case of a prepaid wireless calling service,
706 the location associated with the mobile telephone number.

707 4. A sale of a private communication service
708 is sourced as follows:

709 a. Service for a separate charge related
710 to a customer channel termination point is sourced to each level
711 of jurisdiction in which such customer channel termination point
712 is located.

713 b. Service where all customer
714 termination points are located entirely within one (1)
715 jurisdiction or levels of jurisdiction is sourced in such
716 jurisdiction in which the customer channel termination points are
717 located.

718 c. Service for segments of a channel
719 between two (2) customer channel termination points located in
720 different jurisdictions and which segments of a channel are
721 separately charged is sourced fifty percent (50%) in each level of



722 jurisdiction in which the customer channel termination points are
723 located.

724 d. Service for segments of a channel
725 located in more than one (1) jurisdiction or levels of
726 jurisdiction and which segments are not separately billed is
727 sourced in each jurisdiction based on the percentage determined by
728 dividing the number of customer channel termination points in such
729 jurisdiction by the total number of customer channel termination
730 points.

731 5. A sale of ancillary services is sourced to
732 the customer's place of primary use.

733 (vi) For purposes of subparagraph (v) of this
734 paragraph (d):

735 1. "Air-to-ground radiotelephone service"
736 means a radio service, as that term is defined in 47 CFR 22.99, in
737 which common carriers are authorized to offer and provide radio
738 telecommunications service for hire to subscribers in aircraft.

739 2. "Call-by-call basis" means any method of
740 charging for telecommunications services where the price is
741 measured by individual calls.

742 3. "Communications channel" means a physical
743 or virtual path of communications over which signals are
744 transmitted between or among customer channel termination points.

745 4. "Customer" means the person or entity that
746 contracts with the seller of telecommunications services. If the



747 end user of telecommunications services is not the contracting
748 party, the end user of the telecommunications service is the
749 customer of the telecommunications service. Customer does not
750 include a reseller of telecommunications service or for mobile
751 telecommunications service of a serving carrier under an agreement
752 to serve the customer outside the home service provider's licensed
753 service area.

754 5. "Customer channel termination point" means
755 the location where the customer either inputs or receives the
756 communications.

757 6. "End user" means the person who utilizes
758 the telecommunications service. In the case of an entity, "end
759 user" means the individual who utilizes the service on behalf of
760 the entity.

761 7. "Home service provider" has the meaning
762 ascribed to such term in Section 124(5) of Public Law 106-252
763 (Mobile Telecommunications Sourcing Act).

764 8. "Mobile telecommunications service" has
765 the meaning ascribed to such term in Section 124(7) of Public Law
766 106-252 (Mobile Telecommunications Sourcing Act).

767 9. "Place of primary use" means the street
768 address representative of where the customer's use of the
769 telecommunications service primarily occurs, which must be the
770 residential street address or the primary business street address
771 of the customer. In the case of mobile telecommunications



772 services, the place of primary use must be within the licensed
773 service area of the home service provider.

774 10. "Post-paid calling service" means the
775 telecommunications service obtained by making a payment on a
776 call-by-call basis either through the use of a credit card or
777 payment mechanism such as a bank card, travel card, credit card or
778 debit card, or by charge made to a telephone number which is not
779 associated with the origination or termination of the
780 telecommunications service. A post-paid calling service includes
781 a telecommunications service, except a prepaid wireless calling
782 service that would be a prepaid calling service except it is not
783 exclusively a telecommunications service.

784 11. "Prepaid calling service" means the right
785 to access exclusively telecommunications services, which must be
786 paid for in advance and which enables the origination of calls
787 using an access number or authorization code, whether manually or
788 electronically dialed, and that is sold in predetermined units or
789 dollars of which the number declines with use in a known amount.

790 12. "Prepaid wireless calling service" means
791 a telecommunications service that provides the right to utilize
792 mobile wireless service as well as other nontelecommunications
793 services, including the download of digital products delivered
794 electronically, content and ancillary service, which must be paid
795 for in advance that is sold in predetermined units or dollars of
796 which the number declines with use in a known amount.



797 13. "Private communication service" means a
798 telecommunications service that entitles the customer to exclusive
799 or priority use of a communications channel or group of channels
800 between or among termination points, regardless of the manner in
801 which such channel or channels are connected, and includes
802 switching capacity, extension lines, stations and any other
803 associated services that are provided in connection with the use
804 of such channel or channels.

805 14. "Service address" means:

806 a. The location of the
807 telecommunications equipment to which a customer's call is charged
808 and from which the call originates or terminates, regardless of
809 where the call is billed or paid.

810 b. If the location in subitem a of this
811 item 14 is not known, the origination point of the signal of the
812 telecommunications services first identified by either the
813 seller's telecommunications system or in information received by
814 the seller from its service provider, where the system used to
815 transport such signals is not that of the seller.

816 c. If the location in subitems a and b
817 of this item 14 are not known, the location of the customer's
818 place of primary use.

819 (vii) 1. For purposes of this subparagraph (vii),
820 "bundled transaction" means a transaction that consists of
821 distinct and identifiable properties or services which are sold



822 for a single nonitemized price but which are treated differently
823 for tax purposes.

824 2. In the case of a bundled transaction that
825 includes telecommunications services, ancillary services, Internet
826 access, or audio or video programming services taxed under this
827 chapter in which the price of the bundled transaction is
828 attributable to properties or services that are taxable and
829 nontaxable, the portion of the price that is attributable to any
830 nontaxable property or service shall be subject to the tax unless
831 the provider can reasonably identify that portion from its books
832 and records kept in the regular course of business.

833 3. In the case of a bundled transaction that
834 includes telecommunications services, ancillary services, Internet
835 access, audio or video programming services subject to tax under
836 this chapter in which the price is attributable to properties or
837 services that are subject to the tax but the tax revenue from the
838 different properties or services are dedicated to different funds
839 or purposes, the provider shall allocate the price among the
840 properties or services:

841 a. By reasonably identifying the portion
842 of the price attributable to each of the properties and services
843 from its books and records kept in the regular course of business;
844 or

845 b. Based on a reasonable allocation
846 methodology approved by the department.



847 4. This subparagraph (vii) shall not create a
848 right of action for a customer to require that the provider or the
849 department, for purposes of determining the amount of tax
850 applicable to a bundled transaction, allocate the price to the
851 different portions of the transaction in order to minimize the
852 amount of tax charged to the customer. A customer shall not be
853 entitled to rely on the fact that a portion of the price is
854 attributable to properties or services not subject to tax unless
855 the provider elects, after receiving a written request from the
856 customer in the form required by the provider, to provide
857 verifiable data based upon the provider's books and records that
858 are kept in the regular course of business that reasonably
859 identifies the portion of the price attributable to the properties
860 or services not subject to the tax.

861 (2) Persons making sales to consumers of electricity,
862 current, power, natural gas, liquefied petroleum gas or other fuel
863 for residential heating, lighting or other residential
864 noncommercial or nonagricultural use or sales of potable water for
865 residential, noncommercial or nonagricultural use shall indicate
866 on each statement rendered to customers that such charges are
867 exempt from sales taxes.

868 (3) There is hereby levied, assessed and shall be paid on
869 transportation charges on shipments moving between points within
870 this state when paid directly by the consumer, a tax equal to the
871 rate applicable to the sale of the property being transported.



872 Such tax shall be reported and paid directly to the Department of
873 Revenue by the consumer.

874 **SECTION 4.** Section 27-65-20, Mississippi Code of 1972, is
875 amended as follows:

876 27-65-20. Upon every person engaging or continuing within
877 this state in the business of selling machinery, machine parts
878 and/or equipment to an operator or lessee of any structures,
879 facilities and lands acquired and operated or leased pursuant to
880 any of the provisions of Chapter 9, Title 59, Mississippi Code of
881 1972, which machinery, machine parts and/or equipment is to be
882 located on and used exclusively and directly in the operation of
883 such structures, facilities and lands, there is hereby levied,
884 assessed and shall be collected a tax equal to * * * four percent
885 (4%) of the gross proceeds of such retail sales of the business.

886 **SECTION 5.** Section 27-65-21, Mississippi Code of 1972, is
887 amended as follows:

888 27-65-21. (1) (a) (i) Upon every person engaging or
889 continuing in this state in the business of contracting or
890 performing a contract or engaging in any of the activities, or
891 similar activities, listed below for a price, commission, fee or
892 wage, there is hereby levied, assessed and shall be collected a
893 tax equal to three and one-half percent (3-1/2%) of the total
894 contract price or compensation received, including all charges
895 related to the contract such as finance charges and late charges,
896 from constructing, building, erecting, repairing, grading,



897 excavating, drilling, exploring, testing or adding to any
898 building, highway, street, sidewalk, bridge, culvert, sewer,
899 irrigation or water system, drainage or dredging system, levee or
900 levee system or any part thereof, railway, reservoir, dam, power
901 plant, electrical system, air-conditioning system, heating system,
902 transmission line, pipeline, tower, dock, storage tank, wharf,
903 excavation, grading, water well, any other improvement or
904 structure or any part thereof when the compensation received
905 exceeds Ten Thousand Dollars (\$10,000.00). Such activities shall
906 not include constructing, repairing or adding to property which
907 retains its identity as personal property. The tax imposed in
908 this section is levied upon the prime contractor and shall be paid
909 by him.

910 (ii) Amounts included in the contract price or
911 compensation received representing the sale of manufacturing or
912 processing machinery for a manufacturer or custom processor shall
913 be taxed at the rate of * * * four percent (4%) in lieu of the
914 three and one-half percent (3-1/2%).

915 (b) The following shall be excluded from the tax levied
916 by this section:

917 (i) The contract price or compensation received
918 for constructing, building, erecting, repairing or adding to any
919 building, electrical system, air-conditioning system, heating
920 system or any other improvement or structure which is used for or
921 primarily in connection with a residence or dwelling place for



922 human beings. Such residences shall include homes, mobile homes,
923 summer cottages, fishing and hunting camp buildings and similar
924 buildings, but shall not include apartment buildings,
925 condominiums, hotels, motels, hospitals, nursing or retirement
926 homes, tourist cottages or other commercial establishments.

927 (ii) The portion of the total contract price
928 attributable to design or engineering services if:

929 1. The total contract price for the project
930 exceeds the sum of One Hundred Million Dollars (\$100,000,000.00);
931 or

932 2. The engineering services are performed by
933 a professional engineer as defined in Section 73-13-3, who is the
934 general or prime contractor.

935 (iii) The contract price or compensation received
936 to restore, repair or replace a utility distribution or
937 transmission system that has been damaged due to ice storm,
938 hurricane, flood, tornado, wind, earthquake or other natural
939 disaster if such restoration, repair or replacement is performed
940 by the entity providing the service at its cost.

941 (iv) The contract price or compensation received
942 for constructing, building, erecting, repairing or adding to any
943 building, facility or structure located at any refinery as defined
944 in Section 27-65-24.

945 (c) Sales of materials and services for use in the
946 activities hereby excluded from taxes imposed by this section,



947 except services used in activities excluded pursuant to paragraph
948 (b) (iii) of this subsection, shall be subject to taxes imposed by
949 other sections in this chapter.

950 (2) Upon every person engaging or continuing in this state
951 in the business of contracting or performing a contract of
952 redrilling, or working over, or of drilling or completing an oil
953 well or a gas well, regardless of whether such well is productive
954 or nonproductive, for any valuable consideration, there is hereby
955 levied, assessed and shall be collected a tax equal to three and
956 one-half percent (3-1/2%) of the total contract price or
957 compensation received when such compensation exceeds Ten Thousand
958 Dollars (\$10,000.00).

959 The words, terms and phrases as used in this subsection shall
960 have the meaning ascribed to them as follows:

961 "Operator" - One who holds all or a fraction of the working
962 or operating rights in an oil or gas lease, and is obligated for
963 the costs of production either as a fee owner or under a lease or
964 any other form of contract creating working or operating rights.

965 "Bottom-hole contribution" - Money or property given to an
966 operator for his use in the drilling of a well on property in
967 which the payor has no interest. The contribution is payable
968 whether the well is productive or nonproductive.

969 "Dry-hole contribution" - Money or property given to an
970 operator for his use in the drilling of a well on property in



971 which the payor has no interest. Such contribution is payable
972 only in the event the well is found to be nonproductive.

973 "Turnkey drilling contract" - A contract for the drilling of
974 a well which requires the driller to drill a well and, if
975 commercial production is obtained, to equip the well to such stage
976 that the lessee or operator may turn a valve and the oil will flow
977 into a tank.

978 "Total contract price or compensation received" - As related
979 to oil and gas well contractors, shall include amounts received as
980 compensation for all costs of performing a turnkey drilling
981 contract; amounts received or to be received under assignment as
982 dry-hole money or bottom-hole money; and shall mean and include
983 anything of value received by the contractor as remuneration for
984 services taxable hereunder. When the kind and amount of
985 compensation received by the contractor is contingent upon
986 production, the taxable amount shall be the total compensation
987 receivable in the event the well is a dry hole. The taxable
988 amount in the event of production when the contractor receives a
989 production interest of an undetermined value in lieu of a fixed
990 compensation shall be an amount equal to the compensation to the
991 contractor if the well had been a dry hole.

992 (3) When the work to be performed under any contract is
993 sublet by the prime contractor to different persons, or in
994 separate contracts to the same persons, each such subcontractor
995 performing any part of said work shall be liable for the amount of



996 the tax which accrues on account of the work performed by such
997 person when the tax heretofore imposed has not been paid upon the
998 whole contract by the prime contractor.

999 When a person engaged in any business on which a tax is
1000 levied in Section 27-65-23, also qualifies as a contractor, and
1001 contracts with the owner of any project to perform any services in
1002 excess of Ten Thousand Dollars (\$10,000.00) herein taxed, such
1003 person shall pay the tax imposed by this section in lieu of the
1004 tax imposed by Section 27-65-23.

1005 Any person entering into any contract over Seventy-five
1006 Thousand Dollars (\$75,000.00) as defined in this section shall,
1007 before beginning the performance of such contract or contracts,
1008 either pay the contractors' tax in advance, together with any use
1009 taxes due under Section 27-67-5, or execute and file with the
1010 commissioner a good and valid bond in a surety company authorized
1011 to do business in this state, or with sufficient sureties to be
1012 approved by the commissioner conditioned that all taxes which may
1013 accrue to the State of Mississippi under this chapter, or under
1014 Section 27-67-5 and Section 27-7-5, will be paid when due. Such
1015 bonds shall be either (a) "job bonds" which guarantee payment when
1016 due of the aforesaid taxes resulting from performance of a
1017 specified job or activity regardless of date of completion; or (b)
1018 "blanket bonds" which guarantee payment when due of the aforesaid
1019 taxes resulting from performance of all jobs or activities taxable
1020 under this section begun during the period specified therein,



1021 regardless of date of completion. The payments of the taxes due
1022 or the execution and filing of a surety bond shall be a condition
1023 precedent to the commencing work on any contract taxed hereunder.
1024 Provided, that when any bond is filed in lieu of the prepayment of
1025 the tax under this section, that the tax shall be payable monthly
1026 on the amount received during the previous month, and any use
1027 taxes due shall be payable on or before the twentieth day of the
1028 month following the month in which the property is brought into
1029 Mississippi.

1030 Any person failing either to execute any bond herein
1031 provided, or to pay the taxes in advance, before beginning the
1032 performance of any contract shall be denied the right to perform
1033 such contract until he complies with such requirements, and the
1034 commissioner is hereby authorized to proceed either under Section
1035 27-65-59, under Section 27-65-61 or by injunction to prevent any
1036 activity in the performance of such contract until either a
1037 satisfactory bond is executed and filed, or all taxes are paid in
1038 advance, and a temporary injunction enjoining the execution of
1039 such contract shall be granted without notice by any judge or
1040 chancellor now authorized by law to grant injunctions.

1041 Any person liable for a tax under this section may apply for
1042 and obtain a material purchase certificate from the commissioner
1043 which may entitle the holder to purchase materials and services
1044 that are to become a component part of the structure to be erected
1045 or repaired with no tax due. Provided, that the contractor



1046 applying for the contractor's material purchase certificate shall
1047 furnish the Department of Revenue a list of all work sublet to
1048 others, indicating the amount of work to be performed, and the
1049 names and addresses of each subcontractor.

1050 **SECTION 6.** Section 27-65-22, Mississippi Code of 1972, is
1051 amended as follows:

1052 27-65-22. (1) Upon every person engaging or continuing in
1053 any amusement business or activity, which shall include all manner
1054 and forms of entertainment and amusement, all forms of diversion,
1055 sport, recreation or pastime, shows, exhibitions, contests,
1056 displays, games or any other and all methods of obtaining
1057 admission charges, donations, contributions or monetary charges of
1058 any character, from the general public or a limited or selected
1059 number thereof, directly or indirectly in return for other than
1060 tangible property or specific personal or professional services,
1061 whether such amusement is held or conducted in a public or private
1062 building, hotel, tent, pavilion, lot or resort, enclosed or in the
1063 open, there is hereby levied, assessed and shall be collected a
1064 tax equal to * * * nine and one-half percent (9-1/2%) of the gross
1065 income received as admission, except as otherwise provided herein.
1066 In lieu of the rate set forth above, there is hereby imposed,
1067 levied and assessed, to be collected as hereinafter provided, a
1068 tax of three percent (3%) of gross revenue derived from sales of
1069 admission to publicly owned enclosed coliseums and auditoriums
1070 (except admissions to athletic contests between colleges and



1071 universities). There is hereby imposed, levied and assessed a tax
1072 of * * * nine and one-half percent (9-1/2%) of gross revenue
1073 derived from sales of admission to events conducted on property
1074 managed by the Mississippi Veterans Memorial Stadium, which tax
1075 shall be administered in the manner prescribed in this chapter,
1076 subject, however, to the provisions of Sections 55-23-3 through
1077 55-23-11.

1078 (2) The operator of any place of amusement in this state
1079 shall collect the tax imposed by this section, in addition to the
1080 price charged for admission to any place of amusement, and under
1081 all circumstances the person conducting the amusement shall be
1082 liable for, and pay the tax imposed based upon the actual charge
1083 for such admission. Where permits are obtained for conducting
1084 temporary amusements by persons who are not the owners, lessees or
1085 custodians of the buildings, lots or places where the amusements
1086 are to be conducted, or where such temporary amusement is
1087 permitted by the owner, lessee or custodian of any place to be
1088 conducted without the procurement of a permit as required by this
1089 chapter, the tax imposed by this chapter shall be paid by the
1090 owner, lessee or custodian of such place where such temporary
1091 amusement is held or conducted, unless paid by the person
1092 conducting the amusement, and the applicant for such temporary
1093 permit shall furnish with the application therefor, the name and
1094 address of the owner, lessee or custodian of the premises upon
1095 which such amusement is to be conducted, and such owner, lessee or



1096 custodian shall be notified by the commission of the issuance of
1097 such permit, and of the joint liability for such tax.

1098 (3) The tax imposed by this section shall not be levied or
1099 collected upon:

1100 (a) Any admissions charged at any place of amusement
1101 operated by a religious, charitable or educational organization,
1102 or by a nonprofit civic club or fraternal organization (i) when
1103 the net proceeds of such admissions do not inure to any one or
1104 more individuals within such organization and are to be used
1105 solely for religious, charitable, educational or civic purposes;
1106 or (ii) when the entire net proceeds are used to defray the normal
1107 operating expenses of such organization, such as loan payments,
1108 maintenance costs, repairs and other operating expenses;

1109 (b) Any admissions charged to hear gospel singing when
1110 promoted by a duly constituted local, bona fide nonprofit
1111 charitable or religious organization, irrespective of the fact
1112 that the performers and promoters are paid out of the proceeds of
1113 admissions collected, provided the program is composed entirely of
1114 gospel singing and not generally mixed with hillbilly or popular
1115 singing;

1116 (c) Any admissions charged at any athletic games or
1117 contests between high schools or between grammar schools;

1118 (d) Any admissions or tickets to or for baseball games
1119 between teams operated under a professional league franchise;



1120 (e) Any admissions to county, state or community fairs,
1121 or any admissions to entertainments presented in community homes
1122 or houses which are publicly owned and controlled, and the
1123 proceeds of which do not inure to any individual or individuals;

1124 (f) Any admissions or tickets to organized garden
1125 pilgrimages and to antebellum and historic houses when sponsored
1126 by an organized civic or garden club;

1127 (g) Any admissions to any golf tournament held under
1128 the auspices of the Professional Golf Association or United States
1129 Golf Association wherein touring professionals compete, if such
1130 tournament is sponsored by a nonprofit association incorporated
1131 under the laws of the State of Mississippi where no dividends are
1132 declared and the proceeds do not inure to any individual or group;

1133 (h) Any admissions to university or community college
1134 conference, state, regional or national playoffs or championships;

1135 (i) Any admissions or fees charged by any county or
1136 municipally owned and operated swimming pools, golf courses and
1137 tennis courts other than sales or rental of tangible personal
1138 property;

1139 (j) Any admissions charged for the performance of
1140 symphony orchestras, operas, vocal or instrumental artists in
1141 which professional or amateur performers are compensated out of
1142 the proceeds of such admissions, when sponsored by local music or
1143 charity associations, or amateur dramatic performances or
1144 professional dramatic productions when sponsored by a children's



1145 dramatic association, where no dividends are declared, profits
1146 received, nor any salary or compensation paid to any of the
1147 members of such associations, or to any person for procuring or
1148 producing such performance;

1149 (k) Any admissions or tickets to or for hockey games
1150 between teams operated under a professional league franchise;

1151 (l) Any admissions or tickets to or for events
1152 sanctioned by the Mississippi Athletic Commission that are held
1153 within publicly owned enclosed coliseums and auditoriums;

1154 (m) Guided tours on any navigable waters of this state,
1155 which include providing accommodations, guide services and/or
1156 related equipment operated by or under the direction of the person
1157 providing the tour, for the purposes of outdoor tourism;

1158 (n) Any admissions to events held solely for religious
1159 or charitable purposes at livestock facilities, agriculture
1160 facilities or other facilities constructed, renovated or expanded
1161 with funds from the grant program authorized under Section 18 of
1162 Chapter 530, Laws of 1995; and

1163 (o) (i) Any admissions charged at events, activities
1164 or entertainments:

1165 1. Which are open to the public and held in
1166 or on parks, lands or buildings which are publicly owned, leased,
1167 used and/or controlled by a municipality, or any agency thereof;

1168 2. Which are created and sponsored by the
1169 municipality, or an agency thereof; and



1170 3. The proceeds of which do not inure to the
1171 benefit of any individual or individuals; however,

1172 (ii) The governing authorities of a municipality
1173 may require the tax imposed by this section to be levied and
1174 collected at events, activities or entertainments described in
1175 subparagraph (i) of this paragraph by:

1176 1. Adopting an ordinance requiring the levy
1177 and collection of the tax;

1178 2. Providing the Department of Revenue with a
1179 certified copy of the ordinance requiring the tax to be levied and
1180 assessed at least thirty (30) days prior to the effective date of
1181 the ordinance;

1182 (iii) If the ordinance described in subparagraph
1183 (ii) of this paragraph is repealed, the municipality shall provide
1184 the Department of Revenue with a certified copy of the repeal of
1185 the ordinance at least thirty (30) days prior to the effective
1186 date of the repeal.

1187 **SECTION 7.** Section 27-65-23, Mississippi Code of 1972, is
1188 amended as follows:

1189 27-65-23. (1) Upon every person engaging or continuing in
1190 any of the following businesses or activities there is hereby
1191 levied, assessed and shall be collected a tax equal to * * * nine
1192 and one-half percent (9-1/2%) of the gross income of the business,
1193 except as otherwise provided:

1194 Air_conditioning installation or repairs;



1195 Automobile, motorcycle, boat or any other vehicle
1196 repairing or servicing;
1197 Billiards, pool or domino parlors;
1198 Bowling or tenpin alleys;
1199 Burglar and fire alarm systems or services;
1200 Car washing – automatic, self-service, or manual;
1201 Computer software sales and services;
1202 Cotton compresses or cotton warehouses;
1203 Custom creosoting or treating, custom planing, custom
1204 sawing;
1205 Custom meat processing;
1206 Electricians, electrical work, wiring, all repairs or
1207 installation of electrical equipment;
1208 Elevator or escalator installing, repairing or
1209 servicing;
1210 Film developing or photo finishing;
1211 Foundries, machine or general repairing;
1212 Furniture repairing or upholstering;
1213 Grading, excavating, ditching, dredging or landscaping;
1214 Hotels (as defined in Section 41-49-3), motels, tourist
1215 courts or camps, trailer parks;
1216 Insulating services or repairs;
1217 Jewelry or watch repairing;
1218 Laundering, cleaning, pressing or dyeing;
1219 Marina services;



1220 Mattress renovating;
1221 Office and business machine repairing;
1222 Parking garages and lots;
1223 Plumbing or pipe fitting;
1224 Public storage warehouses (There shall be no tax levied
1225 on gross income of a public storage warehouse derived from the
1226 temporary storage of tangible personal property in this state
1227 pending shipping or mailing of the property to another state.);
1228 Refrigerating equipment repairs;
1229 Radio or television installing, repairing, or servicing;
1230 Renting or leasing personal property used within this
1231 state;
1232 Services performed in connection with geophysical
1233 surveying, exploring, developing, drilling, producing,
1234 distributing, or testing of oil, gas, water and other mineral
1235 resources;
1236 Shoe repairing;
1237 Storage lockers;
1238 Telephone answering or paging services;
1239 Termite or pest control services;
1240 Tin and sheet metal shops;
1241 TV cable systems, subscription TV services, and other
1242 similar activities;
1243 Vulcanizing, repairing or recapping of tires or tubes;
1244 Welding; and



1245 Woodworking or woodu-turning shops.

1246 (2) Income from services taxed herein performed for electric
1247 power associations in the ordinary and necessary operation of
1248 their generating or distribution systems shall be taxed at the
1249 rate of * * * three and one-half percent (3-1/2%).

1250 (3) Income from services taxed herein performed on materials
1251 for use in track or track structures to a railroad whose rates are
1252 fixed by the Interstate Commerce Commission or the Mississippi
1253 Public Service Commission shall be taxed at the rate of * * * five
1254 and one-half percent (5-1/2%).

1255 (4) Income from renting or leasing tangible personal
1256 property used within this state shall be taxed at the same rates
1257 as sales of the same property.

1258 (5) Persons doing business in this state who rent
1259 transportation equipment with a situs within or without the state
1260 to common, contract or private commercial carriers are taxed on
1261 that part of the income derived from use within this state. If
1262 specific accounting is impracticable, a formula may be used with
1263 approval of the commissioner.

1264 (6) A lessor may deduct from the tax computed on the rental
1265 income from tangible personal property a credit for sales or use
1266 tax paid to this state at the time of purchase of the specific
1267 personal property being leased or rented until such credit has
1268 been exhausted.



1269 (7) Charges for custom processing and repairing services may
1270 be excluded from gross taxable income when the property on which
1271 the service was performed is delivered to the customer in another
1272 state either by common carrier or in the seller's equipment.

1273 (8) When a taxpayer performs unitary services covered by
1274 this section, which are performed both in intrastate and
1275 interstate commerce, the commissioner is hereby invested with
1276 authority to formulate in each particular case and to fix for such
1277 taxpayer in each instance formulae of apportionment which will
1278 apportion to this state, for taxation, that portion of the
1279 services which are performed within the State of Mississippi.

1280 **SECTION 8.** Section 27-65-25, Mississippi Code of 1972, is
1281 amended as follows:

1282 27-65-25. Upon every person engaging or continuing within
1283 this state in the business of selling alcoholic beverages, the
1284 sales of which are legal under the provisions of Chapter 1 of
1285 Title 67, Mississippi Code of 1972, there is hereby levied,
1286 assessed and shall be collected a tax equal to * * * nine and
1287 one-half percent (9-1/2%) of the gross proceeds of the retail
1288 sales of the business. All sales at wholesale to retailers shall
1289 be taxed at the same rate as provided in this section for retail
1290 sales. A retailer in computing the tax on sales may take credit
1291 for the amount of the tax paid to the wholesaler at the rates
1292 provided herein and remit the difference to the commissioner,



1293 provided adequate records and all invoices are maintained to
1294 substantiate the credit claimed.

1295 **SECTION 9.** Section 27-65-26, Mississippi Code of 1972, is
1296 amended as follows:

1297 27-65-26. (1) Upon every person engaging or continuing
1298 within this state in the business of selling, renting or leasing
1299 specified digital products, there shall be levied, assessed and
1300 shall be collected a tax equal to * * * nine and one-half percent
1301 (9-1/2%) of the gross income of the business. The sale of a
1302 digital code that allows the purchaser to obtain a specified
1303 digital product shall be taxed in the same manner as the sale of a
1304 specified digital product. The tax is imposed when:

- 1305 (a) The sale is to an end user;
- 1306 (b) The seller grants the right of permanent or less
1307 than permanent use of the products transferred electronically; or
- 1308 (c) The sale is conditioned or not conditioned upon
1309 continued payment.

1310 (2) Charges by one (1) specified digital products provider
1311 to another specified digital products provider holding a permit
1312 issued under Section 27-65-27 for services that are resold by such
1313 other specified digital products provider shall not be subject to
1314 the tax levied pursuant to this section.

1315 (3) For purposes of this section:



1316 (a) "Specified digital products" means electronically
1317 transferred digital audio-visual works, digital audio works and
1318 digital books.

1319 (b) "Digital audio-visual works" means a series of
1320 related images which, when shown in succession, impart an
1321 impression of motion, together with accompanying sounds, if any.

1322 (c) "Digital audio works" means works that result from
1323 the fixation of a series of musical, spoken or other sounds,
1324 including ringtones. "Ringtones" means digitized sound files that
1325 are downloaded onto a device and that may be used to alert the
1326 customer with respect to a communication.

1327 (d) "Digital books" means works that are generally
1328 recognized in the ordinary and usual sense as "books."

1329 (e) "Electronically transferred" means obtained by the
1330 purchaser by means other than tangible storage media.

1331 (f) "End user" means any person other than a person who
1332 receives by contract a product transferred electronically for
1333 further commercial broadcast, rebroadcast, transmission,
1334 retransmission, licensing, relicensing, distribution,
1335 redistribution or exhibition of the product, in whole or in part,
1336 to another person or persons.

1337 (g) "Permanent use" means for purposes of this section
1338 for perpetual or for an indefinite or unspecified length of time.

1339 (h) "Digital code" means a code that permits a
1340 purchaser to obtain a specified digital product at a later date.



1341 **SECTION 10.** Section 27-65-201, Mississippi Code of 1972, is
1342 amended as follows:

1343 27-65-201. (1) For the purposes of this section, unless the
1344 context otherwise requires, the term "motor vehicle" means a motor
1345 vehicle required to be registered or licensed by the county tax
1346 collectors pursuant to Section 27-19-43.

1347 (2) Upon every person, firm or corporation purchasing other
1348 than at wholesale within this state any motor vehicle required to
1349 be registered or licensed with the tax collector of any county in
1350 this state from any person, firm or corporation which is not a
1351 licensed dealer engaged in selling motor vehicles, there shall be
1352 levied and collected a sales tax at the rate of * * * seven and
1353 one-half percent (7-1/2%) of the true value of the motor vehicle
1354 as calculated by using the most current official motor vehicle
1355 assessment schedule supplied by the Department of Revenue.

1356 (3) Upon every person, firm or corporation purchasing other
1357 than at wholesale outside the state any motor vehicle required to
1358 be registered or licensed with the tax collector of any county in
1359 this state from any person, firm or corporation which is not a
1360 licensed dealer engaged in selling motor vehicles, for use,
1361 storage or other consumption within this state there is levied a
1362 use tax at the rate of * * * seven and one-half percent (7-1/2%)
1363 of the true value of the motor vehicle as calculated by using the
1364 most current official motor vehicle assessment schedule supplied
1365 by the Department of Revenue.



1366 (4) Where any motor vehicle is taken in trade as a credit or
1367 part payment on the sale of a motor vehicle taxable under this
1368 section, the tax levied by this section shall be paid on the net
1369 difference, that is, the true value of the motor vehicle sold less
1370 the credit for the motor vehicle taken in trade.

1371 (5) The tax levied by this section shall be collected by the
1372 tax collector at the time of, and as a prerequisite to, the
1373 registration of or licensing of any such motor vehicle. The tax
1374 collector shall give to the person registering the vehicle a
1375 receipt in a form prescribed and furnished by the Department of
1376 Revenue for the amount of tax collected.

1377 (6) County tax collectors shall be liable for the tax they
1378 are required to collect, and taxes which are in fact collected,
1379 under this section and failure to properly collect or maintain
1380 proper records shall not relieve them of liability for payment to
1381 the Department of Revenue. Deficiencies in collection or payment
1382 shall be assessed against the tax collector, or his successor, in
1383 the same manner and subject to the same penalties and provisions
1384 for appeal as are deficiencies assessed against taxpayers under
1385 Chapter 65, Title 27, Mississippi Code of 1972.

1386 Each tax collector of the several counties shall, on or
1387 before the twentieth day of each month, file a report with and pay
1388 to the Department of Revenue all funds collected under the
1389 provisions of this section, less a commission of three percent
1390 (3%) which shall be retained by the tax collector as a commission



1391 for collecting such tax, and such commission shall be deposited in
1392 the county general fund. The report required to be filed shall
1393 cover all collections made during the calendar month next
1394 preceding the date on which the report is due and filed.

1395 Any error in the report and remittance to the Department of
1396 Revenue may be adjusted on a subsequent report. If the error was
1397 in the collection by the tax collector, it shall be adjusted
1398 through the tax collector with the taxpayer before credit is
1399 allowed by the Department of Revenue.

1400 All information relating to the collection of this tax by tax
1401 collectors and such records as the Department of Revenue may
1402 require shall be preserved in the tax collector's office for a
1403 period of three (3) years for audit by the Department of Revenue.

1404 (7) The tax levied by this section shall not apply to the
1405 following:

1406 (a) Transfers of legal ownership of motor vehicles
1407 currently registered or licensed in the transferor's name between
1408 husband and wife, parent and child, or grandparents and
1409 grandchildren, unless the transferor is a licensed dealer of motor
1410 vehicles and the transfer of the motor vehicle is made in the
1411 regular course of business.

1412 (b) Transfers of legal ownership of motor vehicles
1413 pursuant to a will or pursuant to any law providing for the
1414 distribution of the property of one dying intestate.



1415 (c) Transfers of legal ownership of motor vehicles ten
1416 (10) or more years after the date of the manufacture of such
1417 vehicle.

1418 (d) Transfers of legal ownership of motor vehicles
1419 between siblings, unless the transferor is a licensed dealer of
1420 motor vehicles and the transfer of the motor vehicle is made in
1421 the regular course of business.

1422 **SECTION 11.** Section 27-65-75, Mississippi Code of 1972, is
1423 amended as follows:

1424 27-65-75. On or before the fifteenth day of each month, the
1425 revenue collected under the provisions of this chapter during the
1426 preceding month shall be paid and distributed as follows:

1427 (1) (a) On or before August 15, 1992, and each succeeding
1428 month thereafter through July 15, 1993, eighteen percent (18%) of
1429 the total sales tax revenue collected during the preceding month
1430 under the provisions of this chapter, except that collected under
1431 the provisions of Sections 27-65-15, 27-65-19(3) and 27-65-21, on
1432 business activities within a municipal corporation shall be
1433 allocated for distribution to the municipality and paid to the
1434 municipal corporation. Except as otherwise provided in this
1435 paragraph (a), on or before August 15, 1993, and each succeeding
1436 month thereafter through August 15, 2021, eighteen and one-half
1437 percent (18-1/2%) of the total sales tax revenue collected during
1438 the preceding month under the provisions of this chapter, except
1439 that collected under the provisions of Sections 27-65-15,



1440 27-65-19(3), 27-65-21 and 27-65-24, on business activities within
1441 a municipal corporation shall be allocated for distribution to the
1442 municipality and paid to the municipal corporation. On or before
1443 September 15, 2021, and each succeeding month thereafter through
1444 August 15, 2024, (i) eighteen and one-half percent (18-1/2%) of
1445 the total sales tax revenue collected during the preceding month
1446 under the provisions of this chapter, except that collected under
1447 the provisions of Sections 27-65-15, 27-65-17(1)(n), 27-65-19(3),
1448 27-65-21 and 27-65-24, on business activities within a municipal
1449 corporation and (ii) twenty-eight and eight-tenths percent
1450 (28-8/10%) of the total sales tax revenue collected during the
1451 preceding month under the provisions of Section 27-65-17(1)(n) on
1452 business activities within a municipal corporation shall be
1453 allocated for distribution to the municipality and paid to the
1454 municipal corporation. On or before September 15, 2024, and each
1455 succeeding month thereafter through August 15, 2026, (i) eighteen
1456 and one-half percent (18-1/2%) of the total sales tax revenue
1457 collected during the preceding month under the provisions of this
1458 chapter, except that collected under the provisions of Sections
1459 27-65-15, 27-65-17(1)(n), 27-65-19(3), 27-65-21 and 27-65-24, on
1460 business activities within a municipal corporation and (ii)
1461 thirty-two and four-tenths percent (32-4/10%) of the total sales
1462 tax revenue collected during the preceding month under the
1463 provisions of Section 27-65-17(1)(n) on business activities within
1464 a municipal corporation shall be allocated for distribution to the



1465 municipality and paid to the municipal corporation. On or before
1466 September 15, 2026, and each succeeding month thereafter, (i)
1467 eighteen and one-half percent (18-1/2%) of the total sales tax
1468 revenue collected during the preceding month under the provisions
1469 of this chapter, except that collected under the provisions of
1470 Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3), 27-65-21 and
1471 27-65-24, on business activities within a municipal corporation
1472 and (ii) thirty-seven percent (37%) of the total sales tax revenue
1473 collected during the preceding month under the provisions of
1474 Section 27-65-17(1) (n) on business activities within a municipal
1475 corporation shall be allocated for distribution to the
1476 municipality and paid to the municipal corporation. However, in
1477 the event the State Auditor issues a certificate of noncompliance
1478 pursuant to Section 21-35-31, the Department of Revenue shall
1479 withhold ten percent (10%) of the allocations and payments to the
1480 municipality that would otherwise be payable to the municipality
1481 under this paragraph (a) until such time that the department
1482 receives written notice of the cancellation of a certificate of
1483 noncompliance from the State Auditor.

1484 A municipal corporation, for the purpose of distributing the
1485 tax under this subsection, shall mean and include all incorporated
1486 cities, towns and villages.

1487 Monies allocated for distribution and credited to a municipal
1488 corporation under this paragraph may be pledged as security for a
1489 loan if the distribution received by the municipal corporation is



1490 otherwise authorized or required by law to be pledged as security
1491 for such a loan.

1492 In any county having a county seat that is not an
1493 incorporated municipality, the distribution provided under this
1494 subsection shall be made as though the county seat was an
1495 incorporated municipality; however, the distribution to the
1496 municipality shall be paid to the county treasury in which the
1497 municipality is located, and those funds shall be used for road,
1498 bridge and street construction or maintenance in the county.

1499 (b) On or before August 15, 2006, and each succeeding
1500 month thereafter through August 15, 2021, eighteen and one-half
1501 percent (18-1/2%) of the total sales tax revenue collected during
1502 the preceding month under the provisions of this chapter, except
1503 that collected under the provisions of Sections 27-65-15,
1504 27-65-19(3) and 27-65-21, on business activities on the campus of
1505 a state institution of higher learning or community or junior
1506 college whose campus is not located within the corporate limits of
1507 a municipality, shall be allocated for distribution to the state
1508 institution of higher learning or community or junior college and
1509 paid to the state institution of higher learning or community or
1510 junior college. On or before September 15, 2021, and each
1511 succeeding month thereafter through August 15, 2024, (i) eighteen
1512 and one-half percent (18-1/2%) of the total sales tax revenue
1513 collected during the preceding month under the provisions of this
1514 chapter, except that collected under the provisions of Sections



1515 27-65-15, 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business
1516 activities on the campus of a state institution of higher learning
1517 or community or junior college whose campus is not located within
1518 the corporate limits of a municipality and (ii) twenty-eight and
1519 eight-tenths percent (28-8/10%) of the total sales tax revenue
1520 collected during the preceding month under the provisions of
1521 Section 27-65-17(1) (n) on business activities on the campus of a
1522 state institution of higher learning or community or junior
1523 college whose campus is not located within the corporate limits of
1524 a municipality, shall be allocated for distribution to the state
1525 institution of higher learning or community or junior college and
1526 paid to the state institution of higher learning or community or
1527 junior college. On or before September 15, 2024, and each
1528 succeeding month thereafter through August 15, 2026, (i) eighteen
1529 and one-half percent (18-1/2%) of the total sales tax revenue
1530 collected during the preceding month under the provisions of this
1531 chapter, except that collected under the provisions of Sections
1532 27-65-15, 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business
1533 activities on the campus of a state institution of higher learning
1534 or community or junior college whose campus is not located within
1535 the corporate limits of a municipality and (ii) thirty-two and
1536 four-tenths percent (32-4/10%) of the total sales tax revenue
1537 collected during the preceding month under the provisions of
1538 Section 27-65-17(1) (n) on business activities on the campus of a
1539 state institution of higher learning or community or junior



1540 college whose campus is not located within the corporate limits of
1541 a municipality, shall be allocated for distribution to the state
1542 institution of higher learning or community or junior college and
1543 paid to the state institution of higher learning or community or
1544 junior college. On or before September 15, 2026, and each
1545 succeeding month thereafter, (i) eighteen and one-half percent
1546 (18-1/2%) of the total sales tax revenue collected during the
1547 preceding month under the provisions of this chapter, except that
1548 collected under the provisions of Sections 27-65-15,
1549 27-65-17(1) (n), 27-65-19(3) and 27-65-21, on business activities
1550 on the campus of a state institution of higher learning or
1551 community or junior college whose campus is not located within the
1552 corporate limits of a municipality and (ii) thirty-seven percent
1553 (37%) of the total sales tax revenue collected during the
1554 preceding month under the provisions of Section 27-65-17(1) (n) on
1555 business activities on the campus of a state institution of higher
1556 learning or community or junior college whose campus is not
1557 located within the corporate limits of a municipality, shall be
1558 allocated for distribution to the state institution of higher
1559 learning or community or junior college and paid to the state
1560 institution of higher learning or community or junior college.

1561 (c) On or before August 15, 2018, and each succeeding
1562 month thereafter until August 14, 2019, two percent (2%) of the
1563 total sales tax revenue collected during the preceding month under
1564 the provisions of this chapter, except that collected under the



1565 provisions of Sections 27-65-15, 27-65-19(3), 27-65-21 and
1566 27-65-24, on business activities within the corporate limits of
1567 the City of Jackson, Mississippi, shall be deposited into the
1568 Capitol Complex Improvement District Project Fund created in
1569 Section 29-5-215. On or before August 15, 2019, and each
1570 succeeding month thereafter until August 14, 2020, four percent
1571 (4%) of the total sales tax revenue collected during the preceding
1572 month under the provisions of this chapter, except that collected
1573 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1574 and 27-65-24, on business activities within the corporate limits
1575 of the City of Jackson, Mississippi, shall be deposited into the
1576 Capitol Complex Improvement District Project Fund created in
1577 Section 29-5-215. On or before August 15, 2020, and each
1578 succeeding month thereafter through August 15, 2021, six percent
1579 (6%) of the total sales tax revenue collected during the preceding
1580 month under the provisions of this chapter, except that collected
1581 under the provisions of Sections 27-65-15, 27-65-19(3), 27-65-21
1582 and 27-65-24, on business activities within the corporate limits
1583 of the City of Jackson, Mississippi, shall be deposited into the
1584 Capitol Complex Improvement District Project Fund created in
1585 Section 29-5-215. On or before September 15, 2021, and each
1586 succeeding month thereafter through August 15, 2024, (i) six
1587 percent (6%) of the total sales tax revenue collected during the
1588 preceding month under the provisions of this chapter, except that
1589 collected under the provisions of Sections 27-65-15,



1590 27-65-17(1) (n), 27-65-19(3), 27-65-21 and 27-65-24, on business
1591 activities within the corporate limits of the City of Jackson,
1592 Mississippi, and (ii) nine and three-tenths percent (9-3/10%) of
1593 the total sales tax revenue collected during the preceding month
1594 under the provisions of Section 27-65-17(1) (n) on business
1595 activities within the corporate limits of the City of Jackson,
1596 Mississippi, shall be deposited into the Capitol Complex
1597 Improvement District Project Fund created in Section 29-5-215. On
1598 or before September 15, 2024, and each succeeding month thereafter
1599 through August 15, 2026, (i) six percent (6%) of the total sales
1600 tax revenue collected during the preceding month under the
1601 provisions of this chapter, except that collected under the
1602 provisions of Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3),
1603 27-65-21 and 27-65-24, on business activities within the corporate
1604 limits of the City of Jackson, Mississippi, and (ii) ten and
1605 one-half percent (10-1/2%) of the total sales tax revenue
1606 collected during the preceding month under the provisions of
1607 Section 27-65-17(1) (n) on business activities within the corporate
1608 limits of the City of Jackson, Mississippi, shall be deposited
1609 into the Capitol Complex Improvement District Project Fund created
1610 in Section 29-5-215. On or before September 15, 2026, and each
1611 succeeding month thereafter, (i) six percent (6%) of the total
1612 sales tax revenue collected during the preceding month under the
1613 provisions of this chapter, except that collected under the
1614 provisions of Sections 27-65-15, 27-65-17(1) (n), 27-65-19(3),



1615 27-65-21 and 27-65-24, on business activities within the corporate
1616 limits of the City of Jackson, Mississippi, and (ii) twelve
1617 percent (12%) of the total sales tax revenue collected during the
1618 preceding month under the provisions of Section 27-65-17(1)(n) on
1619 business activities within the corporate limits of the City of
1620 Jackson, Mississippi, shall be deposited into the Capitol Complex
1621 Improvement District Project Fund created in Section 29-5-215.

1622 (d) (i) On or before the fifteenth day of the month
1623 that the diversion authorized by this section begins, and each
1624 succeeding month thereafter, eighteen and one-half percent
1625 (18-1/2%) of the total sales tax revenue collected during the
1626 preceding month under the provisions of this chapter, except that
1627 collected under the provisions of Sections 27-65-15, 27-65-19(3)
1628 and 27-65-21, on business activities within a redevelopment
1629 project area developed under a redevelopment plan adopted under
1630 the Tax Increment Financing Act (Section 21-45-1 et seq.) shall be
1631 allocated for distribution to the county in which the project area
1632 is located if:

1633 1. The county borders on the Mississippi
1634 Sound and the State of Alabama;

1635 2. The county has issued bonds under Section
1636 21-45-9 to finance all or a portion of a redevelopment project in
1637 the redevelopment project area;

1638 3. Any debt service for the indebtedness
1639 incurred is outstanding; and



1640 4. A development with a value of Ten Million
1641 Dollars (\$10,000,000.00) or more is, or will be, located in the
1642 redevelopment area.

1643 (ii) Before any sales tax revenue may be allocated
1644 for distribution to a county under this paragraph, the county
1645 shall certify to the Department of Revenue that the requirements
1646 of this paragraph have been met, the amount of bonded indebtedness
1647 that has been incurred by the county for the redevelopment project
1648 and the expected date the indebtedness incurred by the county will
1649 be satisfied.

1650 (iii) The diversion of sales tax revenue
1651 authorized by this paragraph shall begin the month following the
1652 month in which the Department of Revenue determines that the
1653 requirements of this paragraph have been met. The diversion shall
1654 end the month the indebtedness incurred by the county is
1655 satisfied. All revenue received by the county under this
1656 paragraph shall be deposited in the fund required to be created in
1657 the tax increment financing plan under Section 21-45-11 and be
1658 utilized solely to satisfy the indebtedness incurred by the
1659 county.

1660 (2) On or before September 15, 1987, and each succeeding
1661 month thereafter, from the revenue collected under this chapter
1662 during the preceding month, One Million One Hundred Twenty-five
1663 Thousand Dollars (\$1,125,000.00) shall be allocated for
1664 distribution to municipal corporations as defined under subsection



1665 (1) of this section in the proportion that the number of gallons
1666 of gasoline and diesel fuel sold by distributors to consumers and
1667 retailers in each such municipality during the preceding fiscal
1668 year bears to the total gallons of gasoline and diesel fuel sold
1669 by distributors to consumers and retailers in municipalities
1670 statewide during the preceding fiscal year. The Department of
1671 Revenue shall require all distributors of gasoline and diesel fuel
1672 to report to the department monthly the total number of gallons of
1673 gasoline and diesel fuel sold by them to consumers and retailers
1674 in each municipality during the preceding month. The Department
1675 of Revenue shall have the authority to promulgate such rules and
1676 regulations as is necessary to determine the number of gallons of
1677 gasoline and diesel fuel sold by distributors to consumers and
1678 retailers in each municipality. In determining the percentage
1679 allocation of funds under this subsection for the fiscal year
1680 beginning July 1, 1987, and ending June 30, 1988, the Department
1681 of Revenue may consider gallons of gasoline and diesel fuel sold
1682 for a period of less than one (1) fiscal year. For the purposes
1683 of this subsection, the term "fiscal year" means the fiscal year
1684 beginning July 1 of a year.

1685 (3) On or before September 15, 1987, and on or before the
1686 fifteenth day of each succeeding month, until the date specified
1687 in Section 65-39-35, the proceeds derived from contractors' taxes
1688 levied under Section 27-65-21 on contracts for the construction or
1689 reconstruction of highways designated under the highway program



1690 created under Section 65-3-97 shall, except as otherwise provided
1691 in Section 31-17-127, be deposited into the State Treasury to the
1692 credit of the State Highway Fund to be used to fund that highway
1693 program. The Mississippi Department of Transportation shall
1694 provide to the Department of Revenue such information as is
1695 necessary to determine the amount of proceeds to be distributed
1696 under this subsection.

1697 (4) On or before August 15, 1994, and on or before the
1698 fifteenth day of each succeeding month through July 15, 1999, from
1699 the proceeds of gasoline, diesel fuel or kerosene taxes as
1700 provided in Section 27-5-101(a)(ii)1, Four Million Dollars
1701 (\$4,000,000.00) shall be deposited in the State Treasury to the
1702 credit of a special fund designated as the "State Aid Road Fund,"
1703 created by Section 65-9-17. On or before August 15, 1999, and on
1704 or before the fifteenth day of each succeeding month, from the
1705 total amount of the proceeds of gasoline, diesel fuel or kerosene
1706 taxes apportioned by Section 27-5-101(a)(ii)1, Four Million
1707 Dollars (\$4,000,000.00) or an amount equal to twenty-three and
1708 one-fourth percent (23-1/4%) of those funds, whichever is the
1709 greater amount, shall be deposited in the State Treasury to the
1710 credit of the "State Aid Road Fund," created by Section 65-9-17.
1711 Those funds shall be pledged to pay the principal of and interest
1712 on state aid road bonds heretofore issued under Sections 19-9-51
1713 through 19-9-77, in lieu of and in substitution for the funds
1714 previously allocated to counties under this section. Those funds



1715 may not be pledged for the payment of any state aid road bonds
1716 issued after April 1, 1981; however, this prohibition against the
1717 pledging of any such funds for the payment of bonds shall not
1718 apply to any bonds for which intent to issue those bonds has been
1719 published for the first time, as provided by law before March 29,
1720 1981. From the amount of taxes paid into the special fund under
1721 this subsection and subsection (9) of this section, there shall be
1722 first deducted and paid the amount necessary to pay the expenses
1723 of the Office of State Aid Road Construction, as authorized by the
1724 Legislature for all other general and special fund agencies. The
1725 remainder of the fund shall be allocated monthly to the several
1726 counties in accordance with the following formula:

1727 (a) One-third (1/3) shall be allocated to all counties
1728 in equal shares;

1729 (b) One-third (1/3) shall be allocated to counties
1730 based on the proportion that the total number of rural road miles
1731 in a county bears to the total number of rural road miles in all
1732 counties of the state; and

1733 (c) One-third (1/3) shall be allocated to counties
1734 based on the proportion that the rural population of the county
1735 bears to the total rural population in all counties of the state,
1736 according to the latest federal decennial census.

1737 For the purposes of this subsection, the term "gasoline,
1738 diesel fuel or kerosene taxes" means such taxes as defined in
1739 paragraph (f) of Section 27-5-101.



1740 The amount of funds allocated to any county under this
1741 subsection for any fiscal year after fiscal year 1994 shall not be
1742 less than the amount allocated to the county for fiscal year 1994.

1743 Any reference in the general laws of this state or the
1744 Mississippi Code of 1972 to Section 27-5-105 shall mean and be
1745 construed to refer and apply to subsection (4) of Section
1746 27-65-75.

1747 (5) One Million Six Hundred Sixty-six Thousand Six Hundred
1748 Sixty-six Dollars (\$1,666,666.00) each month shall be paid into
1749 the special fund known as the "State Public School Building Fund"
1750 created and existing under the provisions of Sections 37-47-1
1751 through 37-47-67. Those payments into that fund are to be made on
1752 the last day of each succeeding month hereafter.

1753 (6) An amount each month beginning August 15, 1983, through
1754 November 15, 1986, as specified in Section 6, Chapter 542, Laws of
1755 1983, shall be paid into the special fund known as the
1756 Correctional Facilities Construction Fund created in Section 6,
1757 Chapter 542, Laws of 1983.

1758 (7) On or before August 15, 1992, and each succeeding month
1759 thereafter through July 15, 2000, two and two hundred sixty-six
1760 one-thousandths percent (2.266%) of the total sales tax revenue
1761 collected during the preceding month under the provisions of this
1762 chapter, except that collected under the provisions of Section
1763 27-65-17(2), shall be deposited by the department into the School
1764 Ad Valorem Tax Reduction Fund created under Section 37-61-35. On



1765 or before August 15, 2000, and each succeeding month thereafter,
1766 two and two hundred sixty-six one-thousandths percent (2.266%) of
1767 the total sales tax revenue collected during the preceding month
1768 under the provisions of this chapter, except that collected under
1769 the provisions of Section 27-65-17(2), shall be deposited into the
1770 School Ad Valorem Tax Reduction Fund created under Section
1771 37-61-35 until such time that the total amount deposited into the
1772 fund during a fiscal year equals Forty-two Million Dollars
1773 (\$42,000,000.00). Thereafter, the amounts diverted under this
1774 subsection (7) during the fiscal year in excess of Forty-two
1775 Million Dollars (\$42,000,000.00) shall be deposited into the
1776 Education Enhancement Fund created under Section 37-61-33 for
1777 appropriation by the Legislature as other education needs and
1778 shall not be subject to the percentage appropriation requirements
1779 set forth in Section 37-61-33.

1780 (8) On or before August 15, 1992, and each succeeding month
1781 thereafter, nine and seventy-three one-thousandths percent
1782 (9.073%) of the total sales tax revenue collected during the
1783 preceding month under the provisions of this chapter, except that
1784 collected under the provisions of Section 27-65-17(2), shall be
1785 deposited into the Education Enhancement Fund created under
1786 Section 37-61-33.

1787 (9) On or before August 15, 1994, and each succeeding month
1788 thereafter, from the revenue collected under this chapter during



1789 the preceding month, Two Hundred Fifty Thousand Dollars
1790 (\$250,000.00) shall be paid into the State Aid Road Fund.

1791 (10) On or before August 15, 1994, and each succeeding month
1792 thereafter through August 15, 1995, from the revenue collected
1793 under this chapter during the preceding month, Two Million Dollars
1794 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1795 Valorem Tax Reduction Fund established in Section 27-51-105.

1796 (11) Notwithstanding any other provision of this section to
1797 the contrary, on or before February 15, 1995, and each succeeding
1798 month thereafter, the sales tax revenue collected during the
1799 preceding month under the provisions of Section 27-65-17(2) and
1800 the corresponding levy in Section 27-65-23 on the rental or lease
1801 of private carriers of passengers and light carriers of property
1802 as defined in Section 27-51-101 shall be deposited, without
1803 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1804 established in Section 27-51-105.

1805 (12) Notwithstanding any other provision of this section to
1806 the contrary, on or before August 15, 1995, and each succeeding
1807 month thereafter, the sales tax revenue collected during the
1808 preceding month under the provisions of Section 27-65-17(1) on
1809 retail sales of private carriers of passengers and light carriers
1810 of property, as defined in Section 27-51-101 and the corresponding
1811 levy in Section 27-65-23 on the rental or lease of these vehicles,
1812 shall be deposited, after diversion, into the Motor Vehicle Ad
1813 Valorem Tax Reduction Fund established in Section 27-51-105.



1814 (13) On or before July 15, 1994, and on or before the
1815 fifteenth day of each succeeding month thereafter, that portion of
1816 the avails of the tax imposed in Section 27-65-22 that is derived
1817 from activities held on the Mississippi State Fairgrounds Complex
1818 shall be paid into a special fund that is created in the State
1819 Treasury and shall be expended upon legislative appropriation
1820 solely to defray the costs of repairs and renovation at the Trade
1821 Mart and Coliseum.

1822 (14) On or before August 15, 1998, and each succeeding month
1823 thereafter through July 15, 2005, that portion of the avails of
1824 the tax imposed in Section 27-65-23 that is derived from sales by
1825 cotton compresses or cotton warehouses and that would otherwise be
1826 paid into the General Fund shall be deposited in an amount not to
1827 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1828 created under Section 69-37-39. On or before August 15, 2007, and
1829 each succeeding month thereafter through July 15, 2010, that
1830 portion of the avails of the tax imposed in Section 27-65-23 that
1831 is derived from sales by cotton compresses or cotton warehouses
1832 and that would otherwise be paid into the General Fund shall be
1833 deposited in an amount not to exceed Two Million Dollars
1834 (\$2,000,000.00) into the special fund created under Section
1835 69-37-39 until all debts or other obligations incurred by the
1836 Certified Cotton Growers Organization under the Mississippi Boll
1837 Weevil Management Act before January 1, 2007, are satisfied in
1838 full. On or before August 15, 2010, and each succeeding month



1839 thereafter through July 15, 2011, fifty percent (50%) of that
1840 portion of the avails of the tax imposed in Section 27-65-23 that
1841 is derived from sales by cotton compresses or cotton warehouses
1842 and that would otherwise be paid into the General Fund shall be
1843 deposited into the special fund created under Section 69-37-39
1844 until such time that the total amount deposited into the fund
1845 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1846 On or before August 15, 2011, and each succeeding month
1847 thereafter, that portion of the avails of the tax imposed in
1848 Section 27-65-23 that is derived from sales by cotton compresses
1849 or cotton warehouses and that would otherwise be paid into the
1850 General Fund shall be deposited into the special fund created
1851 under Section 69-37-39 until such time that the total amount
1852 deposited into the fund during a fiscal year equals One Million
1853 Dollars (\$1,000,000.00).

1854 (15) Notwithstanding any other provision of this section to
1855 the contrary, on or before September 15, 2000, and each succeeding
1856 month thereafter, the sales tax revenue collected during the
1857 preceding month under the provisions of Section
1858 27-65-19(1)(d)(i)2, and 27-65-19(1)(d)(i)3 shall be deposited,
1859 without diversion, into the Telecommunications Ad Valorem Tax
1860 Reduction Fund established in Section 27-38-7.

1861 (16) (a) On or before August 15, 2000, and each succeeding
1862 month thereafter, the sales tax revenue collected during the
1863 preceding month under the provisions of this chapter on the gross



1864 proceeds of sales of a project as defined in Section 57-30-1 shall
1865 be deposited, after all diversions except the diversion provided
1866 for in subsection (1) of this section, into the Sales Tax
1867 Incentive Fund created in Section 57-30-3.

1868 (b) On or before August 15, 2007, and each succeeding
1869 month thereafter, eighty percent (80%) of the sales tax revenue
1870 collected during the preceding month under the provisions of this
1871 chapter from the operation of a tourism project under the
1872 provisions of Sections 57-26-1 through 57-26-5, shall be
1873 deposited, after the diversions required in subsections (7) and
1874 (8) of this section, into the Tourism Project Sales Tax Incentive
1875 Fund created in Section 57-26-3.

1876 (17) Notwithstanding any other provision of this section to
1877 the contrary, on or before April 15, 2002, and each succeeding
1878 month thereafter, the sales tax revenue collected during the
1879 preceding month under Section 27-65-23 on sales of parking
1880 services of parking garages and lots at airports shall be
1881 deposited, without diversion, into the special fund created under
1882 Section 27-5-101(d).

1883 (18) [Repealed]

1884 (19) (a) On or before August 15, 2005, and each succeeding
1885 month thereafter, the sales tax revenue collected during the
1886 preceding month under the provisions of this chapter on the gross
1887 proceeds of sales of a business enterprise located within a
1888 redevelopment project area under the provisions of Sections



1889 57-91-1 through 57-91-11, and the revenue collected on the gross
1890 proceeds of sales from sales made to a business enterprise located
1891 in a redevelopment project area under the provisions of Sections
1892 57-91-1 through 57-91-11 (provided that such sales made to a
1893 business enterprise are made on the premises of the business
1894 enterprise), shall, except as otherwise provided in this
1895 subsection (19), be deposited, after all diversions, into the
1896 Redevelopment Project Incentive Fund as created in Section
1897 57-91-9.

1898 (b) For a municipality participating in the Economic
1899 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1900 the diversion provided for in subsection (1) of this section
1901 attributable to the gross proceeds of sales of a business
1902 enterprise located within a redevelopment project area under the
1903 provisions of Sections 57-91-1 through 57-91-11, and attributable
1904 to the gross proceeds of sales from sales made to a business
1905 enterprise located in a redevelopment project area under the
1906 provisions of Sections 57-91-1 through 57-91-11 (provided that
1907 such sales made to a business enterprise are made on the premises
1908 of the business enterprise), shall be deposited into the
1909 Redevelopment Project Incentive Fund as created in Section
1910 57-91-9, as follows:

1911 (i) For the first six (6) years in which payments
1912 are made to a developer from the Redevelopment Project Incentive



1913 Fund, one hundred percent (100%) of the diversion shall be
1914 deposited into the fund;

1915 (ii) For the seventh year in which such payments
1916 are made to a developer from the Redevelopment Project Incentive
1917 Fund, eighty percent (80%) of the diversion shall be deposited
1918 into the fund;

1919 (iii) For the eighth year in which such payments
1920 are made to a developer from the Redevelopment Project Incentive
1921 Fund, seventy percent (70%) of the diversion shall be deposited
1922 into the fund;

1923 (iv) For the ninth year in which such payments are
1924 made to a developer from the Redevelopment Project Incentive Fund,
1925 sixty percent (60%) of the diversion shall be deposited into the
1926 fund; and

1927 (v) For the tenth year in which such payments are
1928 made to a developer from the Redevelopment Project Incentive Fund,
1929 fifty percent (50%) of the funds shall be deposited into the fund.

1930 (20) On or before January 15, 2007, and each succeeding
1931 month thereafter, eighty percent (80%) of the sales tax revenue
1932 collected during the preceding month under the provisions of this
1933 chapter from the operation of a tourism project under the
1934 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
1935 after the diversions required in subsections (7) and (8) of this
1936 section, into the Tourism Sales Tax Incentive Fund created in
1937 Section 57-28-3.



1938 (21) (a) On or before April 15, 2007, and each succeeding
1939 month thereafter through June 15, 2013, One Hundred Fifty Thousand
1940 Dollars (\$150,000.00) of the sales tax revenue collected during
1941 the preceding month under the provisions of this chapter shall be
1942 deposited into the MMEIA Tax Incentive Fund created in Section
1943 57-101-3.

1944 (b) On or before July 15, 2013, and each succeeding
1945 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
1946 of the sales tax revenue collected during the preceding month
1947 under the provisions of this chapter shall be deposited into the
1948 Mississippi Development Authority Job Training Grant Fund created
1949 in Section 57-1-451.

1950 (22) Notwithstanding any other provision of this section to
1951 the contrary, on or before August 15, 2009, and each succeeding
1952 month thereafter, the sales tax revenue collected during the
1953 preceding month under the provisions of Section 27-65-201 shall be
1954 deposited, without diversion, into the Motor Vehicle Ad Valorem
1955 Tax Reduction Fund established in Section 27-51-105.

1956 (23) (a) On or before August 15, 2019, and each month
1957 thereafter through July 15, 2020, one percent (1%) of the total
1958 sales tax revenue collected during the preceding month from
1959 restaurants and hotels shall be allocated for distribution to the
1960 Mississippi Development Authority Tourism Advertising Fund
1961 established under Section 57-1-64, to be used exclusively for the
1962 purpose stated therein. On or before August 15, 2020, and each



1963 month thereafter through July 15, 2021, two percent (2%) of the
1964 total sales tax revenue collected during the preceding month from
1965 restaurants and hotels shall be allocated for distribution to the
1966 Mississippi Development Authority Tourism Advertising Fund
1967 established under Section 57-1-64, to be used exclusively for the
1968 purpose stated therein. On or before August 15, 2021, and each
1969 month thereafter, three percent (3%) of the total sales tax
1970 revenue collected during the preceding month from restaurants and
1971 hotels shall be allocated for distribution to the Mississippi
1972 Development Authority Tourism Advertising Fund established under
1973 Section 57-1-64, to be used exclusively for the purpose stated
1974 therein. The revenue diverted pursuant to this subsection shall
1975 not be available for expenditure until February 1, 2020.

1976 (b) The Joint Legislative Committee on Performance
1977 Evaluation and Expenditure Review (PEER) must provide an annual
1978 report to the Legislature indicating the amount of funds deposited
1979 into the Mississippi Development Authority Tourism Advertising
1980 Fund established under Section 57-1-64, and a detailed record of
1981 how the funds are spent.

1982 (24) (a) Notwithstanding any other provision of this
1983 section to the contrary, on or before September 15, 2021, and each
1984 succeeding month thereafter through February 15, 2022, (a) the
1985 total sales tax revenue collected during the preceding month under
1986 the provisions of Sections 27-65-17(1) (a), 27-65-19, 27-65-22,
1987 27-65-23(1), 27-65-25 and 27-65-26, from the amount of the



1988 increases to tax rates under such sections as provided in House
1989 Bill No. , 2021 Regular Session, shall be deposited, without
1990 diversion, into the Budget Stabilization Fund created in Section
1991 17 of this act, and (b) the total sales tax revenue collected
1992 during the preceding month under the provisions of Sections
1993 27-65-17(1) (b), (c), (d), (e), (f), (g), (h), (l) and (m),
1994 27-65-20, 27-65-21, 27-65-23(2) and (3) and 27-65-201, from the
1995 amount of the increases to tax rates under such sections as
1996 provided in House Bill No. , 2021 Regular Session, shall be
1997 deposited, without diversion, into the State Treasury to the
1998 credit of the General Fund. Notwithstanding any other provision
1999 of this section to the contrary, on or before March 15, 2022, and
2000 each succeeding month thereafter, the total sales tax revenue
2001 collected during the preceding month under the provisions of
2002 Sections 27-65-17, 27-65-19, 27-65-20, 27-65-21, 27-65-22,
2003 27-65-23, 27-65-25, 27-65-26 and 27-65-201, from the amount of the
2004 increases to tax rates under such sections as provided in House
2005 Bill No. , 2021 Regular Session, shall be deposited, without
2006 diversion, into the State Treasury to the credit of the General
2007 Fund.

2008 (b) The provisions of this subsection (24) shall supersede
2009 and control over any other provisions of this section providing
2010 for the distribution of revenue under this section.



2011 (* * * 25) The remainder of the amounts collected under the
2012 provisions of this chapter shall be paid into the State Treasury
2013 to the credit of the General Fund.

2014 (* * * 26) (a) It shall be the duty of the municipal
2015 officials of any municipality that expands its limits, or of any
2016 community that incorporates as a municipality, to notify the
2017 commissioner of that action thirty (30) days before the effective
2018 date. Failure to so notify the commissioner shall cause the
2019 municipality to forfeit the revenue that it would have been
2020 entitled to receive during this period of time when the
2021 commissioner had no knowledge of the action.

2022 (b) (i) Except as otherwise provided in subparagraph
2023 (ii) of this paragraph, if any funds have been erroneously
2024 disbursed to any municipality or any overpayment of tax is
2025 recovered by the taxpayer, the commissioner may make correction
2026 and adjust the error or overpayment with the municipality by
2027 withholding the necessary funds from any later payment to be made
2028 to the municipality.

2029 (ii) Subject to the provisions of Sections
2030 27-65-51 and 27-65-53, if any funds have been erroneously
2031 disbursed to a municipality under subsection (1) of this section
2032 for a period of three (3) years or more, the maximum amount that
2033 may be recovered or withheld from the municipality is the total
2034 amount of funds erroneously disbursed for a period of three (3)
2035 years beginning with the date of the first erroneous disbursement.



2036 However, if during such period, a municipality provides written
2037 notice to the Department of Revenue indicating the erroneous
2038 disbursement of funds, then the maximum amount that may be
2039 recovered or withheld from the municipality is the total amount of
2040 funds erroneously disbursed for a period of one (1) year beginning
2041 with the date of the first erroneous disbursement.

2042 **SECTION 12.** Section 27-67-31, Mississippi Code of 1972, is
2043 amended as follows:

2044 27-67-31. All administrative provisions of the sales tax
2045 law, and amendments thereto, including those which fix damages,
2046 penalties and interest for failure to comply with the provisions
2047 of said sales tax law, and all other requirements and duties
2048 imposed upon taxpayer, shall apply to all persons liable for use
2049 taxes under the provisions of this article. The commissioner
2050 shall exercise all power and authority and perform all duties with
2051 respect to taxpayers under this article as are provided in said
2052 sales tax law, except where there is conflict, then the provisions
2053 of this article shall control.

2054 The commissioner may require transportation companies to
2055 permit the examination of waybills, freight bills, or other
2056 documents covering shipments of tangible personal property into
2057 this state.

2058 On or before the fifteenth day of each month, the amount
2059 received from taxes, damages and interest under the provisions of



2060 this article during the preceding month shall be paid and
2061 distributed as follows:

2062 (a) On or before July 15, 1994, through July 15, 2000,
2063 and each succeeding month thereafter, two and two hundred
2064 sixty-six one-thousandths percent (2.266%) of the total use tax
2065 revenue collected during the preceding month under the provisions
2066 of this article shall be deposited in the School Ad Valorem Tax
2067 Reduction Fund created pursuant to Section 37-61-35. On or before
2068 August 15, 2000, and each succeeding month thereafter, two and two
2069 hundred sixty-six one-thousandths percent (2.266%) of the total
2070 use tax revenue collected during the preceding month under the
2071 provisions of this chapter shall be deposited into the School Ad
2072 Valorem Tax Reduction Fund created under Section 37-61-35 until
2073 such time that the total amount deposited into the fund during a
2074 fiscal year equals Four Million Dollars (\$4,000,000.00).
2075 Thereafter, the amounts diverted under this paragraph (a) during
2076 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
2077 shall be deposited into the Education Enhancement Fund created
2078 under Section 37-61-33 for appropriation by the Legislature as
2079 other education needs and shall not be subject to the percentage
2080 appropriation requirements set forth in Section 37-61-33.

2081 (b) On or before July 15, 1994, and each succeeding
2082 month thereafter, nine and seventy-three one-thousandths percent
2083 (9.073%) of the total use tax revenue collected during the
2084 preceding month under the provisions of this article shall be



2085 deposited into the Education Enhancement Fund created pursuant to
2086 Section 37-61-33.

2087 (c) On or before July 15, 1997, and on or before the
2088 fifteenth day of each succeeding month thereafter, the revenue
2089 collected under the provisions of this article imposed and levied
2090 as a result of Section 27-65-17(2) and the corresponding levy in
2091 Section 27-65-23 on the rental or lease of private carriers of
2092 passengers and light carriers of property as defined in Section
2093 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2094 Reduction Fund created pursuant to Section 27-51-105.

2095 (d) On or before July 15, 1997, and on or before the
2096 fifteenth day of each succeeding month thereafter and after the
2097 deposits required by paragraphs (a) and (b) of this section are
2098 made, the remaining revenue collected under the provisions of this
2099 article imposed and levied as a result of Section 27-65-17(1) and
2100 the corresponding levy in Section 27-65-23 on the rental or lease
2101 of private carriers of passengers and light carriers of property
2102 as defined in Section 27-51-101 shall be deposited into the Motor
2103 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2104 27-51-105.

2105 (e) On or before August 15, 2019, and each succeeding
2106 month thereafter through July 15, 2020, three and three-fourths
2107 percent (3-3/4%) of the total use tax revenue collected during the
2108 preceding month under the provisions of this article shall be
2109 deposited into the special fund created in Section 27-67-35(1).



2110 On or before August 15, 2020, and each succeeding month thereafter
2111 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2112 total use tax revenue collected during the preceding month under
2113 the provisions of this article shall be deposited into the special
2114 fund created in Section 27-67-35(1). On or before August 15,
2115 2021, and each succeeding month thereafter through July 15, 2022,
2116 eleven and one-fourth percent (11-1/4%) of the total use tax
2117 revenue collected during the preceding month under the provisions
2118 of this article shall be deposited into the special fund created
2119 in Section 27-67-35(1). On or before August 15, 2022, and each
2120 succeeding month thereafter, fifteen percent (15%) of the total
2121 use tax revenue collected during the preceding month under the
2122 provisions of this article shall be deposited into the special
2123 fund created in Section 27-67-35(1).

2124 (f) On or before August 15, 2019, and each succeeding
2125 month thereafter through July 15, 2020, three and three-fourths
2126 percent (3-3/4%) of the total use tax revenue collected during the
2127 preceding month under the provisions of this article shall be
2128 deposited into the special fund created in Section 27-67-35(2).

2129 On or before August 15, 2020, and each succeeding month thereafter
2130 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2131 total use tax revenue collected during the preceding month under
2132 the provisions of this article shall be deposited into the special
2133 fund created in Section 27-67-35(2). On or before August 15,
2134 2021, and each succeeding month thereafter through July 15, 2022,



2135 eleven and one-fourth percent (11-1/4%) of the total use tax
2136 revenue collected during the preceding month under the provisions
2137 of this article shall be deposited into the special fund created
2138 in Section 27-67-35(2). On or before August 15, 2022, and each
2139 succeeding month thereafter, fifteen percent (15%) of the total
2140 use tax revenue collected during the preceding month under the
2141 provisions of this article shall be deposited into the special
2142 fund created in Section 27-67-35(2).

2143 (g) On or before August 15, 2019, and each succeeding
2144 month thereafter through July 15, 2020, Four Hundred Sixteen
2145 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2146 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2147 use tax revenue collected during the preceding month under the
2148 provisions of this article, whichever is the greater amount, shall
2149 be deposited into the Local System Bridge Replacement and
2150 Rehabilitation Fund created in Section 65-37-13. On or before
2151 August 15, 2020, and each succeeding month thereafter through July
2152 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2153 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2154 and one-half percent (2-1/2%) of the total use tax revenue
2155 collected during the preceding month under the provisions of this
2156 article, whichever is the greater amount, shall be deposited into
2157 the Local System Bridge Replacement and Rehabilitation Fund
2158 created in Section 65-37-13. On or before August 15, 2021, and
2159 each succeeding month thereafter through July 15, 2022, One



2160 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2161 three and three-fourths percent (3-3/4%) of the total use tax
2162 revenue collected during the preceding month under the provisions
2163 of this article, whichever is the greater amount, shall be
2164 deposited into the Local System Bridge Replacement and
2165 Rehabilitation Fund created in Section 65-37-13. On or before
2166 August 15, 2022, and each succeeding month thereafter, One Million
2167 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and
2168 Sixty-seven Cents (\$1,666,666.67) or five percent (5%) of the
2169 total use tax revenue collected during the preceding month under
2170 the provisions of this article, whichever is the greater amount,
2171 shall be deposited into the Local System Bridge Replacement and
2172 Rehabilitation Fund created in Section 65-37-13.

2173 (h) On or before August 15, 2020, and each succeeding
2174 month thereafter through July 15, 2022, One Million Dollars
2175 (\$1,000,000.00) of the total use tax revenue collected during the
2176 preceding month under the provisions of this article shall be
2177 deposited into the Local System Bridge Replacement and
2178 Rehabilitation Fund created in Section 65-37-13. Amounts
2179 deposited into the Local System Bridge Replacement and
2180 Rehabilitation Fund under this paragraph (h) shall be in addition
2181 to amounts deposited into the fund under paragraph (g) of this
2182 section.

2183 (i) Notwithstanding any other provision of this section
2184 to the contrary, on or before September 15, 2021, and each



2185 succeeding month thereafter through February 15, 2022, (i) the
2186 total use tax revenue collected during the preceding month under
2187 the provisions of this article as a result of the increases to tax
2188 rates under Sections 27-65-17(1)(a), 27-65-25 and 27-65-26, as
2189 provided in House Bill No. , 2021 Regular Session, shall be
2190 deposited, without diversion, into the Budget Stabilization Fund
2191 created in Section 17 of this act, and (ii) the total use tax
2192 revenue collected during the preceding month under the provisions
2193 of this article as a result of the increases to tax rates under
2194 Sections 27-65-17(1)(b), (c), (d), (e), (f), (g), (h), (l) and (m)
2195 and 27-65-20, as provided in House Bill No. , 2021 Regular
2196 Session, shall be deposited, without diversion, into the State
2197 Treasury to the credit of the General Fund. Notwithstanding any
2198 other provision of this section to the contrary, on or before
2199 March 15, 2022, and each succeeding month thereafter, the total
2200 use tax revenue collected during the preceding month under the
2201 provisions of this article as a result of the increases to tax
2202 rates under Sections 27-65-17, 27-65-20, 27-65-25 and 27-65-26, as
2203 provided in House Bill No. , 2021 Regular Session, shall be
2204 shall be deposited, without diversion, into the State Treasury to
2205 the credit of the General Fund.

2206 The provisions of this paragraph (i) shall supersede and
2207 control over any other provisions of this section providing for
2208 the distribution of revenue under this section.



2209 **SECTION 13.** Section 27-65-241, Mississippi Code of 1972, is
2210 amended as follows:

2211 27-65-241. (1) As used in this section, the following terms
2212 shall have the meanings ascribed to them in this section unless
2213 otherwise clearly indicated by the context in which they are used:

2214 (a) "Hotel" or "motel" means and includes a place of
2215 lodging that at any one time will accommodate transient guests on
2216 a daily or weekly basis and that is known to the trade as such.
2217 Such terms shall not include a place of lodging with ten (10) or
2218 less rental units.

2219 (b) "Municipality" means any municipality in the State
2220 of Mississippi with a population of one hundred fifty thousand
2221 (150,000) or more according to the most recent federal decennial
2222 census.

2223 (c) "Restaurant" means and includes all places where
2224 prepared food is sold and whose annual gross proceeds of sales or
2225 gross income for the preceding calendar year equals or exceeds One
2226 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
2227 shall not include any nonprofit organization that is exempt from
2228 federal income taxation under Section 501(c)(3) of the Internal
2229 Revenue Code. For the purpose of calculating gross proceeds of
2230 sales or gross income, the sales or income of all establishments
2231 owned, operated or controlled by the same person, persons or
2232 corporation shall be aggregated.



2233 (2) (a) Subject to the provisions of this section, the
2234 governing authorities of a municipality may impose upon all
2235 persons as a privilege for engaging or continuing in business or
2236 doing business within such municipality, a special sales tax at
2237 the rate of not more than one percent (1%) of the gross proceeds
2238 of sales or gross income of the business, as the case may be,
2239 derived from any of the activities taxed at the rate of * * * nine
2240 and one-half percent (9-1/2%) or more under the Mississippi Sales
2241 Tax Law, Section 27-65-1 et seq.

2242 (b) The tax levied under this section shall apply to
2243 every person making sales of tangible personal property or
2244 services within the municipality but shall not apply to:

2245 (i) Sales exempted by Sections 27-65-19,
2246 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
2247 27-65-111 of the Mississippi Sales Tax Law;

2248 (ii) Gross proceeds of sales or gross income of
2249 restaurants derived from the sale of food and beverages;

2250 (iii) Gross proceeds of sales or gross income of
2251 hotels and motels derived from the sale of hotel rooms and motel
2252 rooms for lodging purposes;

2253 (iv) Retail sales of food for human consumption
2254 not purchased with food stamps issued by the United States
2255 Department of Agriculture, or other federal agency, but which
2256 would be exempt under Section 27-65-111(o) from the taxes imposed
2257 by this chapter if the food items were purchased with food stamps;



2258 (v) Gross income of businesses engaging or
2259 continuing in the business of TV cable systems, subscription TV
2260 services, and other similar activities, including, but not limited
2261 to, cable Internet services;

2262 (vi) Wholesale sales of food and drink for human
2263 consumption sold to full service vending machine operators; and

2264 (vii) Wholesale sales of light wine, light spirit
2265 product, beer and alcoholic beverages.

2266 (3) (a) Before any tax authorized under this section may be
2267 imposed, the governing authorities of the municipality shall adopt
2268 a resolution declaring its intention to levy the tax, setting
2269 forth the amount of the tax to be imposed, the purposes for which
2270 the revenue collected pursuant to the tax levy may be used and
2271 expended, the date upon which the tax shall become effective, the
2272 date upon which the tax shall be repealed, and calling for an
2273 election to be held on the question. The date of the election
2274 shall be set in the resolution. Notice of the election shall be
2275 published once each week for at least three (3) consecutive weeks
2276 in a newspaper published or having a general circulation in the
2277 municipality, with the first publication of the notice to be made
2278 not less than twenty-one (21) days before the date fixed in the
2279 resolution for the election and the last publication to be made
2280 not more than seven (7) days before the election. At the
2281 election, all qualified electors of the municipality may vote.
2282 The ballots used at the election shall have printed thereon a



2283 brief description of the sales tax, the amount of the sales tax
2284 levy, a description of the purposes for which the tax revenue may
2285 be used and expended and the words "FOR THE LOCAL SALES TAX" and
2286 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
2287 a cross (X) or check mark (√) opposite his choice on the
2288 proposition. When the results of the election have been canvassed
2289 by the election commissioners of the municipality and certified by
2290 them to the governing authorities, it shall be the duty of such
2291 governing authorities to determine and adjudicate whether at least
2292 three-fifths (3/5) of the qualified electors who voted in the
2293 election voted in favor of the tax. If at least three-fifths
2294 (3/5) of the qualified electors who voted in the election voted in
2295 favor of the tax, the governing authorities shall adopt a
2296 resolution declaring the levy and collection of the tax provided
2297 in this section and shall set the first day of the second month
2298 following the date of such adoption as the effective date of the
2299 tax levy. A certified copy of this resolution, together with the
2300 result of the election, shall be furnished to the Department of
2301 Revenue not less than thirty (30) days before the effective date
2302 of the levy.

2303 (b) A municipality shall not hold more than two (2)
2304 elections under this subsection.

2305 (4) The revenue collected pursuant to the tax levy imposed
2306 under this section may be expended to pay the cost of road and
2307 street repair, reconstruction and resurfacing projects based on



2308 traffic patterns, need and usage, and to pay the costs of water,
2309 sewer and drainage projects in accordance with a master plan
2310 adopted by the department established pursuant to subsection (7).

2311 (5) (a) The special sales tax authorized by this section
2312 shall be collected by the Department of Revenue, shall be
2313 accounted for separately from the amount of sales tax collected
2314 for the state in the municipality and shall be paid to the
2315 municipality. The Department of Revenue may retain one percent
2316 (1%) of the proceeds of such tax for the purpose of defraying the
2317 costs incurred by the department in the collection of the tax.
2318 Payments to the municipality shall be made by the Department of
2319 Revenue on or before the fifteenth day of the month following the
2320 month in which the tax was collected.

2321 (b) The proceeds of the special sales tax shall be
2322 placed into a special municipal fund apart from the municipal
2323 general fund and any other funds of the municipality, and shall be
2324 expended by the municipality solely for the purposes authorized in
2325 subsection (4) of this section. The records reflecting the
2326 receipts and expenditures of the revenue from the special sales
2327 tax shall be audited annually by an independent certified public
2328 accountant. The accountant shall make a report of his findings to
2329 the governing authorities of the municipality and file a copy of
2330 his report with the Secretary of the Senate and the Clerk of the
2331 House of Representatives. The audit shall be made and completed
2332 as soon as practical after the close of the fiscal year of the



2333 municipality, and expenses of the audit shall be paid from the
2334 funds derived by the municipality pursuant to this section.

2335 (c) All provisions of the Mississippi Sales Tax Law
2336 applicable to filing of returns, discounts to the taxpayer,
2337 remittances to the Department of Revenue, enforced collection,
2338 rights of taxpayers, recovery of improper taxes, refunds of
2339 overpaid taxes or other provisions of law providing for imposition
2340 and collection of the state sales tax shall apply to the special
2341 sales tax authorized by this section, except where there is a
2342 conflict, in which case the provisions of this section shall
2343 control. Any damages, penalties or interest collected for the
2344 nonpayment of taxes imposed under this section, or for
2345 noncompliance with the provisions of this section, shall be paid
2346 to the municipality on the same basis and in the same manner as
2347 the tax proceeds. Any overpayment of tax for any reason that has
2348 been disbursed to a municipality or any payment of the tax to a
2349 municipality in error may be adjusted by the Department of Revenue
2350 on any subsequent payment to the municipality pursuant to the
2351 provisions of the Mississippi Sales Tax Law. The Department of
2352 Revenue may, from time to time, make such rules and regulations
2353 not inconsistent with this section as may be deemed necessary to
2354 carry out the provisions of this section, and such rules and
2355 regulations shall have the full force and effect of law.

2356 (6) If a municipality expands its corporate boundaries, the
2357 governing authorities of the municipality may not impose the



2358 special sales tax in the annexed area unless the tax is approved
2359 at an election conducted, as far as is practicable, in the manner
2360 provided in subsection (3) of this section, except that only
2361 qualified electors in the annexed area may vote in the election.

2362 (7) (a) Any municipality that levies the special sales tax
2363 authorized under this section shall establish a commission as
2364 provided for in this section. Expenditures of revenue from the
2365 special sales tax authorized by this section shall be in
2366 accordance with a master plan adopted by the commission pursuant
2367 to this subsection.

2368 (b) The commission shall be composed of ten (10) voting
2369 members who shall be known as commissioners appointed as follows:

2370 (i) Four (4) members representing the business
2371 community in the municipality appointed by the local chamber of
2372 commerce for initial terms of one (1), two (2), four (4) and five
2373 (5) years respectively. The members appointed pursuant to this
2374 paragraph shall be persons who represent businesses located within
2375 the city limits of the municipality.

2376 (ii) Three (3) members shall be appointed at large
2377 by the mayor of the municipality, with the advice and consent of
2378 the legislative body of the municipality, for initial terms of two
2379 (2), three (3) and four (4) years respectively. All appointments
2380 made by the mayor pursuant to this paragraph shall be residents of
2381 the municipality.



2382 (iii) One (1) member shall be appointed at large
2383 by the Governor for an initial term of four (4) years. All
2384 appointments made by the Governor pursuant to this paragraph shall
2385 be residents of the municipality.

2386 (iv) One (1) member shall be appointed at large by
2387 the Lieutenant Governor for an initial term of four (4) years.
2388 All appointments made by the Lieutenant Governor pursuant to this
2389 paragraph shall be residents of the municipality.

2390 (v) One (1) member shall be appointed at large by
2391 the Speaker of the House of Representatives for a term of four (4)
2392 years. All appointments made by the Speaker of the House of
2393 Representatives pursuant to this paragraph shall be residents of
2394 the municipality.

2395 (c) The terms of all appointments made subsequent to
2396 the initial appointment shall be made for five (5) years. Any
2397 vacancy which may occur shall be filled in the same manner as the
2398 original appointment and shall be made for the unexpired term.
2399 Each member of the commission shall serve until his successor is
2400 appointed and qualified.

2401 (d) The mayor of the municipality shall designate a
2402 chairman of the commission from among the membership of the
2403 commission. The vice chairman and secretary shall be elected by
2404 the commission from among the membership of the commission for a
2405 term of two (2) years. The vice chairman and secretary may be
2406 reelected, and the chairman may be reappointed.



2407 (e) The commissioners shall serve without compensation.

2408 (f) Any commissioner shall be disqualified and shall be
2409 removed from office for either of the following reasons:

2410 (i) Conviction of a felony in any state court or
2411 in federal court; or

2412 (ii) Failure to attend three (3) consecutive
2413 meetings without just cause.

2414 If a commissioner is removed for any of the above reasons,
2415 the vacancy shall be filled in the manner prescribed in this
2416 section and shall be made for the unexpired term.

2417 (g) A quorum shall consist of six (6) voting members of
2418 the commission. The commission shall adopt such rules and
2419 regulations as may govern the time and place for holding meetings,
2420 regular and special.

2421 (h) The commission shall, with input from the
2422 municipality, establish a master plan for road and street repair,
2423 reconstruction and resurfacing projects based on traffic patterns,
2424 need and usage, and for water, sewer and drainage projects.
2425 Expenditures of the revenue from the tax authorized to be imposed
2426 pursuant to this section shall be made at the discretion of the
2427 governing authorities of the municipality if the expenditures
2428 comply with the master plan. The commission shall monitor the
2429 compliance of the municipality with the master plan.

2430 (8) The governing authorities of any municipality that
2431 levies the special sales tax authorized under this section are



2432 authorized to incur debt, including bonds, notes or other
2433 evidences of indebtedness, for the purpose of paying the costs of
2434 road and street repair, reconstruction and resurfacing projects
2435 based on traffic patterns, need and usage, and to pay the costs of
2436 water, sewer and drainage projects in accordance with a master
2437 plan adopted by the commission established pursuant to subsection
2438 (7) of this section. Any bonds or notes issued to pay such costs
2439 may be secured by the proceeds of the special sales tax levied
2440 pursuant to this section or may be general obligations of the
2441 municipality and shall satisfy the requirements for the issuance
2442 of debt provided by Sections 21-33-313 through 21-33-323.

2443 (9) This section shall stand repealed from and after July 1,
2444 2035.

2445 **SECTION 14.** Section 27-69-3, Mississippi Code of 1972, is
2446 amended as follows:

2447 27-69-3. When used in this chapter:

2448 (a) "State" means the State of Mississippi as
2449 geographically defined, and any and all waters under the
2450 jurisdiction of the State of Mississippi.

2451 (b) "State Auditor" means the Auditor of Public
2452 Accounts of the State of Mississippi, or his legally appointed
2453 deputy, clerk or agent.

2454 (c) "Commissioner" means the Commissioner of Revenue of
2455 the Department of Revenue, and his authorized agents and
2456 employees.



2457 (d) "Person" means any individual, company,
2458 corporation, partnership, association, joint venture, estate,
2459 trust, or any other group, or combination acting as a unit, and
2460 the plural as well as the singular, unless the intention to give a
2461 more limited meaning is disclosed by the context.

2462 (e) "Consumer" means a person who comes into possession
2463 of tobacco for the purpose of consuming it, giving it away, or
2464 disposing of it in any way by sale, barter or exchange.

2465 (f) "Tobacco" means any cigarettes, cigars, cheroots,
2466 stogies, smoking tobacco (including granulated, plug cut, crimp
2467 cut, ready rubbed, and other kinds and forms of tobacco, or
2468 substitutes therefor, prepared in such manner as to be suitable
2469 for smoking in a pipe or cigarette) and including plug and twist
2470 chewing tobacco and snuff, when such "tobacco" is manufactured and
2471 prepared for sale or personal consumption, or any other product
2472 containing, made of, or derived from tobacco or nicotine that is
2473 intended for human consumption or is likely to be consumed,
2474 whether inhaled, absorbed, or ingested by any means; any
2475 substances that may be aerosolized or vaporized by any device,
2476 including any component, part, or accessory thereof, whether or
2477 not any of these contain tobacco or nicotine, including, but not
2478 limited to, filters, rolling papers, blunt or hemp wraps, and
2479 pipes. The term "tobacco" also means and includes alternative
2480 nicotine products and electronic cigarettes as defined in Section
2481 97-32-51. All words used herein shall be given the meaning as



2482 defined in the regulations of the Treasury Department of the
2483 United States of America.

2484 (g) "First sale" means and includes the first sale, or
2485 distribution of such tobacco in intrastate commerce, or the first
2486 use or consumption of such tobacco within this state.

2487 (h) "Drop shipment" means and includes any delivery of
2488 tobacco received by any person within this state, when payment for
2489 such tobacco is made to the shipper, or seller by or through a
2490 person other than a consignee.

2491 (i) "Distributor" includes every person, except
2492 retailers as defined herein, in the state who manufactures or
2493 produces tobacco or who ships, transports, or imports into this
2494 state, or in any manner acquires or possesses tobacco, and makes a
2495 first sale of the same in the state.

2496 (j) "Wholesaler" includes dealers, whose principal
2497 business is that of a wholesale dealer or jobber, who is known to
2498 the retail trade as such, and whose place of business is located
2499 in Mississippi or in a state which affords reciprocity to
2500 wholesalers domiciled in Mississippi, who shall sell any taxable
2501 tobacco to retail dealers only for the purpose of resale.

2502 (k) "Retailer" includes every person, other than a
2503 wholesale dealer, as defined above, whose principal business is
2504 that of selling merchandise at retail, who shall sell, or offer
2505 for sale tobacco to the consumer. The sale of tobacco in quantity
2506 lots by retailers to other retailers, transient vendors, or other



2507 persons, shall not be construed as wholesale and shall not qualify
2508 such retailer for a permit as a wholesaler.

2509 (l) "Dealer" includes every person, firm, corporation
2510 or association of persons, except retailers as defined herein, who
2511 manufacture tobacco for distribution, for sale, for use or for
2512 consumption in the State of Mississippi.

2513 The word "dealer" is further defined to mean any person,
2514 firm, corporation or association of persons, except retailers as
2515 defined herein, who imports tobacco from any state or foreign
2516 country for distribution, sale, use, or consumption in the State
2517 of Mississippi.

2518 (m) "Distributing agent" includes every person in the
2519 state who acts as an agent of any person outside the State of
2520 Mississippi, by receiving tobacco in interstate commerce, and
2521 storing such tobacco in this state subject to distribution, or
2522 delivery upon order from the person outside the state to
2523 distributors, wholesalers, retailers and dealers.

2524 (n) "Transient vendor" means and includes every person
2525 commonly and generally termed "peddlers" and every person acting
2526 for himself, or as an agent, employee, salesman, or in any
2527 capacity for another, whether as owner, bailee, or other custodian
2528 of tobacco, and going from person to person, dealer to dealer,
2529 house to house, or place to place, and selling or offering for
2530 sale at retail or wholesale tobacco, and every person who does not
2531 keep a regular place of business open at all times in regular



2532 hours, and every person who goes from person to person, dealer to
2533 dealer, house to house, or place to place, and sells or offers for
2534 sale tobacco which he carries with him, and who delivers the same
2535 at the time of, or immediately after the sale, or without
2536 returning to the place of business operations (a permanent place
2537 of business within the state) between the taking of the order and
2538 the delivery of the tobacco, or

2539 All persons who go from person to person, house to house,
2540 place to place, or dealer to dealer, soliciting orders by
2541 exhibiting samples, or taking orders, and thereafter making
2542 delivery of tobacco, or filling the order without carrying or
2543 sending the order to the permanent place of business, and
2544 thereafter making delivery of the tobacco pursuant to the terms of
2545 the order, or

2546 All persons who go from person to person, place to place,
2547 house to house, or dealer to dealer, carrying samples and selling
2548 tobacco from samples, and afterwards making delivery without
2549 taking and sending an order therefor to a permanent place of
2550 business for the filling of the order, and delivery of the
2551 tobacco, or the exchange of tobacco having become damaged or
2552 unsalable, or the purchase by tobacco of advertising space, or

2553 All persons who have in their possession, or under their
2554 control, any tobacco offered, or to be offered for sale or to be
2555 delivered, unless the sale or delivery thereof is to be made in



2556 pursuance of a bona fide order for the tobacco, to be sold or
2557 delivered, the order to be evidenced by an invoice or memorandum.

2558 (o) "Contraband tobacco" means all tobacco found in the
2559 possession of any person whose permit to engage in dealing in
2560 tobacco has been revoked by the commissioner; and any cigarettes
2561 found in the possession of any person to which the proper tax
2562 stamps have not been affixed; and any cigarettes improperly
2563 stamped when found in the possession of any person; and all other
2564 tobacco upon which the excise tax has not been paid.

2565 (p) "Sale" means an exchange for money or goods, giving
2566 away, or distributing any tobacco as defined in this chapter.

2567 (q) "Forty-eight (48) hours" and "seventy-two (72)
2568 hours" means two (2) calendar days and three (3) calendar days,
2569 respectively, excluding Sundays and legal holidays.

2570 (r) "Stamp" or "stamping," or the import of such word,
2571 when used in this chapter, means any manner of stamp or impression
2572 permitted by the commissioner that carries out the purposes of the
2573 chapter in clearly indicating upon the packages of cigarettes
2574 taxed the due payment of the tax and clearly identifying, by
2575 serial number or otherwise, the permittee who affixed the stamp to
2576 the particular package.

2577 (s) "Manufacturer's list price" means the full sales
2578 price at which tobacco is sold or offered for sale by a
2579 manufacturer to the wholesaler or distributor in this state
2580 without any deduction for freight, trade discount, cash discounts,



2581 special discounts or deals, cash rebates, or any other reduction
2582 from the regular selling price. In the event freight charges on
2583 shipments to wholesalers or distributors are not paid by the
2584 manufacturer, then such freight charges required to be paid by the
2585 wholesalers and distributors shall be added to the amount paid to
2586 the manufacturer in order to determine "manufacturer's list
2587 price." In the case of a wholesaler or distributor whose place of
2588 business is located outside this state, the "manufacturer's list
2589 price" for tobacco sold in this state by such wholesaler or
2590 distributor shall in all cases be considered to be the same as
2591 that of a wholesaler or distributor located within this state.

2592 **SECTION 15.** Section 27-69-13, Mississippi Code of 1972, is
2593 amended as follows:

2594 27-69-13. There is hereby imposed, levied and assessed, to
2595 be collected and paid as hereinafter provided in this chapter, an
2596 excise tax on each person or dealer in cigarettes, cigars,
2597 stogies, snuff, chewing tobacco, and smoking tobacco, or
2598 substitutes therefor, upon the sale, use, consumption, handling or
2599 distribution in the State of Mississippi, as follows:

2600 (a) On cigarettes, the rate of tax shall be * * * Five
2601 and nine-tenths Cents (5.9¢) on each cigarette sold with a maximum
2602 length of one hundred twenty (120) millimeters; any cigarette in
2603 excess of this length shall be taxed as if it were two (2) or more
2604 cigarettes. Provided, however, if the federal tax rate on
2605 cigarettes in effect on June 1, 1985, is reduced, then the rate as



2606 provided herein shall be increased by the amount of the federal
2607 tax reduction. Such tax increase shall take effect on the first
2608 day of the month following the effective date of such reduction in
2609 the federal tax rate.

2610 (b) On cigars, cheroots, stogies, snuff, chewing and
2611 smoking tobacco and all other tobacco products except cigarettes,
2612 the rate of tax shall be * * * twenty-five percent (25%) of the
2613 manufacturer's list price.

2614 No stamp evidencing the tax herein levied on cigarettes shall
2615 be of a denomination of less than One Cent (1¢), and whenever the
2616 tax computed at the rates herein prescribed on cigarettes shall be
2617 a specified amount, plus a fractional part of One Cent (1¢), the
2618 package shall be stamped for the next full cent; however, the
2619 additional face value of stamps purchased to comply with taxes
2620 imposed by this section after June 1, 1985, shall be subject to a
2621 four percent (4%) discount or compensation to dealers for their
2622 services rather than the eight percent (8%) discount or
2623 compensation allowed by Section 27-69-31.

2624 Every wholesaler shall purchase stamps as provided in this
2625 chapter, and affix the same to all packages of cigarettes handled
2626 by him as herein provided.

2627 The above tax is levied upon the sale, use, gift, possession
2628 or consumption of tobacco within the State of Mississippi, and the
2629 impact of the tax levied by this chapter is hereby declared to be
2630 on the vendee, user, consumer or possessor of tobacco in this



2631 state; and when said tax is paid by any other person, such payment
2632 shall be considered as an advance payment and shall thereafter be
2633 added to the price of the tobacco and recovered from the ultimate
2634 consumer or user.

2635 **SECTION 16.** Section 27-69-75, Mississippi Code of 1972, is
2636 amended as follows:

2637 27-69-75. All taxes levied by this chapter shall be payable
2638 to the commissioner in cash, or by personal check, cashier's
2639 check, bank exchange, post office money order or express money
2640 order, and shall be deposited by the commissioner in the State
2641 Treasury on the same day collected. No remittance other than cash
2642 shall be a final discharge of liability for the tax herein
2643 assessed and levied, unless and until it has been paid in cash to
2644 the commissioner.

2645 Except as otherwise provided in this section, all tobacco
2646 taxes collected, including tobacco license taxes, shall be
2647 deposited into the State Treasury to the credit of the General
2648 Fund. On or before September 15, 2021, and each succeeding month
2649 thereafter through February 15, 2022, tobacco taxes collected
2650 during the preceding month under the provisions of this chapter
2651 from the increases to tax rates under Section 27-69-13 and as a
2652 result of the amendment to Section 27-69-3, as provided in House
2653 Bill No. , 2021 Regular Session, shall be deposited, without
2654 diversion, into the Budget Stabilization Fund created in Section
2655 17 of this act.



2656 Wholesalers who are entitled to purchase stamps at a
2657 discount, as provided by Section 27-69-31, may have consigned to
2658 them, without advance payment, such stamps, if and when such
2659 wholesaler shall give to the commissioner a good and sufficient
2660 bond executed by some surety company authorized to do business in
2661 this state, conditioned to secure the payment for the stamps so
2662 consigned. The commissioner shall require payment for such stamps
2663 not later than thirty (30) days from the date the stamps were
2664 consigned.

2665 **SECTION 17.** (1) There is hereby created in the State
2666 Treasury a special fund to be designated as the "Budget
2667 Stabilization Fund," which shall consist of funds made available
2668 by the Legislature in any manner and funds from any other source
2669 designated for deposit into such fund. Unexpended amounts
2670 remaining in the fund at the end of a fiscal year shall not lapse
2671 into the State General Fund, and any investment earnings or
2672 interest earned on amounts in the fund shall be deposited to the
2673 credit of the fund. Monies in the fund shall only be appropriated
2674 by the Legislature to further the purposes of Sections 1 through
2675 59 of this act.

2676 (2) Income tax paid during the months of January through
2677 June of Fiscal Year 2022 for calendar year 2021 on amounts up to
2678 Forty-seven Thousand Seven Hundred Dollars (\$47,700.00) for single
2679 individuals, Ninety-five Thousand Four Hundred Dollars
2680 (\$95,400.00) for married individuals, and Forty-six Thousand Six



2681 Hundred Dollars (\$46,600.00) for head of family individuals shall
2682 be deposited into the fund.

2683 **SECTION 18.** Section 27-7-5, Mississippi Code of 1972, is
2684 amended as follows:

2685 **[Until January 1 of the next succeeding year after the date**
2686 **that the Commissioner of Revenue certifies that the reduction in**
2687 **revenue mandated by Section 27-7-21(p) (i) equals or exceeds the**
2688 **remaining revenue produced by the individual income tax, this**
2689 **section shall read as follows:]**

2690 27-7-5. (1) There is hereby assessed and levied, to be
2691 collected and paid as hereinafter provided, for the calendar year
2692 1983 and fiscal years ending during the calendar year 1983 and all
2693 taxable years thereafter, upon the entire net income of every
2694 resident individual, corporation, association, trust or estate, in
2695 excess of the credits provided, a tax at the following rates:

2696 (a) (i) Through calendar year 2017, on the first Five
2697 Thousand Dollars (\$5,000.00) of taxable income, or any part
2698 thereof, the rate shall be three percent (3%);

2699 (ii) For calendar year 2018, on the first One
2700 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2701 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2702 taxable income, or any part thereof, the rate shall be three
2703 percent (3%);

2704 (iii) For calendar year 2019, on the first Two
2705 Thousand Dollars (\$2,000.00) of taxable income there shall be no



2706 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2707 taxable income, or any part thereof, the rate shall be three
2708 percent (3%);

2709 (iv) For calendar year 2020, on the first Three
2710 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2711 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2712 taxable income, or any part thereof, the rate shall be three
2713 percent (3%);

2714 (v) For calendar year 2021, on the first Four
2715 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2716 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2717 taxable income, or any part thereof, the rate shall be three
2718 percent (3%);

2719 (vi) For calendar year 2022 and all taxable years
2720 thereafter, there shall be no tax levied on the first Five
2721 Thousand Dollars (\$5,000.00) of taxable income;

2722 (b) On taxable income in excess of Five Thousand
2723 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2724 (\$10,000.00), or any part thereof, the rate shall be four percent
2725 (4%); and

2726 (c) On all taxable income in excess of Ten Thousand
2727 Dollars (\$10,000.00), the rate shall be five percent (5%).

2728 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2729 shall not be subject to the income tax imposed under this section.



2730 (3) A like tax is hereby imposed to be assessed, collected
2731 and paid annually, except as hereinafter provided, at the rate
2732 specified in this section and as hereinafter provided, upon and
2733 with respect to the entire net income, from all property owned or
2734 sold, and from every business, trade or occupation carried on in
2735 this state by individuals, corporations, partnerships, trusts or
2736 estates, not residents of the State of Mississippi.

2737 (4) In the case of taxpayers having a fiscal year beginning
2738 in a calendar year with a rate in effect that is different than
2739 the rate in effect for the next calendar year and ending in the
2740 next calendar year, the tax due for that taxable year shall be
2741 determined by:

2742 (a) Computing for the full fiscal year the amount of
2743 tax that would be due under the rates in effect for the calendar
2744 year in which the fiscal year begins; and

2745 (b) Computing for the full fiscal year the amount of
2746 tax that would be due under the rates in effect for the calendar
2747 year in which the fiscal year ends; and

2748 (c) Applying to the tax computed under paragraph (a)
2749 the ratio which the number of months falling within the earlier
2750 calendar year bears to the total number of months in the fiscal
2751 year; and

2752 (d) Applying to the tax computed under paragraph (b)
2753 the ratio which the number of months falling within the later



2754 calendar year bears to the total number of months within the
2755 fiscal year; and

2756 (e) Adding to the tax determined under paragraph (c)
2757 the tax determined under paragraph (d) the sum of which shall be
2758 the amount of tax due for the fiscal year.

2759 **[From and after January 1 of the next succeeding year after**
2760 **the date that the Commissioner of Revenue certifies that the**
2761 **reduction in revenue mandated by Section 27-7-21(p) (i) equals or**
2762 **exceeds the remaining revenue produced by the individual income**
2763 **tax, the individual income tax shall stand repealed and this**
2764 **section shall read as follows:]**

2765 27-7-5. (1) There is hereby assessed and levied, to be
2766 collected and paid as hereinafter provided, for the calendar year
2767 1983 and fiscal years ending during the calendar year 1983 and all
2768 taxable years thereafter, upon the entire net income of every
2769 resident * * * corporation * * * or association, * * * in excess
2770 of the credits provided, a tax at the following rates:

2771 (a) (i) Through calendar year 2017, on the first Five
2772 Thousand Dollars (\$5,000.00) of taxable income, or any part
2773 thereof, the rate shall be three percent (3%);

2774 (ii) For calendar year 2018, on the first One
2775 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2776 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2777 taxable income, or any part thereof, the rate shall be three
2778 percent (3%);



2779 (iii) For calendar year 2019, on the first Two
2780 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2781 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2782 taxable income, or any part thereof, the rate shall be three
2783 percent (3%);

2784 (iv) For calendar year 2020, on the first Three
2785 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2786 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2787 taxable income, or any part thereof, the rate shall be three
2788 percent (3%);

2789 (v) For calendar year 2021, on the first Four
2790 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2791 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2792 taxable income, or any part thereof, the rate shall be three
2793 percent (3%);

2794 (vi) For calendar year 2022 and all taxable years
2795 thereafter, there shall be no tax levied on the first Five
2796 Thousand Dollars (\$5,000.00) of taxable income;

2797 (b) On taxable income in excess of Five Thousand
2798 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2799 (\$10,000.00), or any part thereof, the rate shall be four percent
2800 (4%); and

2801 (c) On all taxable income in excess of Ten Thousand
2802 Dollars (\$10,000.00), the rate shall be five percent (5%).



2803 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2804 shall not be subject to the income tax imposed under this section.

2805 (3) A like tax is hereby imposed to be assessed, collected
2806 and paid annually, except as hereinafter provided, at the rate
2807 specified in this section and as hereinafter provided, upon and
2808 with respect to the entire net income, from all property owned or
2809 sold, and from every business, trade or occupation carried on in
2810 this state by * * * corporations, * * * not residents of the State
2811 of Mississippi.

2812 (4) In the case of taxpayers having a fiscal year beginning
2813 in a calendar year with a rate in effect that is different than
2814 the rate in effect for the next calendar year and ending in the
2815 next calendar year, the tax due for that taxable year shall be
2816 determined by:

2817 (a) Computing for the full fiscal year the amount of
2818 tax that would be due under the rates in effect for the calendar
2819 year in which the fiscal year begins; and

2820 (b) Computing for the full fiscal year the amount of
2821 tax that would be due under the rates in effect for the calendar
2822 year in which the fiscal year ends; and

2823 (c) Applying to the tax computed under paragraph (a)
2824 the ratio which the number of months falling within the earlier
2825 calendar year bears to the total number of months in the fiscal
2826 year; and



2827 (d) Applying to the tax computed under paragraph (b)
2828 the ratio which the number of months falling within the later
2829 calendar year bears to the total number of months within the
2830 fiscal year; and

2831 (e) Adding to the tax determined under paragraph (c)
2832 the tax determined under paragraph (d) the sum of which shall be
2833 the amount of tax due for the fiscal year.

2834 **SECTION 19.** Section 27-7-3, Mississippi Code of 1972, is
2835 brought forward as follows:

2836 27-7-3. When used in this article:

2837 (a) "Taxpayer" includes any individual, partnership,
2838 corporation, association, trust or estate, subject to a tax
2839 imposed hereunder, or whose income is, in whole or in part,
2840 subject to a tax imposed hereunder.

2841 (b) "Domestic," when applied to any corporation or
2842 association, including partnerships, means created or organized in
2843 the State of Mississippi.

2844 (c) "Foreign," when applied to any corporation or
2845 association, including partnerships, means created or organized
2846 outside the State of Mississippi.

2847 (d) "Fiduciary" means a guardian, trustee, executor,
2848 administrator, receiver, conservator, or any person, whether
2849 individual or corporate, acting in any fiduciary capacity, for any
2850 person, trust, or estate.



2851 (e) "Resident" means a natural person and includes, for
2852 the purpose of determining liability for the tax imposed by this
2853 article upon or with reference to the income of any taxable year,
2854 any person domiciled in the State of Mississippi and any other
2855 person who maintains a legal or actual residence within the state.

2856 (f) "Nonresident," when used in connection with this
2857 article, shall apply to any natural person whose domicile and
2858 place of abode is without the State of Mississippi.

2859 (g) "Foreign country" or "foreign government" means any
2860 jurisdiction other than the one embraced within the United States.
2861 The words "United States" includes the states, the District of
2862 Columbia, and the territorial possessions of the United States.

2863 (h) "State Tax Commission" or "Tax Commission" means
2864 the Department of Revenue. "Commission" or "department" also
2865 means the Department of Revenue except where such words are
2866 specifically given other meanings.

2867 (i) "Commissioner," "Chairman of the Mississippi State
2868 Tax Commission," "Chairman of the State Tax Commission," "chairman
2869 of the commission" or "chairman" means the Commissioner of Revenue
2870 of the Department of Revenue.

2871 (j) "Taxable year" means the calendar year, or fiscal
2872 year ending during such calendar year, upon the basis of which the
2873 net income is computed hereunder. "Fiscal year" means an
2874 accounting period of twelve (12) months, ending on the last day of
2875 any month other than December.



2876 (k) "Paid or accrued" means paid or accrued, or paid or
2877 incurred, and these terms, "paid or incurred" or "paid or
2878 accrued," shall be construed according to the method of accounting
2879 or the basis on which the net income is computed. The term
2880 "received for the purpose of computation of net income" means
2881 received or accrued, and the term "received or accrued" shall be
2882 construed according to the method of accounting or the basis on
2883 which the net income is computed.

2884 (l) "Dividend" means any distribution made by a
2885 corporation, association, trust or estate, to its shareholders or
2886 members, whether in cash, other property, or its own stock.

2887 **SECTION 20.** Section 27-7-27, Mississippi Code of 1972, is
2888 brought forward as follows:

2889 27-7-27. (1) The tax imposed under the income tax laws of
2890 the State of Mississippi shall apply to the income of estates of
2891 any kind or property held in trust except:

2892 (a) That a trust forming part of a pension plan, stock
2893 bonus plan, disability or death benefit plan or profit-sharing
2894 plan of an employer for the exclusive benefit of some or all of
2895 his or its employees, or their beneficiaries, to which
2896 contributions are made by such employer, or employees, or both,
2897 for the purpose of distributing to such employees, or their
2898 beneficiaries, the earnings and principal of the fund accumulated
2899 by the trust in accordance with such plan, shall not be taxable
2900 under the income tax laws of the State of Mississippi provided



2901 that the trust is irrevocable and no part of the trust corpus or
2902 income can be used for purposes other than for the exclusive
2903 benefit of employees, or their beneficiaries; but any amount
2904 actually distributed or made available to any distributee shall be
2905 taxable to him in the year in which so distributed or made
2906 available to the extent that it exceeds amounts paid in by him.

2907 (b) That all trusts of real or personal property, or
2908 real and personal property combined, created under a retirement
2909 plan for which provision has been made under the laws of the
2910 United States of America exempting such trust from federal income
2911 tax, shall be exempt from income taxation by the State of
2912 Mississippi.

2913 (2) Notwithstanding the provisions of subsection (1) of this
2914 section, a taxpayer shall include any Mississippi unrelated
2915 business taxable income in computing its taxable income under this
2916 chapter. As used in this subsection "Mississippi unrelated
2917 business taxable income" includes:

2918 (a) "Unrelated business taxable income" as defined
2919 under the provisions of the Internal Revenue Code, as amended, and
2920 not otherwise inconsistent with other provisions of this chapter,
2921 and

2922 (b) Any income attributable to an ownership interest in
2923 an S corporation.



2924 (3) A trust required to include the activity of a
2925 disregarded entity for federal income tax purposes shall do
2926 likewise for the purpose of computing income for this state.

2927 (4) Except as otherwise provided in this section, the gross
2928 and net income shall be determined in the same manner as is
2929 provided by law for any other taxpayer.

2930 **SECTION 21.** Section 27-7-22.5, Mississippi Code of 1972, is
2931 brought forward as follows:

2932 27-7-22.5. (1) For any manufacturer, distributor, wholesale
2933 or retail merchant who pays to a county, municipality, school
2934 district, levee district or any other taxing authority of the
2935 state or a political subdivision thereof, ad valorem taxes imposed
2936 on commodities, raw materials, works-in-process, products, goods,
2937 wares and merchandise held for resale, a credit against the income
2938 taxes imposed under this chapter shall be allowed for the portion
2939 of the ad valorem taxes so paid in the amounts prescribed in
2940 subsection (2).

2941 (2) The tax credit allowed by this section shall not exceed
2942 the amounts set forth in paragraphs (a) through (g) of this
2943 subsection; and may be claimed for each location where such
2944 commodities, raw material, works-in-process, products, goods,
2945 wares and merchandise are found and upon which the ad valorem
2946 taxes have been paid. Any tax credit claimed under this section
2947 but not used in any taxable year may be carried forward for five



2948 (5) consecutive years from the close of the tax year in which the
2949 credit was earned.

2950 (a) For the 1994 taxable year, the tax credit for each
2951 location of the taxpayer shall not exceed the lesser of Two
2952 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
2953 State of Mississippi that are attributable to such location.

2954 (b) For the 1995 taxable year, the tax credit for each
2955 location of the taxpayer shall not exceed the lesser of Three
2956 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
2957 State of Mississippi that are attributable to such location.

2958 (c) For the 1996 taxable year, the tax credit for each
2959 location of the taxpayer shall not exceed the lesser of Four
2960 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
2961 State of Mississippi that are attributable to such location.

2962 (d) For the 1997 taxable year and each taxable year
2963 thereafter through taxable year 2013, the tax credit for each
2964 location of the taxpayer shall not exceed the lesser of Five
2965 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
2966 State of Mississippi that are attributable to such location.

2967 (e) For the 2014 taxable year, the tax credit for each
2968 location of the taxpayer shall not exceed the lesser of Ten
2969 Thousand Dollars (\$10,000.00) or the amount of income taxes due
2970 the State of Mississippi that are attributable to such location.

2971 (f) For the 2015 taxable year, the tax credit for each
2972 location of the taxpayer shall not exceed the lesser of Fifteen



2973 Thousand Dollars (\$15,000.00) or the amount of income taxes due
2974 the State of Mississippi that are attributable to such location.

2975 (g) For the 2016 taxable year and each taxable year
2976 thereafter, the tax credit of the taxpayer shall be the lesser of
2977 the amount of the ad valorem taxes described in subsection (1)
2978 paid or the amount of income taxes due the State of Mississippi
2979 that are attributable to such location.

2980 (3) Any amount of ad valorem taxes paid by a taxpayer that
2981 is applied toward the tax credit allowed in this section may not
2982 be used as a deduction by the taxpayer for state income tax
2983 purposes. In the case of a taxpayer that is a partnership,
2984 limited liability company or S corporation, the credit may be
2985 applied only to the tax attributable to partnership, limited
2986 liability company or S corporation income derived from the
2987 taxpayer.

2988 **SECTION 22.** Section 27-7-22.15, Mississippi Code of 1972, is
2989 brought forward as follows:

2990 27-7-22.15. (1) As used in this section, the following
2991 words and phrases shall have the meanings ascribed to herein
2992 unless the context clearly indicates otherwise:

2993 (a) "Approved reforestation practices" means the
2994 following practices for establishing a crop of trees suitable for
2995 manufacturing into forest products:



2996 (i) "Pine and hardwood tree planting practices"
2997 including the cost of seedlings, planting by hand or machine, and
2998 site preparation.

2999 (ii) "Mixed-stand regeneration practices" to
3000 establish a mixed-crop of pine and hardwood trees by planting or
3001 direct seeding, or both, including the cost of seedlings,
3002 seed/acorns, planting, seeding and site preparation.

3003 (iii) "Direct seeding practices" to establish a
3004 crop of pine or oak trees by directly applying seed/acorns to the
3005 site including the cost of seed/acorns, seeding and site
3006 preparation.

3007 (iv) "Post-planting site preparation practices" to
3008 reduce or control undesirable competition within the first growing
3009 season of an established crop of trees.

3010 Approved reforestation practices shall not include the
3011 establishment of orchards, Christmas trees or ornamental trees.

3012 (b) "Eligible tree species" means pine and hardwood
3013 commercial tree species suitable for manufacturing into forest
3014 products.

3015 (c) "Cost-share assistance" means partial financial
3016 payment for approved reforestation practices from the state
3017 government as authorized under Sections 49-19-201 through
3018 49-19-227, or the federal government.

3019 (d) "Eligible owner" means a private individual, group
3020 or association, but the term shall not mean private corporations



3021 which manufacture products or provide public utility services of
3022 any type or any subsidiary of such corporations.

3023 (e) "Eligible lands" means nonindustrial private lands
3024 owned by a private individual, group or association, but shall not
3025 mean lands owned by private corporations which manufacture
3026 products or provide public utility services of any type or any
3027 subsidiary of such corporations.

3028 (f) "Reforestation prescription or plan" means a
3029 written description of the approved reforestation practices that
3030 the eligible owner plans to use and includes a legal description
3031 and map of the area to be reforested, a list of the tree seedling
3032 or seed species to be used in the reforestation and the site
3033 preparation practices that will be utilized.

3034 (2) Subject to the limitations provided in subsection (3) of
3035 this section, upon submission to the State Tax Commission of the
3036 written verification provided for in subsection (5) of this
3037 section and such other documentation as the State Tax Commission
3038 may require, any eligible owner who incurs costs for approved
3039 reforestation practices for eligible tree species on eligible
3040 lands shall be allowed a credit, in an amount equal to the lesser
3041 of fifty percent (50%) of the actual costs of the approved
3042 reforestation practices or fifty percent (50%) of the average cost
3043 of approved practices as established by the Mississippi Forestry
3044 Commission under Section 49-19-219, against the taxes imposed



3045 pursuant to this chapter for the tax year in which the costs are
3046 incurred.

3047 (3) The maximum amount of the credit provided for in
3048 subsection (2) of this section that may be utilized in any one (1)
3049 taxable year shall not exceed the lesser of Ten Thousand Dollars
3050 (\$10,000.00) or the amount of income tax imposed upon the eligible
3051 owner for the taxable year reduced by the sum of all other credits
3052 allowable to the eligible owner under this chapter, except credit
3053 for tax payments made by or on behalf of the eligible owner. Any
3054 unused portion of the credit may be carried forward for succeeding
3055 tax years. The maximum dollar amount of the credit provided for
3056 in subsection (2) of this section that an eligible owner may
3057 utilize during his lifetime shall be Seventy-five Thousand Dollars
3058 (\$75,000.00) in the aggregate.

3059 (4) If an eligible owner receives any state or federal cost
3060 share assistance funds to defray the cost of an approved
3061 reforestation practice, the cost of that practice on the same acre
3062 or acres within the same tax year is not eligible for the credit
3063 provided in this section unless the eligible owner's adjusted
3064 gross income is less than the federal earned income credit level.

3065 (5) To be eligible for the tax credit, an eligible owner
3066 must have a reforestation prescription or plan prepared for the
3067 eligible lands by a graduate forester of a college, school or
3068 university accredited by the Society of American Foresters or by a
3069 registered forester under the Foresters Registration Law of 1977.



3070 The forester must verify in writing that the reforestation
3071 practices were completed and that the reforestation prescription
3072 or plan was followed.

3073 **SECTION 23.** Section 27-7-22.21, Mississippi Code of 1972, is
3074 brought forward as follows:

3075 27-7-22.21. (1) As used in this section, the following
3076 words and phrases shall have the following meanings, unless the
3077 context clearly indicates otherwise:

3078 (a) "Eligible land" means nonindustrial private lands
3079 in the state that are adjacent to and along a stream which is
3080 fully nominated to the Mississippi Scenic Streams Stewardship
3081 Program, or nonindustrial private lands in the state which are
3082 considered to be priority sites for conservation under the
3083 Mississippi Natural Heritage Program.

3084 (b) "Eligible owner" means a private individual, group
3085 or association other than a private corporation, or any subsidiary
3086 thereof, which manufactures products or provides public utility
3087 services of any type.

3088 (c) "Interest in land" means any right in real
3089 property, including access thereto or improvements thereon, or
3090 water, including, but not limited to, a fee simple easement, a
3091 conservation easement, provided such interest complies with the
3092 requirements of the United States Internal Revenue Code Section
3093 170(h), partial interest, mineral right, remainder or future
3094 interest, or other interest or right in real property.



3095 (d) "Land" or "lands" means real property, with or
3096 without improvements thereon, rights-of-way, water and riparian
3097 rights, easements, privileges and all other rights or interests of
3098 any land or description in, relating to, or connected with real
3099 property.

3100 (e) "Allowable transaction costs" mean the costs of the
3101 appraisal of the lands or interests in lands, including
3102 conservation easements, that are being donated, of the baseline
3103 survey of the natural features, animals and plants present on the
3104 site, of engineering and surveying fees, of maintenance fees, of
3105 monitoring fees and of legal fees, including the costs of document
3106 preparation, title review and title insurance.

3107 (f) "Specified conservation purposes" mean the
3108 preservation of stream bank habitats and the stability of stream
3109 banks, or the protection of land necessary because of high
3110 biodiversity significance or high protection urgency due to the
3111 presence of exemplary natural communities or species of special
3112 concern, including threatened or endangered species.

3113 (2) For the taxable years beginning on or after January 1,
3114 2003, for any income taxpayer who is an eligible owner, a credit
3115 against the taxes imposed by this chapter shall be allowed in the
3116 amounts provided in this section upon the donation of land or an
3117 interest in land for specified conservation purposes.

3118 (3) The credit provided for in this section shall be fifty
3119 percent (50%) of the allowable transaction costs involved in the



3120 donation for the tax year in which the allowable transaction costs
3121 occur. The aggregate amount of the credit provided in this
3122 section for allowable transaction costs shall not exceed the
3123 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
3124 imposed upon the taxpayer for the taxable year reduced by the sum
3125 of all other credits allowable to such taxpayer under this
3126 chapter, except credit for tax payments made by or on behalf of
3127 the taxpayer. Any unused portion of the credit may be carried
3128 forward for ten (10) succeeding tax years. The maximum dollar
3129 amount of the credit provided for in this section that an eligible
3130 owner may utilize during his lifetime shall be Ten Thousand
3131 Dollars (\$10,000.00) in the aggregate.

3132 (4) To be eligible for the credit provided for in this
3133 section, an eligible owner must demonstrate that the donation
3134 qualifies as a conservation contribution under Section 170(h) of
3135 the United States Internal Revenue Code of 1986, by means of being
3136 a donation in perpetuity, for conservation purposes and made to a
3137 qualified holder or donee. A letter from the donee indicating
3138 acceptance and a completed copy of the appropriate United States
3139 Internal Revenue Service form shall constitute proof of
3140 acceptance. The eligible owner also must submit any other
3141 documentation that the State Tax Commission may require.

3142 **SECTION 24.** Section 27-7-22.22, Mississippi Code of 1972, is
3143 brought forward as follows:



3144 27-7-22.22. (1) A credit is allowed against the taxes
3145 imposed by this chapter to a taxpayer for allowing land owned by
3146 the taxpayer to be used as a natural area preserve, a wildlife
3147 refuge or habitat area, a wildlife management area, or for the
3148 purpose of providing public outdoor recreational opportunities, as
3149 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
3150 the following conditions and limitations:

3151 (a) The land may not be under lease to the Mississippi
3152 Commission on Wildlife, Fisheries and Parks, and the commission
3153 must approve the land as being suitable for the uses described in
3154 this section.

3155 (b) The amount of the tax credit allowed by this
3156 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
3157 land in each taxable year.

3158 (c) In no event shall the amount of the tax credits
3159 allowed by this section for a taxable year exceed the taxpayer's
3160 liability for those taxes. Any unused credit amount shall be
3161 allowed to be carried forward for five (5) years from the close of
3162 the taxable year in which the land was approved for such a use.
3163 No such credit shall be allowed the taxpayer against prior years'
3164 tax liability.

3165 (2) To claim a credit allowed by this section, the taxpayer
3166 shall provide any information required by the Mississippi
3167 Commission on Wildlife, Fisheries and Parks or the Mississippi
3168 Commissioner of Revenue. Every taxpayer claiming a credit under



3169 this section shall maintain and make available for inspection by
3170 the Mississippi Commission on Wildlife, Fisheries and Parks or the
3171 Mississippi Commissioner of Revenue any records that either entity
3172 considers necessary to determine and verify the amount of the
3173 credit to which the taxpayer is entitled. The burden of proving
3174 eligibility for a credit and the amount of the credit rests upon
3175 the taxpayer, and no credit may be allowed to a taxpayer that
3176 fails to maintain adequate records or to make them available for
3177 inspection.

3178 (3) Upon approval of the Commission on Wildlife, Fisheries
3179 and Parks under subsection (1) (a), a taxpayer seeking to claim any
3180 tax credit provided for under this section must submit an
3181 application to the Mississippi Commissioner of Revenue for
3182 approval of the tax credit. The Mississippi Commissioner of
3183 Revenue shall promulgate the rules and forms on which the
3184 application is to be submitted. The Mississippi Commissioner of
3185 Revenue shall review the application and may approve such
3186 application upon determining that it meets the requirements of
3187 this section within sixty (60) days after receiving the
3188 application.

3189 **SECTION 25.** Section 27-7-22.31, Mississippi Code of 1972, is
3190 brought forward as follows:

3191 27-7-22.31. (1) As used in this section:

3192 (a) "Certified historic structure" means a property
3193 located in Mississippi that has been:



3194 (i) Listed individually on the National Register
3195 of Historic Places; or

3196 (ii) Determined eligible for the National Register
3197 of Historic Places by the Secretary of the United States
3198 Department of the Interior and will be listed within thirty (30)
3199 months of claiming the credit authorized by this section; or

3200 (iii) Property designated a Mississippi Landmark
3201 by the Department of Archives and History pursuant to Section
3202 39-7-3 et seq.

3203 (b) "Eligible property" means property located in
3204 Mississippi and offered or used for residential or business
3205 purposes; however, the term "eligible property" shall not include
3206 a single-family dwelling unless:

3207 (i) A certificate evidencing the eligible credit
3208 has been issued to the taxpayer by the department prior to July 1,
3209 2016, that applies to such dwelling; or

3210 (ii) The dwelling is designated as a National
3211 Historic Landmark under the National Historic Landmarks Program.

3212 (c) "Structure in a certified historic district" means
3213 a structure (and its structural components) located in Mississippi
3214 which:

3215 (i) Is listed in the National Register of Historic
3216 Places; or

3217 (ii) Has been determined eligible for the National
3218 Register of Historic Places by the Secretary of the United States



3219 Department of the Interior and will be listed within thirty (30)
3220 months of claiming the credit authorized by this section; or

3221 (iii) Is located in a registered historic district
3222 listed on the National Register of Historic Places or located in a
3223 potential district that has been determined eligible for the
3224 National Register of Historic Places by the Secretary of the
3225 United States Department of the Interior and will be listed within
3226 thirty (30) months of claiming the credit authorized by this
3227 section, and is certified by the Secretary of the United States
3228 Department of the Interior as being of historic significance to
3229 the district; or

3230 (iv) Is certified by the Mississippi Department of
3231 Archives and History as contributing to the historic significance
3232 of:

3233 1. A certified historic district listed on
3234 the National Register of Historic Places; or

3235 2. A potential district that has been
3236 determined eligible for the National Register of Historic Places
3237 by the Secretary of the United States Department of the Interior
3238 and will be listed within thirty (30) months of claiming the
3239 credit authorized by this section; or

3240 3. A local district that has been certified
3241 by the United States Department of the Interior.

3242 (d) "Department" means the Department of Archives and
3243 History.



3244 (2) Any taxpayer incurring costs and expenses for the
3245 rehabilitation of eligible property, which is a certified historic
3246 structure or a structure in a certified historic district, shall
3247 be entitled to a credit against the taxes imposed pursuant to this
3248 chapter in an amount equal to twenty-five percent (25%) of the
3249 total costs and expenses of rehabilitation incurred after January
3250 1, 2006, which shall include, but not be limited to, qualified
3251 rehabilitation expenditures as defined under Section 47(c)(2)(A)
3252 of the Internal Revenue Code of 1986, as amended, and the related
3253 regulations thereunder:

3254 (a) If the costs and expenses associated with
3255 rehabilitation exceed:

3256 (i) Five Thousand Dollars (\$5,000.00) in the case
3257 of an owner-occupied dwelling; or

3258 (ii) Fifty percent (50%) of the total basis in the
3259 property in the case of all other properties; and

3260 (b) The rehabilitation is consistent with the standards
3261 of the Secretary of the United States Department of the Interior
3262 as determined by the department.

3263 (3) Any taxpayer eligible for the credit authorized by this
3264 section may claim the credit in phases if:

3265 (a) There is a written set of architectural plans and
3266 specifications for all phases of the rehabilitation (written plans
3267 outlining and describing all phases of the rehabilitation shall be
3268 accepted as written plans and specifications);



3269 (b) The written set of architectural plans and
3270 specifications are completed before the physical work on the
3271 rehabilitation begins; and

3272 (c) It can reasonably be expected that all phases of
3273 the rehabilitation will be completed.

3274 (4) (a) (i) If the amount of the tax credit established by
3275 this section exceeds the total state income tax liability for the
3276 year in which the rehabilitated property is placed in service, the
3277 amount that exceeds the total state income tax liability may be
3278 carried forward for the ten (10) succeeding tax years.

3279 (ii) The taxpayer may elect to claim a refund in
3280 the amount of seventy-five percent (75%) of the excess credit in
3281 lieu of the ten-year carryforward. The election must be made in
3282 the year in which the rehabilitated property is placed in service.
3283 Refunds will be paid in equal installments over a two-year period
3284 and shall be made from current collections.

3285 (iii) Refund requests shall be submitted to the
3286 Department of Revenue on forms prescribed by the department.
3287 Refunds shall be made from current tax collections.

3288 (b) Not-for-profit entities, including, but not limited
3289 to, nonprofit corporations organized under Section 79-11-101 et
3290 seq. shall be ineligible for the credit authorized by this
3291 section. Credits granted to a partnership, a limited liability
3292 company taxed as a partnership or multiple owners of property
3293 shall be passed through to the partners, members or owners on a



3294 pro rata basis or pursuant to an executed agreement among the
3295 partners, members or owners documenting an alternative
3296 distribution method. Partners, members or other owners of a
3297 pass-through entity are not eligible to elect a refund of excess
3298 credit in lieu of a carryforward of the credit. However, a
3299 partnership or limited liability company taxed as a partnership
3300 may elect to claim a refund of excess credit at the entity level
3301 on a form prescribed by the Department of Revenue. Additionally,
3302 excess tax credits that are attributable to rehabilitated property
3303 that was placed in service by a pass-through entity prior to
3304 January 1, 2011, and that have previously been allocated to and
3305 are held by another pass-through entity prior to January 1, 2011,
3306 may be refunded to such other pass-through entity.

3307 (5) (a) To claim the credit authorized pursuant to this
3308 section, the taxpayer shall apply to the department which shall
3309 determine the amount of eligible rehabilitation costs and expenses
3310 and whether the rehabilitation is consistent with the standards of
3311 the Secretary of the United States Department of the Interior.
3312 The department shall issue a certificate evidencing the eligible
3313 credit if the taxpayer is found to be eligible for the tax credit.
3314 The taxpayer shall attach the certificate to all income tax
3315 returns on which the credit is claimed. The department shall not
3316 issue certificates evidencing the eligible credit which, when
3317 combined with certificates of eligible credits issued prior to
3318 July 1, 2016, will result in credits being awarded in excess of



3319 Twelve Million Dollars (\$12,000,000.00) in any one (1) state
3320 fiscal year.

3321 (b) The aggregate amount of tax credits that may be
3322 awarded under this section shall not exceed One Hundred Eighty
3323 Million Dollars (\$180,000,000.00). A taxpayer who was issued a
3324 certificate evidencing the eligible credit by the department prior
3325 to July 1, 2020, but who was unable to be awarded the credit due
3326 to the limit on the aggregate amount of credits authorized under
3327 this section prior to July 1, 2020:

3328 (i) May be awarded the credit so long as the award
3329 does not cause the aggregate amount of tax credits awarded to
3330 exceed the amount authorized in this paragraph; and

3331 (ii) Shall be given priority for tax credits
3332 awarded after July 1, 2020.

3333 (6) (a) The credit received by a taxpayer pursuant to this
3334 section is subject to recapture if:

3335 (i) The property is one that has been determined
3336 eligible for the National Register of Historic Places but is not
3337 listed on the National Register of Historic Places within thirty
3338 (30) months of claiming the credit authorized by this section;

3339 (ii) The potential district in which the property
3340 is located is not listed on the National Register of Historic
3341 Places within thirty (30) months of claiming the credit authorized
3342 by this section; or



3343 (iii) The rehabilitation of the property for which
3344 the credit was granted is abandoned.

3345 (b) The taxpayer shall notify the department and the
3346 Department of Revenue if any of the situations that subject the
3347 credit to recapture occur.

3348 (7) (a) The board of trustees of the department shall
3349 establish fees to be charged for the services performed by the
3350 department under this section and shall publish the fee schedule.
3351 The fees contained in the schedule shall be in amounts reasonably
3352 calculated to recover the costs incurred by the department for the
3353 administration of this section. Any taxpayer desiring to
3354 participate in the tax credits authorized by this section shall
3355 pay the appropriate fee as contained in the fee schedule to the
3356 department, which shall be used by the department, without
3357 appropriation, to offset the administrative costs of the
3358 department associated with its duties under this section.

3359 (b) There is hereby created within the State Treasury a
3360 special fund into which shall be deposited all the fees collected
3361 by the department pursuant to this section. Money deposited into
3362 the fund shall not lapse at the end of any fiscal year and
3363 investment earnings on the proceeds in such special fund shall be
3364 deposited into such fund. Money from the fund shall be disbursed
3365 upon warrants issued by the State Fiscal Officer upon requisitions
3366 signed by the executive director of the department to assist the
3367 department in carrying out its duties under this section.



3368 (8) This section shall only apply to taxpayers:

3369 (a) Who have been issued a certificate evidencing the
3370 eligible credit before December 31, 2030; or

3371 (b) Who, before December 31, 2030, have received a
3372 determination in writing from the Mississippi Department of
3373 Archives and History, in accordance with the department's Historic
3374 Preservation Certificate Application, Part 2, that the
3375 rehabilitation is consistent with the historic character of the
3376 property and that the property meets the United States Secretary
3377 of the Interior's Standards for Rehabilitation, or will meet the
3378 standards if certain specified conditions are met, and, who are
3379 issued a certificate evidencing the eligible credit on or after
3380 December 31, 2030.

3381 **SECTION 26.** Section 27-7-22.32, Mississippi Code of 1972, is
3382 brought forward as follows:

3383 **[Through December 31, 2023, this section shall read as**
3384 **follows:]**

3385 27-7-22.32. (1) (a) There shall be allowed as a credit
3386 against the tax imposed by this chapter the amount of the
3387 qualified adoption expenses paid or incurred, not to exceed Two
3388 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
3389 child legally adopted by a taxpayer under the laws of this state
3390 during calendar year 2006 or during any calendar year thereafter
3391 through calendar year 2017, and not to exceed Five Thousand
3392 Dollars (\$5,000.00) for each dependent child legally adopted by a



3393 taxpayer under the laws of this state during any calendar year
3394 thereafter. A taxpayer claiming a credit under this paragraph (a)
3395 may not claim a credit under paragraph (b) of this subsection for
3396 the adoption of the same child.

3397 (b) There shall be allowed as a credit against the tax
3398 imposed by this chapter the amount of Five Thousand Dollars
3399 (\$5,000.00) for each dependent child legally adopted by a taxpayer
3400 under the laws of this state through the Mississippi Department of
3401 Child Protection Services during calendar year 2018 or during any
3402 calendar year thereafter. A taxpayer claiming a credit under this
3403 paragraph (b) may not claim a credit under paragraph (a) of this
3404 subsection for the adoption of the same child.

3405 (2) The tax credit under this section may be claimed for the
3406 taxable year in which the adoption becomes final under the laws of
3407 this state. Any tax credit claimed under this section but not
3408 used in any taxable year may be carried forward for the five (5)
3409 succeeding tax years. A tax credit is allowed under this section
3410 for any child for which an exemption is claimed during the same
3411 taxable year under Section 27-7-21(e). For the purposes of this
3412 section, the term "qualified adoption expenses" means and has the
3413 same definition as that term has in 26 USCS 36C.

3414 **[From and after January 1, 2024, this section shall read as**
3415 **follows:]**

3416 27-7-22.32. There shall be allowed as a credit against the
3417 tax imposed by this chapter the amount of the qualified adoption



3418 expenses paid or incurred, not to exceed Two Thousand Five Hundred
3419 Dollars (\$2,500.00), for each dependent child legally adopted by a
3420 taxpayer under the laws of this state during calendar year 2006 or
3421 during any calendar year thereafter. The tax credit under this
3422 section may be claimed for the taxable year in which the adoption
3423 becomes final under the laws of this state. Any tax credit
3424 claimed under this section but not used in any taxable year may be
3425 carried forward for the three (3) succeeding tax years. A tax
3426 credit is allowed under this section for any child for which an
3427 exemption is claimed during the same taxable year under Section
3428 27-7-21(e). For the purposes of this section, the term "qualified
3429 adoption expenses" means and has the same definition as that term
3430 has in 26 USCS 36C.

3431 **SECTION 27.** Section 27-7-22.33, Mississippi Code of 1972, is
3432 brought forward as follows:

3433 27-7-22.33. (1) A taxpayer shall be allowed a credit
3434 against the income taxes imposed under this chapter in an amount
3435 equal to twenty-five percent (25%) of the premium costs paid
3436 during the taxable year for a qualified long-term care insurance
3437 policy as defined in Section 7702B of the Internal Revenue Code
3438 that offers coverage to either the individual, the individual's
3439 spouse, the individual's parent or parent-in-law, or the
3440 individual's dependent as defined in Section 152 of the Internal
3441 Revenue Code.



3442 (2) No taxpayer shall be entitled to the credit with respect
3443 to the same expended amounts for qualified long-term care
3444 insurance which are claimed by another taxpayer.

3445 (3) The credit allowed by this section shall not exceed Five
3446 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
3447 whichever is less, for each qualified long-term care insurance
3448 policy. Any unused tax credit shall not be allowed to be carried
3449 forward to apply to the taxpayer's succeeding year's tax
3450 liability.

3451 (4) No credit shall be allowed under this section with
3452 respect to any premium for qualified long-term care insurance
3453 either deducted or subtracted by the taxpayer in arriving at his
3454 net taxable income under this section or with respect to any
3455 premiums for qualified long-term care insurance which were
3456 excluded from his net taxable income.

3457 **SECTION 28.** Section 27-7-22.37, Mississippi Code of 1972, is
3458 brought forward as follows:

3459 27-7-22.37. (1) There shall be allowed as a credit against
3460 the tax imposed by Section 27-7-5 the amount of the qualified
3461 prekindergarten program support contributions paid to approved
3462 providers, lead partners or collaboratives, not to exceed One
3463 Million Dollars (\$1,000,000.00), by any individual, corporation or
3464 other entity having taxable income under the laws of this state
3465 during calendar year 2013 or during any calendar year thereafter.
3466 In order to qualify for a tax credit, such contributions may



3467 support the local match requirement of approved providers, lead
3468 partners or collaboratives as is necessary to match
3469 state-appropriated funds, and any such providers, lead partners or
3470 collaboratives shall be approved by the State Department of
3471 Education.

3472 (2) Any unused portion of the credit may be carried forward
3473 for three (3) tax years.

3474 (3) Any prekindergarten program support contribution shall
3475 be verified by submission to the Mississippi Department of Revenue
3476 of a copy of the receipt provided to the donor taxpayer by the
3477 prekindergarten program recipient or such other written
3478 verification as may be required by the Department of Revenue.

3479 (4) The maximum amount of donations accepted by the
3480 Department of Revenue in calendar year 2014 shall not exceed Eight
3481 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not
3482 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
3483 year 2016 and calendar years thereafter shall not exceed
3484 Thirty-two Million Dollars (\$32,000,000.00), or what is
3485 appropriated by the Legislature to fund Chapter 493, Laws of 2013
3486 each year.

3487 (5) The Mississippi Department of Revenue shall promulgate
3488 rules necessary to effectuate the purposes of Chapter 493, Laws of
3489 2013. Such rules shall include a means of informing the public of
3490 the existence of the prekindergarten support program and the



3491 application process for provider, lead partner and collaborative
3492 candidates.

3493 **SECTION 29.** Section 27-7-22.39, Mississippi Code of 1972, is
3494 brought forward as follows:

3495 27-7-22.39. (1) As used in this section:

3496 (a) "Low-income residents" means persons whose
3497 household income is less than one hundred fifty percent (150%) of
3498 the federal poverty level.

3499 (b) "Qualifying charitable organization" means a
3500 charitable organization that is exempt from federal income
3501 taxation under Section 501(c)(3) of the Internal Revenue Code or
3502 is a designated community action agency that receives community
3503 services block grant program monies pursuant to 42 USC 9901. The
3504 organization must spend at least fifty percent (50%) of its budget
3505 on services to residents of this state who receive temporary
3506 assistance for needy families benefits or low-income residents of
3507 this state and their households or to children who have a chronic
3508 illness or physical, intellectual, developmental or emotional
3509 disability who are residents of this state. A charitable
3510 organization that is exempt from federal income tax under Section
3511 501(c)(3) of the Internal Revenue Code and that meets all other
3512 requirements of this paragraph except that it does not spend at
3513 least fifty percent (50%) of its overall budget in Mississippi may
3514 be a qualifying charitable organization if it spends at least
3515 fifty percent (50%) of its Mississippi budget on services to



3516 qualified individuals in Mississippi and it certifies to the
3517 department that one hundred percent (100%) of the voluntary cash
3518 contributions from the taxpayer will be spent on services to
3519 qualified individuals in Mississippi. Taxpayers choosing to make
3520 donations through an umbrella charitable organization that
3521 collects donations on behalf of member charities shall designate
3522 that the donation be directed to a member charitable organization
3523 that would qualify under this section on a stand-alone basis.
3524 Qualifying charitable organization does not include any entity
3525 that provides, pays for or provides coverage of abortions or that
3526 financially supports any other entity that provides, pays for or
3527 provides coverage of abortions.

3528 (c) "Qualifying foster care charitable organization"
3529 means a qualifying charitable organization that each operating
3530 year provides services to at least one hundred (100) qualified
3531 individuals in this state and spends at least fifty percent (50%)
3532 of its budget on services to qualified individuals in this state.
3533 A charitable organization that is exempt from federal income tax
3534 under Section 501(c)(3) of the Internal Revenue Code and that
3535 meets all other requirements of this paragraph except that it does
3536 not spend at least fifty percent (50%) of its overall budget in
3537 Mississippi may be a qualifying foster care charitable
3538 organization if it spends at least fifty percent (50%) of its
3539 Mississippi budget on services to qualified individuals in
3540 Mississippi and it certifies to the department that one hundred



3541 percent (100%) of the voluntary cash contributions from the
3542 taxpayer will be spent on services to qualified individuals in
3543 Mississippi. For the purposes of this paragraph, "qualified
3544 individual" means a child in a foster care placement program
3545 established by the Department of Child Protection Services, a
3546 child placed under the Safe Families for Children model, or a
3547 child at significant risk of entering a foster care placement
3548 program established by the Department of Child Protection
3549 Services.

3550 (d) "Services" means:

3551 (i) Cash assistance, medical care, child care,
3552 food, clothing, shelter, and job-placement services or any other
3553 assistance that is reasonably necessary to meet immediate basic
3554 needs and that is provided and used in this state;

3555 (ii) Job-training or education services or funding
3556 for parents, foster parents or guardians; or

3557 (iii) Job-training or education services or
3558 funding provided as part of a foster care independent living
3559 program.

3560 (2) Except as provided in subsections (3) and (4) of this
3561 section, a credit is allowed against the taxes imposed by this
3562 chapter for voluntary cash contributions by the taxpayer during
3563 the taxable year to a qualifying charitable organization, other
3564 than a qualifying foster care charitable organization, not to
3565 exceed:



3566 (a) The lesser of Four Hundred Dollars (\$400.00) or the
3567 amount of the contribution in any taxable year for a single
3568 individual or a head of household.

3569 (b) The lesser of Eight Hundred Dollars (\$800.00) or
3570 the amount of the contribution in any taxable year for a married
3571 couple filing a joint return.

3572 (3) A separate credit is allowed against the taxes imposed
3573 by this chapter for voluntary cash contributions during the
3574 taxable year to a qualifying foster care charitable organization.
3575 A contribution to a qualifying foster care charitable organization
3576 does not qualify for, and shall not be included in, any credit
3577 amount under subsection (2) of this section. If the voluntary
3578 cash contribution by the taxpayer is to a qualifying foster care
3579 charitable organization, the credit shall not exceed:

3580 (a) The lesser of Five Hundred Dollars (\$500.00) or the
3581 amount of the contribution in any taxable year for a single
3582 individual or a head of household.

3583 (b) The lesser of One Thousand Dollars (\$1,000.00) or
3584 the amount of the contribution in any taxable year for a married
3585 couple filing a joint return.

3586 (4) Subsections (2) and (3) of this section provide separate
3587 credits against taxes imposed by this chapter depending on the
3588 recipients of the contributions. A taxpayer, including a married
3589 couple filing a joint return, in the same taxable year, may either
3590 or both:



3591 (a) Contribute to a qualifying charitable organization,
3592 other than a qualifying foster care charitable organization, and
3593 claim a credit under subsection (2) of this section.

3594 (b) Contribute to a qualifying foster care charitable
3595 organization and claim a credit under subsection (3) of this
3596 section.

3597 (5) A husband and wife who file separate returns for a
3598 taxable year in which they could have filed a joint return may
3599 each claim only one-half (1/2) of the tax credit that would have
3600 been allowed for a joint return.

3601 (6) If the allowable tax credit exceeds the taxes otherwise
3602 due under this chapter on the claimant's income, or if there are
3603 no taxes due under this chapter, the taxpayer may carry forward
3604 the amount of the claim not used to offset the taxes under this
3605 chapter for not more than five (5) consecutive taxable years'
3606 income tax liability.

3607 (7) The credit allowed by this section is in lieu of a
3608 deduction pursuant to Section 170 of the Internal Revenue Code and
3609 taken for state tax purposes.

3610 (8) Taxpayers taking a credit authorized by this section
3611 shall provide the name of the qualifying charitable organization
3612 and the amount of the contribution to the department on forms
3613 provided by the department.

3614 (9) A qualifying charitable organization shall provide the
3615 department with a written certification that it meets all criteria



3616 to be considered a qualifying charitable organization. The
3617 organization shall also notify the department of any changes that
3618 may affect the qualifications under this section.

3619 (10) The charitable organization's written certification
3620 must be signed by an officer of the organization under penalty of
3621 perjury. The written certification shall include the following:

3622 (a) Verification of the organization's status under
3623 Section 501(c)(3) of the Internal Revenue Code or verification
3624 that the organization is a designated community action agency that
3625 receives community services block grant program monies pursuant to
3626 42 USC 9901.

3627 (b) Financial data indicating the organization's budget
3628 for the organization's prior operating year and the amount of that
3629 budget spent on services to residents of this state who either:

3630 (i) Receive temporary assistance for needy
3631 families benefits;

3632 (ii) Are low-income residents of this state;

3633 (iii) Are children who have a chronic illness or
3634 physical, intellectual, developmental or emotional disability; or

3635 (iv) Are children in a foster care placement
3636 program established by the Department of Child Protection
3637 Services, children placed under the Safe Families for Children
3638 model or children at significant risk of entering a foster care
3639 placement program established by the Department of Child
3640 Protection Services.



3641 (c) A statement that the organization plans to continue
3642 spending at least fifty percent (50%) of its budget on services to
3643 residents of this state who receive temporary assistance for needy
3644 families benefits, who are low-income residents of this state, who
3645 are children who have a chronic illness or physical, intellectual,
3646 developmental or emotional disability or who are children in a
3647 foster care placement program established by the Department of
3648 Child Protection Services, children placed under the Safe Families
3649 for Children model or children at significant risk of entering a
3650 foster care placement program established by the Department of
3651 Child Protection Services. A charitable organization that is
3652 exempt from federal income tax under Section 501(c)(3) of the
3653 Internal Revenue Code and that meets all other requirements for a
3654 qualifying charitable organization or qualifying foster care
3655 charitable organization except that it does not spend at least
3656 fifty percent (50%) of its overall budget in Mississippi shall
3657 submit a statement that it spends at least fifty percent (50%) of
3658 its Mississippi budget on services to qualified individuals in
3659 Mississippi and that one hundred percent (100%) of the voluntary
3660 cash contributions it receives from Mississippi taxpayers will be
3661 spent on services to qualified individuals in Mississippi.

3662 (d) In the case of a foster care charitable
3663 organization, a statement that each operating year it provides
3664 services to at least one hundred (100) qualified individuals in
3665 this state.



3666 (e) A statement that the organization does not provide,
3667 pay for or provide coverage of abortions and does not financially
3668 support any other entity that provides, pays for or provides
3669 coverage of abortions.

3670 (f) Any other information that the department requires
3671 to administer this section.

3672 (11) The department shall review each written certification
3673 and determine whether the organization meets all the criteria to
3674 be considered a qualifying charitable organization and notify the
3675 organization of its determination. The department may also
3676 periodically request recertification from the organization. The
3677 department shall compile and make available to the public a list
3678 of the qualifying charitable organizations.

3679 (12) The aggregate amount of tax credits that may be awarded
3680 under this section in any calendar year shall not exceed Three
3681 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
3682 and for each calendar year thereafter, the aggregate amount of tax
3683 credits that may be awarded under this section in any calendar
3684 year shall not exceed One Million Dollars (\$1,000,000.00). In
3685 addition, any tax credits not awarded under this section before
3686 June 1, 2020, may be allocated during calendar year 2020 under
3687 Section 27-7-22.41 for contributions by taxpayers to eligible
3688 charitable organizations described in Section



3689 27-7-22.41(1)(b)(ii) as provided under such section,
3690 notwithstanding any limitation on the percentage of tax credits
3691 that may be allocated for such contributions.

3692 (13) A taxpayer shall apply for credits with the department
3693 on forms prescribed by the department. In the application the
3694 taxpayer shall certify to the department the dollar amount of the
3695 contributions made or to be made during the calendar year. Within
3696 thirty (30) days after the receipt of an application, the
3697 department shall allocate credits based on the dollar amount of
3698 contributions as certified in the application. However, if the
3699 department cannot allocate the full amount of credits certified in
3700 the application due to the limit on the aggregate amount of
3701 credits that may be awarded under this section in a calendar year,
3702 the department shall so notify the applicant within thirty (30)
3703 days with the amount of credits, if any, that may be allocated to
3704 the applicant in the calendar year. Once the department has
3705 allocated credits to a taxpayer, if the contribution for which a
3706 credit is allocated has not been made as of the date of the
3707 allocation, then the contribution must be made not later than
3708 sixty (60) days from the date of the allocation. If the
3709 contribution is not made within such time period, the allocation
3710 shall be cancelled and returned to the department for
3711 reallocation. Upon final documentation of the contributions, if
3712 the actual dollar amount of the contributions is lower than the



3713 amount estimated, the department shall adjust the tax credit
3714 allowed under this section.

3715 (14) This section shall be repealed from and after January
3716 1, 2025.

3717 **SECTION 30.** Section 27-7-22.41, Mississippi Code of 1972, is
3718 brought forward as follows:

3719 27-7-22.41. (1) For the purposes of this section, the
3720 following words and phrases shall have the meanings ascribed in
3721 this section unless the context clearly indicates otherwise:

3722 (a) "Department" means the Department of Revenue.

3723 (b) "Eligible charitable organization" means an
3724 organization that is exempt from federal income taxation under
3725 Section 501(c) (3) of the Internal Revenue Code and is:

3726 (i) Licensed by or under contract or agreement
3727 with the Department of Child Protection Services and provides
3728 services for:

3729 1. The prevention and diversion of children
3730 from custody with the Department of Child Protection Services,

3731 2. The safety, care and well-being of
3732 children in custody with the Department of Child Protection
3733 Services, or

3734 3. The express purpose of creating permanency
3735 for children through adoption; or



3736 (ii) Certified by the department as a job
3737 training, workforce development or educational services charitable
3738 organization and provides services to:

3739 1. Children in a foster care placement
3740 program established by the Department of Child Protection
3741 Services, children placed under the Safe Families for Children
3742 model, or children at significant risk of entering a foster care
3743 placement program established by the Department of Child
3744 Protection Services,

3745 2. Children who have a chronic illness or
3746 physical, intellectual, developmental or emotional disability, or

3747 3. Children eligible for free or reduced
3748 price meals programs under Section 37-11-7, or selected for
3749 participation in the Promise Neighborhoods Program sponsored by
3750 the U.S. Department of Education.

3751 (2) (a) The tax credit authorized in this section shall be
3752 available only to a taxpayer who is a business enterprise engaged
3753 in commercial, industrial or professional activities and operating
3754 as a corporation, limited liability company, partnership or sole
3755 proprietorship. Except as otherwise provided in this section, a
3756 credit is allowed against the taxes imposed by Sections 27-7-5,
3757 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
3758 contributions made by a taxpayer during the taxable year to an
3759 eligible charitable organization. The amount of credit that may
3760 be utilized by a taxpayer in a taxable year shall be limited to an



3761 amount not to exceed fifty percent (50%) of the total tax
3762 liability of the taxpayer for the taxes imposed by such sections
3763 of law. Any tax credit claimed under this section but not used in
3764 any taxable year may be carried forward for five (5) consecutive
3765 years from the close of the tax year in which the credits were
3766 earned.

3767 (b) A contribution to an eligible charitable
3768 organization for which a credit is claimed under this section does
3769 not qualify for and shall not be included in any credit that may
3770 be claimed under Section 27-7-22.39.

3771 (c) A contribution for which a credit is claimed under
3772 this section may not be used as a deduction by the taxpayer for
3773 state income tax purposes.

3774 (3) Taxpayers taking a credit authorized by this section
3775 shall provide the name of the eligible charitable organization and
3776 the amount of the contribution to the department on forms provided
3777 by the department.

3778 (4) An eligible charitable organization shall provide the
3779 department with a written certification that it meets all criteria
3780 to be considered an eligible charitable organization. The
3781 organization shall also notify the department of any changes that
3782 may affect eligibility under this section.

3783 (5) The eligible charitable organization's written
3784 certification must be signed by an officer of the organization



3785 under penalty of perjury. The written certification shall include
3786 the following:

3787 (a) Verification of the organization's status under
3788 Section 501(c) (3) of the Internal Revenue Code;

3789 (b) A statement that the organization does not provide,
3790 pay for or provide coverage of abortions and does not financially
3791 support any other entity that provides, pays for or provides
3792 coverage of abortions;

3793 (c) Any other information that the department requires
3794 to administer this section.

3795 (6) The department shall review each written certification
3796 and determine whether the organization meets all the criteria to
3797 be considered an eligible charitable organization and notify the
3798 organization of its determination. The department may also
3799 periodically request recertification from the organization. The
3800 department shall compile and make available to the public a list
3801 of eligible charitable organizations.

3802 (7) Tax credits authorized by this section that are earned
3803 by a partnership, limited liability company, S corporation or
3804 other similar pass-through entity, shall be allocated among all
3805 partners, members or shareholders, respectively, either in
3806 proportion to their ownership interest in such entity or as the
3807 partners, members or shareholders mutually agree as provided in an
3808 executed document.



3809 (8) (a) A taxpayer shall apply for credits with the
3810 department on forms prescribed by the department. In the
3811 application the taxpayer shall certify to the department the
3812 dollar amount of the contributions made or to be made during the
3813 calendar year. Within thirty (30) days after the receipt of an
3814 application, the department shall allocate credits based on the
3815 dollar amount of contributions as certified in the application.
3816 However, if the department cannot allocate the full amount of
3817 credits certified in the application due to the limit on the
3818 aggregate amount of credits that may be awarded under this section
3819 in a calendar year, the department shall so notify the applicant
3820 within thirty (30) days with the amount of credits, if any, that
3821 may be allocated to the applicant in the calendar year. Once the
3822 department has allocated credits to a taxpayer, if the
3823 contribution for which a credit is allocated has not been made as
3824 of the date of the allocation, then the contribution must be made
3825 not later than sixty (60) days from the date of the allocation.
3826 If the contribution is not made within such time period, the
3827 allocation shall be cancelled and returned to the department for
3828 reallocation. Upon final documentation of the contributions, if
3829 the actual dollar amount of the contributions is lower than the
3830 amount estimated, the department shall adjust the tax credit
3831 allowed under this section.

3832 (b) A taxpayer who applied for a tax credit under this
3833 section during calendar year 2020, but who was unable to be



3834 awarded the credit due to the limit on the aggregate amount of
3835 credits authorized for calendar year 2020, shall be given priority
3836 for tax credits authorized to be allocated to taxpayers under this
3837 section by Section 27-7-22.39.

3838 (9) The aggregate amount of tax credits that may be
3839 allocated by the department under this section during a calendar
3840 year shall not exceed Five Million Dollars (\$5,000,000.00), and
3841 not more than fifty percent (50%) of tax credits allocated during
3842 a calendar year may be allocated for contributions to eligible
3843 charitable organizations described in subsection (1)(b)(ii) of
3844 this section. However, for calendar year 2021, and for each
3845 calendar year thereafter, the aggregate amount of tax credits that
3846 may be allocated by the department under this section during a
3847 calendar year shall not exceed Ten Million Dollars
3848 (\$10,000,000.00). For calendar year 2021, and for each calendar
3849 year thereafter, fifty percent (50%) of the tax credits allocated
3850 during a calendar year shall be allocated for contributions to
3851 eligible charitable organizations described in subsection
3852 (1)(b)(i) of this section and fifty percent (50%) of the tax
3853 credits allocated during a calendar year shall be allocated for
3854 contributions to eligible charitable organizations described in
3855 subsection (1)(b)(ii) of this section. For calendar year 2021,
3856 and for each calendar year thereafter, for credits allocated
3857 during a calendar year for contributions to eligible charitable
3858 organizations described in subsection (1)(b)(i) of this section,



3859 no more than twenty-five percent (25%) of such credits may be
3860 allocated for contributions to a single eligible charitable
3861 organization. For calendar year 2021, and for each calendar year
3862 thereafter, for credits allocated during a calendar year for
3863 contributions to eligible charitable organizations described in
3864 subsection (1)(b)(ii) of this section, no more than five percent
3865 (5%) of such credits may be allocated for contributions to a
3866 single eligible charitable organization.

3867 **SECTION 31.** Section 27-7-207, Mississippi Code of 1972, is
3868 brought forward as follows:

3869 27-7-207. (1) Subject to the limitations provided for in
3870 this section, through calendar year 2023 a taxpayer shall be
3871 allowed a credit against the tax imposed by Chapter 7, Title 27,
3872 in an amount equal to twenty-five percent (25%) of a qualified
3873 contribution to an endowed fund at a qualified community
3874 foundation, subject to the following:

3875 (a) The minimum amount of a qualified contribution
3876 shall be One Thousand Dollars (\$1,000.00).

3877 (b) The maximum amount of a qualified contribution
3878 shall be Two Hundred Thousand Dollars (\$200,000.00).

3879 (c) The total qualified contributions from any
3880 qualified taxpayer eligible for the tax credit authorized under
3881 this section shall be Two Hundred Thousand Dollars (\$200,000.00)
3882 per year.



3883 (2) Except as otherwise provided in this subsection, the
3884 aggregate amount of tax credits authorized under this article
3885 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in
3886 any one (1) calendar year. The credits shall be awarded on a
3887 first-come, first-served basis. If the tax credits authorized for
3888 used in any calendar year are not utilized, the amount not
3889 utilized may be awarded or carried forward in up to five (5)
3890 subsequent calendar years from the year in which such credits are
3891 made available.

3892 (3) If the amount allowable as a credit exceeds the tax
3893 imposed by Chapter 7, Title 27, the amount of such excess may be
3894 carried forward for not more than five (5) subsequent taxable
3895 years.

3896 (4) From and after January 1, 2024, no additional credits
3897 shall be authorized under this section; however, any tax credits
3898 authorized prior to January 1, 2024, and not used, may be carried
3899 forward for not more than five (5) taxable years subsequent to
3900 calendar year 2023.

3901 **SECTION 32.** Section 27-7-312, Mississippi Code of 1972, is
3902 brought forward as follows:

3903 27-7-312. (1) Of the revenue collected under the provisions
3904 of this article from the new direct jobs of a qualified business
3905 or industry as defined in Section 57-62-5 of the Mississippi
3906 Advantage Jobs Act, an amount equal to the estimated amount of the
3907 quarterly incentive payment for which such qualified business or



3908 industry is eligible shall be deposited into the Mississippi
3909 Advantage Jobs Incentive Payment Fund created pursuant to Section
3910 57-62-1 et seq., on or before the twentieth day of the month
3911 following the close of each calendar quarter.

3912 (2) Of the revenue collected under the provisions of this
3913 article from the qualified jobs of a qualified business or
3914 industry as defined in Section 57-99-1, an amount equal to the
3915 estimated amount of the quarterly incentive payment for which such
3916 qualified business or industry is eligible shall be deposited into
3917 the MMEIA Withholding Rebate Fund created pursuant to Section
3918 57-99-5, on or before the twentieth day of the month following the
3919 close of each calendar quarter.

3920 (3) Of the revenue collected under the provisions of this
3921 article from the qualified jobs of a qualified business or
3922 industry as defined in Section 57-100-1, an amount equal to the
3923 estimated amount of the quarterly incentive payment for which such
3924 qualified business or industry is eligible shall be deposited into
3925 the Existing Industry Withholding Rebate Fund created pursuant to
3926 Section 57-100-5, on or before the twentieth day of the month
3927 following the close of each calendar quarter.

3928 (4) Of the revenue collected under the provisions of this
3929 article from the qualified jobs of a qualified business or
3930 industry as defined in Section 57-99-21, an amount equal to the
3931 estimated amount of the quarterly incentive payment for which such
3932 qualified business or industry is eligible shall be deposited into



3933 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or
3934 before the twentieth day of the month following the close of each
3935 calendar quarter.

3936 **SECTION 33.** Section 57-62-5, Mississippi Code of 1972, is
3937 brought forward as follows:

3938 **[For businesses or industries that received or applied for**
3939 **incentive payments prior to July 1, 2005, this section shall read**
3940 **as follows:]**

3941 57-62-5. As used in this chapter, the following words and
3942 phrases shall have the meanings ascribed in this section unless
3943 the context clearly indicates otherwise:

3944 (a) "Qualified business or industry" means any
3945 corporation, limited liability company, partnership, sole
3946 proprietorship, business trust or other legal entity and subunits
3947 or affiliates thereof, pursuant to rules and regulations of the
3948 MDA, which provides an average annual salary, excluding benefits
3949 which are not subject to Mississippi income taxes, of at least one
3950 hundred twenty-five percent (125%) of the most recently published
3951 state average annual wage or the most recently published average
3952 annual wage of the county in which the qualified business or
3953 industry is located as determined by the Mississippi Department of
3954 Employment Security, whichever is the lesser. An establishment
3955 shall not be considered to be a qualified business or industry
3956 unless it offers, or will offer within one hundred eighty (180)
3957 days of the date it receives the first incentive payment pursuant



3958 to the provisions of this chapter, a basic health benefits plan to
3959 the individuals it employs in new direct jobs in this state which
3960 is approved by the MDA. Qualified business or industry does not
3961 include retail business or gaming business;

3962 (b) "New direct job" means full-time employment in this
3963 state in a qualified business or industry that has qualified to
3964 receive an incentive payment pursuant to this chapter, which
3965 employment did not exist in this state before the date of approval
3966 by the MDA of the application of the qualified business or
3967 industry pursuant to the provisions of this chapter. "New direct
3968 job" shall include full-time employment in this state of employees
3969 who are employed by an entity other than the establishment that
3970 has qualified to receive an incentive payment and who are leased
3971 to the qualified business or industry, if such employment did not
3972 exist in this state before the date of approval by the MDA of the
3973 application of the establishment;

3974 (c) "Full-time job" means a job of at least thirty-five
3975 (35) hours per week;

3976 (d) "Estimated direct state benefits" means the tax
3977 revenues projected by the MDA to accrue to the state as a result
3978 of the qualified business or industry;

3979 (e) "Estimated direct state costs" means the costs
3980 projected by the MDA to accrue to the state as a result of the
3981 qualified business or industry;



3982 (f) "Estimated net direct state benefits" means the
3983 estimated direct state benefits less the estimated direct state
3984 costs;

3985 (g) "Net benefit rate" means the estimated net direct
3986 state benefits computed as a percentage of gross payroll, provided
3987 that:

3988 (i) Except as otherwise provided in this paragraph
3989 (g), the net benefit rate may be variable and shall not exceed
3990 four percent (4%) of the gross payroll; and shall be set in the
3991 sole discretion of the MDA;

3992 (ii) In no event shall incentive payments,
3993 cumulatively, exceed the estimated net direct state benefits;

3994 (h) "Gross payroll" means wages for new direct jobs of
3995 the qualified business or industry; and

3996 (i) "MDA" means the Mississippi Development Authority.

3997 **[For businesses or industries that received or applied for**
3998 **incentive payments from and after July 1, 2005, but prior to July**
3999 **1, 2010, this section shall read as follows:]**

4000 57-62-5. As used in this chapter, the following words and
4001 phrases shall have the meanings ascribed in this section unless
4002 the context clearly indicates otherwise:

4003 (a) "Qualified business or industry" means any
4004 corporation, limited liability company, partnership, sole
4005 proprietorship, business trust or other legal entity and subunits



4006 or affiliates thereof, pursuant to rules and regulations of the
4007 MDA, which:

4008 (i) Is a data/information processing enterprise
4009 meeting minimum criteria established by the MDA that provides an
4010 average annual salary, excluding benefits which are not subject to
4011 Mississippi income taxes, of at least one hundred percent (100%)
4012 of the most recently published state average annual wage or the
4013 most recently published average annual wage of the county in which
4014 the qualified business or industry is located as determined by the
4015 Mississippi Department of Employment Security, whichever is the
4016 lesser, and creates not less than two hundred (200) new direct
4017 jobs if the enterprise is located in a Tier One or Tier Two area
4018 (as such areas are designated in accordance with Section
4019 57-73-21), or which creates not less than one hundred (100) new
4020 jobs if the enterprise is located in a Tier Three area (as such
4021 areas are designated in accordance with Section 57-73-21);

4022 (ii) Is a manufacturing or distribution enterprise
4023 meeting minimum criteria established by the MDA that provides an
4024 average annual salary, excluding benefits which are not subject to
4025 Mississippi income taxes, of at least one hundred ten percent
4026 (110%) of the most recently published state average annual wage or
4027 the most recently published average annual wage of the county in
4028 which the qualified business or industry is located as determined
4029 by the Mississippi Department of Employment Security, whichever is
4030 the lesser, invests not less than Twenty Million Dollars



4031 (\$20,000,000.00) in land, buildings and equipment, and creates not
4032 less than fifty (50) new direct jobs if the enterprise is located
4033 in a Tier One or Tier Two area (as such areas are designated in
4034 accordance with Section 57-73-21), or which creates not less than
4035 twenty (20) new jobs if the enterprise is located in a Tier Three
4036 area (as such areas are designated in accordance with Section
4037 57-73-21);

4038 (iii) Is a corporation, limited liability company,
4039 partnership, sole proprietorship, business trust or other legal
4040 entity and subunits or affiliates thereof, pursuant to rules and
4041 regulations of the MDA, which provides an average annual salary,
4042 excluding benefits which are not subject to Mississippi income
4043 taxes, of at least one hundred twenty-five percent (125%) of the
4044 most recently published state average annual wage or the most
4045 recently published average annual wage of the county in which the
4046 qualified business or industry is located as determined by the
4047 Mississippi Department of Employment Security, whichever is the
4048 lesser, and creates not less than twenty-five (25) new direct jobs
4049 if the enterprise is located in a Tier One or Tier Two area (as
4050 such areas are designated in accordance with Section 57-73-21), or
4051 which creates not less than ten (10) new jobs if the enterprise is
4052 located in a Tier Three area (as such areas are designated in
4053 accordance with Section 57-73-21). An establishment shall not be
4054 considered to be a qualified business or industry unless it
4055 offers, or will offer within one hundred eighty (180) days of the



4056 date it receives the first incentive payment pursuant to the
4057 provisions of this chapter, a basic health benefits plan to the
4058 individuals it employs in new direct jobs in this state which is
4059 approved by the MDA. Qualified business or industry does not
4060 include retail business or gaming business; or

4061 (iv) Is a research and development or a technology
4062 intensive enterprise meeting minimum criteria established by the
4063 MDA that provides an average annual salary, excluding benefits
4064 which are not subject to Mississippi income taxes, of at least one
4065 hundred fifty percent (150%) of the most recently published state
4066 average annual wage or the most recently published average annual
4067 wage of the county in which the qualified business or industry is
4068 located as determined by the Mississippi Department of Employment
4069 Security, whichever is the lesser, and creates not less than ten
4070 (10) new direct jobs.

4071 An establishment shall not be considered to be a qualified
4072 business or industry unless it offers, or will offer within one
4073 hundred eighty (180) days of the date it receives the first
4074 incentive payment pursuant to the provisions of this chapter, a
4075 basic health benefits plan to the individuals it employs in new
4076 direct jobs in this state which is approved by the MDA. Qualified
4077 business or industry does not include retail business or gaming
4078 business.

4079 (b) "New direct job" means full-time employment in this
4080 state in a qualified business or industry that has qualified to



4081 receive an incentive payment pursuant to this chapter, which
4082 employment did not exist in this state before the date of approval
4083 by the MDA of the application of the qualified business or
4084 industry pursuant to the provisions of this chapter. "New direct
4085 job" shall include full-time employment in this state of employees
4086 who are employed by an entity other than the establishment that
4087 has qualified to receive an incentive payment and who are leased
4088 to the qualified business or industry, if such employment did not
4089 exist in this state before the date of approval by the MDA of the
4090 application of the establishment.

4091 (c) "Full-time job" or "full-time employment" means a
4092 job of at least thirty-five (35) hours per week.

4093 (d) "Estimated direct state benefits" means the tax
4094 revenues projected by the MDA to accrue to the state as a result
4095 of the qualified business or industry.

4096 (e) "Estimated direct state costs" means the costs
4097 projected by the MDA to accrue to the state as a result of the
4098 qualified business or industry.

4099 (f) "Estimated net direct state benefits" means the
4100 estimated direct state benefits less the estimated direct state
4101 costs.

4102 (g) "Net benefit rate" means the estimated net direct
4103 state benefits computed as a percentage of gross payroll, provided
4104 that:



4105 (i) Except as otherwise provided in this paragraph
4106 (g), the net benefit rate may be variable and shall not exceed
4107 four percent (4%) of the gross payroll; and shall be set in the
4108 sole discretion of the MDA;

4109 (ii) In no event shall incentive payments,
4110 cumulatively, exceed the estimated net direct state benefits.

4111 (h) "Gross payroll" means wages for new direct jobs of
4112 the qualified business or industry.

4113 (i) "MDA" means the Mississippi Development Authority.

4114 **[For businesses or industries that apply for incentive**
4115 **payments from and after July 1, 2010, this section shall read as**
4116 **follows:]**

4117 57-62-5. As used in this chapter, the following words and
4118 phrases shall have the meanings ascribed in this section unless
4119 the context clearly indicates otherwise:

4120 (a) "Qualified business or industry" means any
4121 corporation, limited liability company, partnership, sole
4122 proprietorship, business trust or other legal entity and subunits
4123 or affiliates thereof, pursuant to rules and regulations of the
4124 MDA, which:

4125 (i) Is a data/information processing enterprise
4126 meeting minimum criteria established by the MDA that provides an
4127 average annual salary, excluding benefits which are not subject to
4128 Mississippi income taxes, of at least one hundred percent (100%)
4129 of the most recently published state average annual wage or the



4130 most recently published average annual wage of the county in which
4131 the qualified business or industry is located as determined by the
4132 Mississippi Department of Employment Security, whichever is the
4133 lesser, and creates not less than two hundred (200) new direct
4134 jobs;

4135 (ii) Is a corporation, limited liability company,
4136 partnership, sole proprietorship, business trust or other legal
4137 entity and subunits or affiliates thereof, pursuant to rules and
4138 regulations of the MDA, which provides an average annual salary,
4139 excluding benefits which are not subject to Mississippi income
4140 taxes, of at least one hundred ten percent (110%) of the most
4141 recently published state average annual wage or the most recently
4142 published average annual wage of the county in which the qualified
4143 business or industry is located as determined by the Mississippi
4144 Department of Employment Security, whichever is the lesser, and
4145 creates not less than twenty-five (25) new direct jobs; or

4146 (iii) Is a corporation, limited liability company,
4147 partnership, sole proprietorship, business trust or other legal
4148 entity and subunits or affiliates thereof, pursuant to rules and
4149 regulations of the MDA, which is a manufacturer that:

4150 1. Provides an average annual salary,
4151 excluding benefits which are not subject to Mississippi income
4152 taxes, of at least one hundred ten percent (110%) of the most
4153 recently published state average annual wage or the most recently
4154 published average annual wage of the county in which the qualified



4155 business or industry is located as determined by the Mississippi
4156 Department of Employment Security, whichever is the lesser;

4157 2. Has a minimum of five thousand (5,000)
4158 existing employees as of the last day of the previous calendar
4159 year; and

4160 3. MDA determines will create not less than
4161 three thousand (3,000) new direct jobs within forty-eight (48)
4162 months of the date the MDA determines that the applicant is
4163 qualified to receive incentive payments.

4164 An establishment shall not be considered to be a qualified
4165 business or industry unless it offers, or will offer within one
4166 hundred eighty (180) days of the date it receives the first
4167 incentive payment pursuant to the provisions of this chapter, a
4168 basic health benefits plan to the individuals it employs in new
4169 direct jobs in this state which is approved by the MDA. Qualified
4170 business or industry does not include retail business or gaming
4171 business.

4172 (b) "New direct job" means full-time employment in this
4173 state in a qualified business or industry that has qualified to
4174 receive an incentive payment pursuant to this chapter, which
4175 employment did not exist in this state before the date of approval
4176 by the MDA of the application of the qualified business or
4177 industry pursuant to the provisions of this chapter. "New direct
4178 job" shall include full-time employment in this state of employees
4179 who are employed by an entity other than the establishment that



4180 has qualified to receive an incentive payment and who are leased
4181 to the qualified business or industry, if such employment did not
4182 exist in this state before the date of approval by the MDA of the
4183 application of the establishment.

4184 (c) "Full-time job" or "full-time employment" means a
4185 job of at least thirty-five (35) hours per week.

4186 (d) "Gross payroll" means wages for new direct jobs of
4187 the qualified business or industry.

4188 (e) "MDA" means the Mississippi Development Authority.

4189 **SECTION 34.** Section 57-62-9, Mississippi Code of 1972, is
4190 brought forward as follows:

4191 **[For businesses or industries that received or applied for**
4192 **incentive payments prior to July 1, 2005, this section shall read**
4193 **as follows:]**

4194 57-62-9. (1) Except as otherwise provided in this section,
4195 a qualified business or industry that meets the qualifications
4196 specified in this chapter may receive quarterly incentive payments
4197 for a period not to exceed ten (10) years from the Department of
4198 Revenue pursuant to the provisions of this chapter in an amount
4199 which shall be equal to the net benefit rate multiplied by the
4200 actual gross payroll of new direct jobs for a calendar quarter as
4201 verified by the Mississippi Department of Employment Security, but
4202 not to exceed the amount of money previously paid into the fund by
4203 the employer. A qualified business or industry that is a project
4204 as defined in Section 57-75-5(f)(iv)1 may elect the date upon



4205 which the ten-year period will begin. Such date may not be later
4206 than sixty (60) months after the date the business or industry
4207 applied for incentive payments.

4208 (2) (a) A qualified business or industry that is a project
4209 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4210 receive incentive payments for an additional period not to exceed
4211 five (5) years beyond the expiration date of the initial ten-year
4212 period if:

4213 (i) The qualified business or industry creates at
4214 least three thousand (3,000) new direct jobs within five (5) years
4215 after the date the business or industry commences commercial
4216 production;

4217 (ii) Within five (5) years after the date the
4218 business or industry commences commercial production, the average
4219 annual wage of the jobs is at least one hundred fifty percent
4220 (150%) of the most recently published state average annual wage or
4221 the most recently published average annual wage of the county in
4222 which the qualified business or industry is located as determined
4223 by the Mississippi Department of Employment Security, whichever is
4224 the lesser. The criteria for the average annual wage requirement
4225 shall be based upon the state average annual wage or the average
4226 annual wage of the county whichever is appropriate, at the time of
4227 creation of the minimum number of jobs, and the threshold
4228 established at that time will remain constant for the duration of
4229 the additional period; and



4230 (iii) The qualified business or industry meets and
4231 maintains the job and wage requirements of subparagraphs (i) and
4232 (ii) of this paragraph (a) for four (4) consecutive calendar
4233 quarters.

4234 (b) A qualified business or industry that is a project
4235 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4236 incentive payments for the additional period provided in paragraph
4237 (a) of this subsection (2) may apply to the MDA to receive
4238 incentive payments for an additional period not to exceed ten (10)
4239 years beyond the expiration date of the additional period provided
4240 in paragraph (a) of this subsection (2) if:

4241 (i) The qualified business or industry creates at
4242 least four thousand (4,000) new direct jobs after qualifying for
4243 the additional incentive period provided in paragraph (a) of this
4244 subsection (2) but before the expiration of the additional period.
4245 For purposes of determining whether the business or industry meets
4246 the minimum jobs requirement of this subparagraph (i), the number
4247 of jobs the business or industry created in order to meet the
4248 minimum jobs requirement of paragraph (a) of this subsection (2)
4249 shall be subtracted from the minimum jobs requirement of this
4250 subparagraph (i);

4251 (ii) The average annual wage of the jobs is at
4252 least one hundred fifty percent (150%) of the most recently
4253 published state average annual wage or the most recently published
4254 average annual wage of the county in which the qualified business



4255 or industry is located as determined by the Mississippi Department
4256 of Employment Security, whichever is the lesser. The criteria for
4257 the average annual wage requirement shall be based upon the state
4258 average annual wage or the average annual wage of the county
4259 whichever is appropriate, at the time of creation of the minimum
4260 number of jobs, and the threshold established at that time will
4261 remain constant for the duration of the additional period; and

4262 (iii) The qualified business or industry meets and
4263 maintains the job and wage requirements of subparagraphs (i) and
4264 (ii) of this paragraph (b) for four (4) consecutive calendar
4265 quarters.

4266 (3) In order to receive incentive payments, an establishment
4267 shall apply to the MDA. The application shall be on a form
4268 prescribed by the MDA and shall contain such information as may be
4269 required by the MDA to determine if the applicant is qualified.

4270 (4) In order to qualify to receive such payments, the
4271 establishment applying shall be required to:

4272 (a) Be engaged in a qualified business or industry;

4273 (b) Provide an average salary, excluding benefits which
4274 are not subject to Mississippi income taxes, of at least one
4275 hundred twenty-five percent (125%) of the most recently published
4276 state average annual wage or the most recently published average
4277 annual wage of the county in which the qualified business or
4278 industry is located as determined by the Mississippi Department of
4279 Employment Security, whichever is the lesser. The criteria for



4280 this requirement shall be based upon the state average annual wage
4281 or the average annual wage of the county whichever is appropriate,
4282 at the time of application, and the threshold established upon
4283 application will remain constant for the duration of the project;

4284 (c) The business or industry must create and maintain a
4285 minimum of ten (10) full-time jobs in counties that have an
4286 average unemployment rate over the previous twelve-month period
4287 which is at least one hundred fifty percent (150%) of the most
4288 recently published state unemployment rate, as determined by the
4289 Mississippi Department of Employment Security or in Tier Three
4290 counties as determined under Section 57-73-21. In all other
4291 counties, the business or industry must create and maintain a
4292 minimum of twenty-five (25) full-time jobs. The criteria for this
4293 requirement shall be based on the designation of the county at the
4294 time of the application. The threshold established upon the
4295 application will remain constant for the duration of the project.
4296 The business or industry must meet its job creation commitment
4297 within twenty-four (24) months of the application approval.
4298 However, if the qualified business or industry is applying for
4299 incentive payments for an additional period under subsection (2)
4300 of this section, the business or industry must comply with the
4301 applicable job and wage requirements of subsection (2) of this
4302 section.

4303 (5) The MDA shall determine if the applicant is qualified to
4304 receive incentive payments. If the applicant is determined to be



4305 qualified by the MDA, the MDA shall conduct a cost/benefit
4306 analysis to determine the estimated net direct state benefits and
4307 the net benefit rate applicable for a period not to exceed ten
4308 (10) years and to estimate the amount of gross payroll for the
4309 period. If the applicant is determined to be qualified to receive
4310 incentive payments for an additional period under subsection (2)
4311 of this section, the MDA shall conduct a cost/benefit analysis to
4312 determine the estimated net direct state benefits and the net
4313 benefit rate applicable for the appropriate additional period and
4314 to estimate the amount of gross payroll for the additional period.
4315 In conducting such cost/benefit analysis, the MDA shall consider
4316 quantitative factors, such as the anticipated level of new tax
4317 revenues to the state along with the cost to the state of the
4318 qualified business or industry, and such other criteria as deemed
4319 appropriate by the MDA, including the adequacy of retirement
4320 benefits that the business or industry provides to individuals it
4321 employs in new direct jobs in this state. In no event shall
4322 incentive payments, cumulatively, exceed the estimated net direct
4323 state benefits. Once the qualified business or industry is
4324 approved by the MDA, an agreement shall be deemed to exist between
4325 the qualified business or industry and the State of Mississippi,
4326 requiring the continued incentive payment to be made as long as
4327 the qualified business or industry retains its eligibility.

4328 (6) Upon approval of such an application, the MDA shall
4329 notify the Department of Revenue and shall provide it with a copy



4330 of the approved application and the estimated net direct state
4331 benefits. The Department of Revenue may require the qualified
4332 business or industry to submit such additional information as may
4333 be necessary to administer the provisions of this chapter. The
4334 qualified business or industry shall report to the Department of
4335 Revenue periodically to show its continued eligibility for
4336 incentive payments. The qualified business or industry may be
4337 audited by the Department of Revenue to verify such eligibility.
4338 In addition, the State Auditor may conduct performance and
4339 compliance audits under this chapter according to Section
4340 7-7-211(o) and may bill the oversight agency.

4341 (7) If the qualified business or industry is located in an
4342 area that has been declared by the Governor to be a disaster area
4343 and as a result of the disaster the business or industry is unable
4344 to create or maintain the full-time jobs required by this section:

4345 (a) The Commissioner of Revenue may extend the period
4346 of time that the business or industry may receive incentive
4347 payments for a period of time not to exceed two (2) years;

4348 (b) The Commissioner of Revenue may waive the
4349 requirement that a certain number of jobs be maintained for a
4350 period of time not to exceed twenty-four (24) months; and

4351 (c) The MDA may extend the period of time within which
4352 the jobs must be created for a period of time not to exceed
4353 twenty-four (24) months.



4354 **[For businesses or industries that received or applied for**
4355 **incentive payments from and after July 1, 2005, but prior to July**
4356 **1, 2010, this section shall read as follows:]**

4357 57-62-9. (1) (a) Except as otherwise provided in this
4358 section, a qualified business or industry that meets the
4359 qualifications specified in this chapter may receive quarterly
4360 incentive payments for a period not to exceed ten (10) years from
4361 the Department of Revenue pursuant to the provisions of this
4362 chapter in an amount which shall be equal to the net benefit rate
4363 multiplied by the actual gross payroll of new direct jobs for a
4364 calendar quarter as verified by the Mississippi Department of
4365 Employment Security, but not to exceed:

4366 (i) Ninety percent (90%) of the amount of money
4367 previously paid into the fund by the employer if the employer
4368 provides an average annual salary, excluding benefits which are
4369 not subject to Mississippi income taxes, of at least one hundred
4370 seventy-five percent (175%) of the most recently published state
4371 average annual wage or the most recently published average annual
4372 wage of the county in which the qualified business or industry is
4373 located as determined by the Mississippi Department of Employment
4374 Security, whichever is the lesser;

4375 (ii) Eighty percent (80%) of the amount of money
4376 previously paid into the fund by the employer if the employer
4377 provides an average annual salary, excluding benefits which are
4378 not subject to Mississippi income taxes, of at least one hundred



4379 twenty-five percent (125%) but less than one hundred seventy-five
4380 percent (175%) of the most recently published state average annual
4381 wage or the most recently published average annual wage of the
4382 county in which the qualified business or industry is located as
4383 determined by the Mississippi Department of Employment Security,
4384 whichever is the lesser; or

4385 (iii) Seventy percent (70%) of the amount of money
4386 previously paid into the fund by the employer if the employer
4387 provides an average annual salary, excluding benefits which are
4388 not subject to Mississippi income taxes, of less than one hundred
4389 twenty-five percent (125%) of the most recently published state
4390 average annual wage or the most recently published average annual
4391 wage of the county in which the qualified business or industry is
4392 located as determined by the Mississippi Department of Employment
4393 Security, whichever is the lesser.

4394 (b) A qualified business or industry that is a project
4395 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4396 which the ten-year period will begin. Such date may not be later
4397 than sixty (60) months after the date the business or industry
4398 applied for incentive payments.

4399 (2) (a) A qualified business or industry that is a project
4400 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4401 receive incentive payments for an additional period not to exceed
4402 five (5) years beyond the expiration date of the initial ten-year
4403 period if:



4404 (i) The qualified business or industry creates at
4405 least three thousand (3,000) new direct jobs within five (5) years
4406 after the date the business or industry commences commercial
4407 production;

4408 (ii) Within five (5) years after the date the
4409 business or industry commences commercial production, the average
4410 annual wage of the jobs is at least one hundred fifty percent
4411 (150%) of the most recently published state average annual wage or
4412 the most recently published average annual wage of the county in
4413 which the qualified business or industry is located as determined
4414 by the Mississippi Department of Employment Security, whichever is
4415 the lesser. The criteria for the average annual wage requirement
4416 shall be based upon the state average annual wage or the average
4417 annual wage of the county whichever is appropriate, at the time of
4418 creation of the minimum number of jobs, and the threshold
4419 established at that time will remain constant for the duration of
4420 the additional period; and

4421 (iii) The qualified business or industry meets and
4422 maintains the job and wage requirements of subparagraphs (i) and
4423 (ii) of this paragraph (a) for four (4) consecutive calendar
4424 quarters.

4425 (b) A qualified business or industry that is a project
4426 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4427 incentive payments for the additional period provided in paragraph
4428 (a) of this subsection (2) may apply to the MDA to receive



4429 incentive payments for an additional period not to exceed ten (10)
4430 years beyond the expiration date of the additional period provided
4431 in paragraph (a) of this subsection (2) if:

4432 (i) The qualified business or industry creates at
4433 least four thousand (4,000) new direct jobs after qualifying for
4434 the additional incentive period provided in paragraph (a) of this
4435 subsection (2) but before the expiration of the additional period.
4436 For purposes of determining whether the business or industry meets
4437 the minimum jobs requirement of this subparagraph (i), the number
4438 of jobs the business or industry created in order to meet the
4439 minimum jobs requirement of paragraph (a) of this subsection (2)
4440 shall be subtracted from the minimum jobs requirement of this
4441 subparagraph (i);

4442 (ii) The average annual wage of the jobs is at
4443 least one hundred fifty percent (150%) of the most recently
4444 published state average annual wage or the most recently published
4445 average annual wage of the county in which the qualified business
4446 or industry is located as determined by the Mississippi Department
4447 of Employment Security, whichever is the lesser. The criteria for
4448 the average annual wage requirement shall be based upon the state
4449 average annual wage or the average annual wage of the county
4450 whichever is appropriate, at the time of creation of the minimum
4451 number of jobs, and the threshold established at that time will
4452 remain constant for the duration of the additional period; and



4453 (iii) The qualified business or industry meets and
4454 maintains the job and wage requirements of subparagraphs (i) and
4455 (ii) of this paragraph (b) for four (4) consecutive calendar
4456 quarters.

4457 (3) In order to receive incentive payments, an establishment
4458 shall apply to the MDA. The application shall be on a form
4459 prescribed by the MDA and shall contain such information as may be
4460 required by the MDA to determine if the applicant is qualified.

4461 (4) (a) In order to qualify to receive such payments, the
4462 establishment applying shall be required to meet the definition of
4463 the term "qualified business or industry";

4464 (b) The criteria for the average annual salary
4465 requirement shall be based upon the state average annual wage or
4466 the average annual wage of the county whichever is appropriate, at
4467 the time of application, and the threshold established upon
4468 application will remain constant for the duration of the project;

4469 (c) The business or industry must meet its job creation
4470 commitment within twenty-four (24) months of the application
4471 approval. However, if the qualified business or industry is
4472 applying for incentive payments for an additional period under
4473 subsection (2) of this section, the business or industry must
4474 comply with the applicable job and wage requirements of subsection
4475 (2) of this section.

4476 (5) (a) The MDA shall determine if the applicant is
4477 qualified to receive incentive payments.



4478 (b) If the applicant is determined to be qualified to
4479 receive incentive payments for an additional period under
4480 subsection (2) of this section, the MDA shall conduct a
4481 cost/benefit analysis to determine the estimated net direct state
4482 benefits and the net benefit rate applicable for the appropriate
4483 additional period and to estimate the amount of gross payroll for
4484 the additional period. In conducting such cost/benefit analysis,
4485 the MDA shall consider quantitative factors, such as the
4486 anticipated level of new tax revenues to the state along with the
4487 cost to the state of the qualified business or industry, and such
4488 other criteria as deemed appropriate by the MDA, including the
4489 adequacy of retirement benefits that the business or industry
4490 provides to individuals it employs in new direct jobs in this
4491 state. In no event shall incentive payments, cumulatively, exceed
4492 the estimated net direct state benefits. Once the qualified
4493 business or industry is approved by the MDA, an agreement shall be
4494 deemed to exist between the qualified business or industry and the
4495 State of Mississippi, requiring the continued incentive payment to
4496 be made as long as the qualified business or industry retains its
4497 eligibility.

4498 (6) Upon approval of such an application, the MDA shall
4499 notify the Department of Revenue and shall provide it with a copy
4500 of the approved application and the estimated net direct state
4501 benefits. The Department of Revenue may require the qualified
4502 business or industry to submit such additional information as may



4503 be necessary to administer the provisions of this chapter. The
4504 qualified business or industry shall report to the Department of
4505 Revenue periodically to show its continued eligibility for
4506 incentive payments. The qualified business or industry may be
4507 audited by the Department of Revenue to verify such eligibility.
4508 In addition, the State Auditor may conduct performance and
4509 compliance audits under this chapter according to Section
4510 7-7-211(o) and may bill the oversight agency.

4511 (7) If the qualified business or industry is located in an
4512 area that has been declared by the Governor to be a disaster area
4513 and as a result of the disaster the business or industry is unable
4514 to create or maintain the full-time jobs required by this section:

4515 (a) The Commissioner of Revenue may extend the period
4516 of time that the business or industry may receive incentive
4517 payments for a period of time not to exceed two (2) years;

4518 (b) The Commissioner of Revenue may waive the
4519 requirement that a certain number of jobs be maintained for a
4520 period of time not to exceed twenty-four (24) months; and

4521 (c) The MDA may extend the period of time within which
4522 the jobs must be created for a period of time not to exceed
4523 twenty-four (24) months.

4524 **[For businesses or industries that apply for incentive**
4525 **payments from and after July 1, 2010, this section shall read as**
4526 **follows:]**



4527 57-62-9. (1) (a) Except as otherwise provided in this
4528 section, a qualified business or industry that meets the
4529 qualifications specified in this chapter may receive quarterly
4530 incentive payments for a period not to exceed ten (10) years from
4531 the Department of Revenue pursuant to the provisions of this
4532 chapter in an amount which shall be equal to ninety percent (90%)
4533 of the amount of actual income tax withheld for employees with new
4534 direct jobs, but in no event more than four percent (4%) of the
4535 total annual salary paid for new direct jobs during such period,
4536 excluding benefits which are not subject to Mississippi income
4537 taxes.

4538 (b) A qualified business or industry that is a project
4539 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4540 which the ten-year period will begin. Such date may not be later
4541 than sixty (60) months after the date the business or industry
4542 applied for incentive payments.

4543 (c) A qualified business or industry as defined in
4544 Section 57-62-5(a)(iii) may elect the date upon which the ten-year
4545 period will begin and may elect to begin receiving incentive
4546 payments as early as the second quarter after that date.
4547 Incentive payments will be calculated on all jobs above the
4548 existing number of jobs as of the date the MDA determines that the
4549 applicant is qualified to receive incentive payments. In the
4550 event that the qualified business or industry falls below the
4551 number of existing jobs at the time of determination that the



4552 applicant is qualified to receive the incentive payment, the
4553 incentive payment shall cease until the qualified business or
4554 industry once again exceeds that number. If after forty-eight
4555 (48) months, the qualified business or industry has failed to
4556 create at least three thousand (3,000) new direct jobs, incentive
4557 payments shall cease and the qualified business or industry shall
4558 not be qualified to receive further incentive payments.

4559 (2) (a) A qualified business or industry that is a project
4560 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4561 receive incentive payments for an additional period not to exceed
4562 five (5) years beyond the expiration date of the initial ten-year
4563 period if:

4564 (i) The qualified business or industry creates at
4565 least three thousand (3,000) new direct jobs within five (5) years
4566 after the date the business or industry commences commercial
4567 production;

4568 (ii) Within five (5) years after the date the
4569 business or industry commences commercial production, the average
4570 annual wage of the jobs is at least one hundred fifty percent
4571 (150%) of the most recently published state average annual wage or
4572 the most recently published average annual wage of the county in
4573 which the qualified business or industry is located as determined
4574 by the Mississippi Department of Employment Security, whichever is
4575 the lesser. The criteria for the average annual wage requirement
4576 shall be based upon the state average annual wage or the average



4577 annual wage of the county whichever is appropriate, at the time of
4578 creation of the minimum number of jobs, and the threshold
4579 established at that time will remain constant for the duration of
4580 the additional period; and

4581 (iii) The qualified business or industry meets and
4582 maintains the job and wage requirements of subparagraphs (i) and
4583 (ii) of this paragraph (a) for four (4) consecutive calendar
4584 quarters.

4585 (b) A qualified business or industry that is a project
4586 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4587 incentive payments for the additional period provided in paragraph
4588 (a) of this subsection (2) may apply to the MDA to receive
4589 incentive payments for an additional period not to exceed ten (10)
4590 years beyond the expiration date of the additional period provided
4591 in paragraph (a) of this subsection (2) if:

4592 (i) The qualified business or industry creates at
4593 least four thousand (4,000) new direct jobs after qualifying for
4594 the additional incentive period provided in paragraph (a) of this
4595 subsection (2) but before the expiration of the additional period.
4596 For purposes of determining whether the business or industry meets
4597 the minimum jobs requirement of this subparagraph (i), the number
4598 of jobs the business or industry created in order to meet the
4599 minimum jobs requirement of paragraph (a) of this subsection (2)
4600 shall be subtracted from the minimum jobs requirement of this
4601 subparagraph (i);



4602 (ii) The average annual wage of the jobs is at
4603 least one hundred fifty percent (150%) of the most recently
4604 published state average annual wage or the most recently published
4605 average annual wage of the county in which the qualified business
4606 or industry is located as determined by the Mississippi Department
4607 of Employment Security, whichever is the lesser. The criteria for
4608 the average annual wage requirement shall be based upon the state
4609 average annual wage or the average annual wage of the county
4610 whichever is appropriate, at the time of creation of the minimum
4611 number of jobs, and the threshold established at that time will
4612 remain constant for the duration of the additional period; and

4613 (iii) The qualified business or industry meets and
4614 maintains the job and wage requirements of subparagraphs (i) and
4615 (ii) of this paragraph (b) for four (4) consecutive calendar
4616 quarters.

4617 (3) In order to receive incentive payments, an establishment
4618 shall apply to the MDA. The application shall be on a form
4619 prescribed by the MDA and shall contain such information as may be
4620 required by the MDA to determine if the applicant is qualified.

4621 (4) (a) In order to qualify to receive such payments, the
4622 establishment applying shall be required to meet the definition of
4623 the term "qualified business or industry";

4624 (b) The criteria for the average annual salary
4625 requirement shall be based upon the state average annual wage or
4626 the average annual wage of the county whichever is appropriate, at



4627 the time of application, and the threshold established upon
4628 application will remain constant for the duration of the project;

4629 (c) Except as otherwise provided for a qualified
4630 business or industry as defined in Section 57-62-5(a)(iii), the
4631 business or industry must meet its job creation commitment within
4632 twenty-four (24) months of the application approval. However, if
4633 the qualified business or industry is applying for incentive
4634 payments for an additional period under subsection (2) of this
4635 section, the business or industry must comply with the applicable
4636 job and wage requirements of subsection (2) of this section.

4637 (5) (a) The MDA shall determine if the applicant is
4638 qualified to receive incentive payments.

4639 (b) If the applicant is determined to be qualified to
4640 receive incentive payments for an additional period under
4641 subsection (2) of this section, the MDA shall conduct an analysis
4642 to estimate the amount of gross payroll for the appropriate
4643 additional period. Incentive payments, cumulatively, shall not
4644 exceed ninety percent (90%) of the amount of actual income tax
4645 withheld for employees with new direct jobs, but in no event more
4646 than four percent (4%) of the total annual salary paid for new
4647 direct jobs during the additional period, excluding benefits which
4648 are not subject to Mississippi income taxes. Once the qualified
4649 business or industry is approved by the MDA, an agreement shall be
4650 deemed to exist between the qualified business or industry and the
4651 State of Mississippi, requiring the continued incentive payment to



4652 be made as long as the qualified business or industry retains its
4653 eligibility.

4654 (6) Upon approval of such an application, the MDA shall
4655 notify the Department of Revenue and shall provide it with a copy
4656 of the approved application and the minimum job and salary
4657 requirements. The Department of Revenue may require the qualified
4658 business or industry to submit such additional information as may
4659 be necessary to administer the provisions of this chapter. The
4660 qualified business or industry shall report to the Department of
4661 Revenue periodically to show its continued eligibility for
4662 incentive payments. The qualified business or industry may be
4663 audited by the Department of Revenue to verify such eligibility.
4664 In addition, the State Auditor may conduct performance and
4665 compliance audits under this chapter according to Section
4666 7-7-211(o) and may bill the oversight agency.

4667 (7) If the qualified business or industry is located in an
4668 area that has been declared by the Governor to be a disaster area
4669 and as a result of the disaster the business or industry is unable
4670 to create or maintain the full-time jobs required by this section:

4671 (a) The Commissioner of Revenue may extend the period
4672 of time that the business or industry may receive incentive
4673 payments for a period of time not to exceed two (2) years;

4674 (b) The Commissioner of Revenue may waive the
4675 requirement that a certain number of jobs be maintained for a
4676 period of time not to exceed twenty-four (24) months; and



4677 (c) The MDA may extend the period of time within which
4678 the jobs must be created for a period of time not to exceed
4679 twenty-four (24) months.

4680 **SECTION 35.** Section 57-62-11, Mississippi Code of 1972, is
4681 brought forward as follows:

4682 57-62-11. (1) There is created in the State Treasury a
4683 special fund to be known as the Mississippi Advantage Jobs
4684 Incentive Payment Fund, into which shall be deposited withholding
4685 tax revenue required to be deposited into such fund pursuant to
4686 Section 27-7-312. The money in the fund shall be used for the
4687 purpose of making the incentive payments authorized under this
4688 chapter.

4689 (2) The Mississippi Advantage Jobs Incentive Payment Fund
4690 shall be administered by the Department of Revenue, and monies in
4691 the fund, less three percent (3%) to be retained by the Department
4692 of Revenue to pay the reasonable and necessary expenses of the
4693 Department of Revenue in administering its duties under this
4694 chapter, shall be expended pursuant to the approved application.
4695 Amounts in the fund at the end of any fiscal year that are not
4696 necessary to make future incentive payments shall be paid into the
4697 General Fund.

4698 (3) The liability of the State of Mississippi to make the
4699 incentive payments authorized under this chapter shall be limited
4700 to the balance contained in the fund.



4701 **SECTION 36.** Section 57-62-13, Mississippi Code of 1972, is
4702 brought forward as follows:

4703 57-62-13. (1) As soon as practicable after the end of a
4704 calendar quarter for which a qualified business or industry has
4705 qualified to receive an incentive payment, the qualified business
4706 or industry shall file a claim for the payment with the Department
4707 of Revenue and shall specify the actual number of new direct jobs
4708 created and maintained by the business or industry for the
4709 calendar quarter and the gross payroll thereof. The Department of
4710 Revenue shall verify the actual number of new direct jobs created
4711 and maintained by the business or industry and compliance with the
4712 average annual wage requirements for such business or industry
4713 under this chapter. If the qualified business or industry files a
4714 claim for an incentive payment during an additional incentive
4715 period provided under Section 57-62-9(2), the Department of
4716 Revenue shall verify the actual number of new direct jobs created
4717 and maintained by the business or industry and compliance with the
4718 average annual wage requirements for such business or industry
4719 under this chapter. If the Department of Revenue is not able to
4720 provide such verification utilizing all available resources, the
4721 Department of Revenue may request such additional information from
4722 the business or industry as may be necessary.

4723 (2) (a) Except as otherwise provided in this chapter, the
4724 business or industry must meet the salary and job requirements of
4725 this chapter for four (4) consecutive calendar quarters prior to



4726 payment of the first incentive payment. Except as otherwise
4727 provided in Section 57-62-9, if the business or industry does not
4728 maintain the salary or job requirements of this chapter at any
4729 other time during the ten-year period after the date the first
4730 payment was made, the incentive payments shall not be made and
4731 shall not be resumed until such time as the actual verified number
4732 of new direct jobs created and maintained by the business or
4733 industry equals or exceeds the requirements of this chapter for
4734 one (1) calendar quarter.

4735 (b) If the business or industry is qualified to receive
4736 incentive payments for an additional period provided under Section
4737 57-62-9(2), the business or industry must meet the wage and job
4738 requirements of Section 57-62-9(2), for four (4) consecutive
4739 calendar quarters prior to payment of the first incentive payment.
4740 If the business or industry does not maintain the wage or job
4741 requirements of Section 57-62-9(2), at any other time during the
4742 appropriate additional period after the date the first payment was
4743 made, the incentive payments shall not be made and shall not be
4744 resumed until such time as the actual verified number of new
4745 direct jobs created and maintained by the business or industry
4746 equals or exceeds the amounts specified in Section 57-62-9(2), for
4747 one (1) calendar quarter.

4748 (3) An establishment that has qualified pursuant to this
4749 chapter may receive payments only in accordance with the provision
4750 under which it initially applied and was approved. If an



4751 establishment that is receiving incentive payments expands, it may
4752 apply for additional incentive payments based on the new gross
4753 payroll for new direct jobs anticipated from the expansion only,
4754 pursuant to this chapter.

4755 (4) As soon as practicable after verification of the
4756 qualified business or industry meeting the requirements of this
4757 chapter and all rules and regulations, the Department of Finance
4758 and Administration, upon requisition of the Department of Revenue,
4759 shall issue a warrant drawn on the Mississippi Advantage Jobs
4760 Incentive Payment Fund to the establishment in the amount of the
4761 incentive payment as determined pursuant to subsection (1) of this
4762 section for the calendar quarter.

4763 **SECTION 37.** Section 57-89-3, Mississippi Code of 1972, is
4764 brought forward as follows:

4765 57-89-3. As used in this chapter, the following terms shall
4766 have the meanings ascribed in this section unless the context
4767 clearly indicates otherwise:

4768 (a) "Base investment" means the actual investment made
4769 and expended in Mississippi by a motion picture production company
4770 in connection with the production of a state-certified production
4771 in the state. The term "base investment" includes amounts
4772 expended in Mississippi by a motion picture production company as
4773 per diem and housing allowances in connection with the production
4774 of a state-certified production in the state. The term "base
4775 investment" shall not include payroll. However, in the case of a



4776 motion picture production company, or its owner, principal,
4777 member, production partner, independent contractor director or
4778 producer, or subsidiary company that (i) is designated and
4779 pre-qualified by the Mississippi Development Authority as
4780 Mississippi-based or a Mississippi resident; (ii) has filed income
4781 taxes in the State of Mississippi during each of the previous
4782 three (3) years; and (iii) has engaged in activities related to
4783 the production of at least two (2) motion pictures in Mississippi
4784 during the past ten (10) years, base investment may include
4785 payroll and fringes paid for any employee who is not a resident
4786 and whose wages are subject to the Mississippi Income Tax
4787 Withholding Law of 1968, if so requested by the motion picture
4788 production company. A motion picture production company must
4789 submit such a request to the Mississippi Development Authority at
4790 the time the company submits an application for approval as a
4791 state-certified production. In addition, if base investment
4792 includes payroll and fringes, and the payroll and fringes paid for
4793 an employee exceeds Five Million Dollars (\$5,000,000.00), then
4794 only the first Five Million Dollars (\$5,000,000.00) of such
4795 payroll and fringes may be included in base investment.

4796 (b) "Employee" means an individual directly involved in
4797 the physical production and/or post-production of a motion picture
4798 produced in the state and who is employed by a:



4799 (i) Motion picture production company that is
4800 directly involved in the physical production and/or
4801 post-production of a motion picture in the state;

4802 (ii) Personal service corporation retained by a
4803 motion picture production company to provide persons used directly
4804 in the physical production and/or post-production of a motion
4805 picture in the state; or

4806 (iii) Payroll service or loan-out company that is
4807 retained by a motion picture production company to provide
4808 employees who work directly in the physical production and/or
4809 post-production of a motion picture in the state.

4810 (c) "Fringes" means costs paid by a motion picture
4811 production company on or after September 1, 2013, for employee
4812 benefits that are not subject to state income tax. Fringes may
4813 include, but are not limited to, payments by an employer for
4814 unemployment insurance, Federal Insurance Contribution Act (FICA),
4815 workers' compensation insurance, pension and welfare benefits and
4816 health insurance premiums.

4817 (d) "Motion picture" means a nationally distributed
4818 feature-length film, video, DVD, television program or series,
4819 commercial, or computer or video game made in Mississippi, in
4820 whole or in part, for theatrical or DVD release or television
4821 viewing or as a television pilot or viewing through streaming
4822 video or internet delivery, or for playing on a video game
4823 console, personal computer or handheld device. The term "motion



4824 picture" shall not include the production of television coverage
4825 of news and athletic events, or a film, video, DVD, television
4826 program, series, or commercial that contains any material or
4827 performance defined in Section 97-29-103.

4828 (e) "Motion picture production company" means a company
4829 engaged in the business of producing nationally distributed motion
4830 pictures, videos, DVDs, television programs or series,
4831 commercials, or computer or video games intended for a theatrical
4832 release, for television viewing or for playing on a video game
4833 console, personal computer or handheld device. The term "motion
4834 picture production company" includes a company engaged in the
4835 business of making such productions through the use of animation,
4836 interactive media, preproduction and post-production 3D
4837 applications, video game cinematics, virtual production, visual
4838 effects, and motion capture within the fields of feature film,
4839 television, commercials and games. The term "motion picture
4840 production company" shall not mean or include any company owned,
4841 affiliated, or controlled, in whole or in part, by any company or
4842 person which is in default on a loan made by the state or a loan
4843 guaranteed by the state, or any company or person who has ever
4844 declared bankruptcy under which an obligation of the company or
4845 person to pay or repay public funds or monies was discharged as a
4846 part of such bankruptcy.



4847 (f) "Payroll" means salary, wages or other compensation
4848 including related benefits paid to employees upon which
4849 Mississippi income tax is due and has been withheld.

4850 (g) "Resident" or "resident of Mississippi" means a
4851 natural person, and for the purpose of determining eligibility for
4852 the rebate provided by Section 57-89-7, any person domiciled in
4853 the State of Mississippi and any other person who maintains a
4854 permanent place of abode within the state and spends in the
4855 aggregate more than six (6) months of each year within the state.

4856 (h) "State" means the State of Mississippi.

4857 (i) "State-certified production" means a motion picture
4858 approved by the Mississippi Development Authority produced by a
4859 motion picture production company in the state. An application
4860 for approval as a state-certified production must be submitted to
4861 the Mississippi Development Authority before production of the
4862 project begins.

4863 **SECTION 38.** Section 57-89-7, Mississippi Code of 1972, is
4864 brought forward as follows:

4865 57-89-7. (1) (a) A motion picture production company that
4866 expends at least Fifty Thousand Dollars (\$50,000.00) in base
4867 investment, payroll and/or fringes, in the state shall be entitled
4868 to a rebate of a portion of the base investment made by the motion
4869 picture production company. Subject to the provisions of this
4870 section, the amount of the rebate shall be equal to twenty-five



4871 percent (25%) of the base investment made by the motion picture
4872 production company.

4873 (b) In addition to the rebates authorized under
4874 paragraphs (a), (c) and (d) of this subsection, a motion picture
4875 production company may receive a rebate equal to twenty-five
4876 percent (25%) of payroll and fringes paid for any employee who is
4877 not a resident and whose wages are subject to the Mississippi
4878 Income Tax Withholding Law of 1968. However, if the payroll and
4879 fringes paid for an employee exceeds Five Million Dollars
4880 (\$5,000,000.00), then the rebate is authorized only for the first
4881 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

4882 (c) In addition to the rebates authorized under
4883 paragraphs (a), (b) and (d) of this subsection, a motion picture
4884 production company may receive a rebate equal to thirty percent
4885 (30%) of payroll and fringes paid for any employee who is a
4886 resident and whose wages are subject to the Mississippi Income Tax
4887 Withholding Law of 1968. However, if the payroll and fringes paid
4888 for an employee exceeds Five Million Dollars (\$5,000,000.00), then
4889 the rebate is authorized only for the first Five Million Dollars
4890 (\$5,000,000.00) of such payroll and fringes.

4891 (d) In addition to the rebates authorized in paragraphs
4892 (a), (b) and (c) of this subsection, a motion picture production
4893 company may receive an additional rebate equal to five percent
4894 (5%) of the payroll and fringes paid for any employee who is an
4895 honorably discharged veteran of the United States Armed Forces and



4896 whose wages are subject to the Mississippi Income Tax Withholding
4897 Law of 1968.

4898 (e) If a motion picture has physical production
4899 activities and/or post-production activities both inside and
4900 outside the state, then the motion picture production company
4901 shall be required to provide an itemized accounting for each
4902 employee regarding such activities inside and outside the state
4903 for the purposes of proration of eligible payroll based on the
4904 percentage of activities performed in the state.

4905 (f) The total amount of rebates authorized for a motion
4906 picture project shall not exceed Ten Million Dollars
4907 (\$10,000,000.00) in the aggregate.

4908 (g) The total amount of rebates authorized in any
4909 fiscal year shall not exceed Twenty Million Dollars
4910 (\$20,000,000.00) in the aggregate.

4911 (2) A motion picture production company desiring a rebate
4912 under this section must submit a rebate request to the Department
4913 of Revenue upon completion of the project. The request must
4914 include a detailed accounting of the base investment made by the
4915 motion picture production company and any other information
4916 required by the Department of Revenue. Rebates made by the
4917 Department of Revenue under this section shall be made from
4918 current income tax collections. The Department of Revenue shall
4919 not approve any application for a rebate under subsection (1)(b)
4920 of this section after July 1, 2017.



4921 (3) The Department of Revenue shall have all powers
4922 necessary to implement and administer the provisions of this
4923 section, and the Department of Revenue shall promulgate rules and
4924 regulations, in accordance with the Mississippi Administrative
4925 Procedures Law, necessary for the implementation of this section.

4926 (4) The State Auditor may conduct performance and compliance
4927 audits under this chapter according to Section 7-7-211(o) and may
4928 bill the oversight agency.

4929 **SECTION 39.** Section 57-99-1, Mississippi Code of 1972, is
4930 brought forward as follows:

4931 57-99-1. As used in Sections 57-99-1 through 57-99-9, the
4932 following words and phrases shall have the meanings ascribed in
4933 this section unless the context clearly indicates otherwise:

4934 (a) "Qualified business or industry" means any company
4935 and affiliates thereof, pursuant to rules and regulations of the
4936 MDA, which is:

4937 (i) A project that has been certified by the MMEIA
4938 as a project defined in Section 57-75-5(f)(xxi) and creates at
4939 least one thousand five hundred (1,500) jobs within sixty (60)
4940 months of the beginning of the project;

4941 (ii) A project that has been certified by the
4942 MMEIA as a project defined in Section 57-75-5(f)(xxii) and creates
4943 at least five hundred (500) jobs within seventy-two (72) months of
4944 the beginning of the project;

4945 (iii) A project:



4946 1. That has been certified by the MMEIA as a
4947 project defined in Section 57-75-5(f) (xxviii);

4948 2. Creates at least twenty-five (25) jobs
4949 within sixty (60) months of the beginning of the project; and

4950 3. In which the average annual wages and
4951 taxable benefits of the jobs created by such project are at least
4952 one hundred ten percent (110%) of the most recently published
4953 average annual wage of the state or the most recently published
4954 average annual wage of the county in which the project is located,
4955 as determined by the Mississippi Department of Employment
4956 Security, whichever is the lesser; or

4957 (iv) A project:

4958 1. That has been certified by the MMEIA as a
4959 project defined in Section 57-75-5(f) (xxix);

4960 2. That creates at least twenty-five (25)
4961 jobs within sixty (60) months following the date required by the
4962 MMEIA and prescribed by written agreement between the MMEIA and
4963 the enterprise establishing the project described in item 1 of
4964 this subparagraph (iv); and

4965 3. In which the average annual wages of the
4966 jobs created by such project are at least one hundred ten percent
4967 (110%) of the most recently published average annual wage of the
4968 state, as determined by the Mississippi Department of Employment
4969 Security.



4970 (b) "Qualified job" means full-time employment in this
4971 state within the project site of a qualified business or industry
4972 that has qualified to receive an incentive payment pursuant to
4973 Sections 57-99-1 through 57-99-9, which employment did not exist
4974 in this state before the date of approval by the MDA of the
4975 application of the qualified business or industry pursuant to the
4976 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"
4977 also shall include full-time employment in this state of employees
4978 who are employed by an entity other than the establishment that
4979 has qualified to receive an incentive payment such as employees
4980 who are leased to and managed by the qualified business or
4981 industry, if such employment did not exist in this state before
4982 the date of approval by the MDA of the application of the
4983 establishment; provided, however, that in order for a qualified
4984 business or industry to receive incentive payments for such
4985 employees, the actual employer of the employees must agree to such
4986 payments being made to the qualified business or industry.

4987 (c) "Full-time employment" means a job of at least
4988 thirty-five (35) hours per week.

4989 (d) "Rebate amount" means the amount of Mississippi
4990 income taxes withheld from employees in qualified jobs that is
4991 available for rebate to the qualified business or industry,
4992 provided that:



4993 (i) Except as otherwise provided in this paragraph
4994 (d), the rebate amount shall be three and one-half percent
4995 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

4996 (ii) In no event shall incentive payments exceed
4997 the actual Mississippi income taxes withheld from employees in
4998 qualified jobs that are available for rebate to the qualified
4999 business or industry.

5000 (e) "MDA" means the Mississippi Development Authority.

5001 (f) "MMEIA" means the Mississippi Major Economic Impact
5002 Authority.

5003 **SECTION 40.** Section 57-99-3, Mississippi Code of 1972, is
5004 brought forward as follows:

5005 57-99-3. (1) Except as otherwise provided in this section,
5006 a qualified business or industry that meets the qualifications
5007 specified in Sections 57-99-1 through 57-99-9 may receive
5008 quarterly incentive payments for a period not to exceed
5009 twenty-five (25) years from the Department of Revenue pursuant to
5010 the provisions of Sections 57-99-1 through 57-99-9 in an amount
5011 which shall be equal to the lesser of three and one-half percent
5012 (3-1/2%) of the wages and taxable benefits for qualified jobs or
5013 the actual amount of Mississippi income tax withheld by the
5014 employer for the qualified jobs. A qualified business or industry
5015 may elect the date upon which the incentive rebate period will
5016 begin. Such date may not be later than sixty (60) months after
5017 the date the business or industry applied for incentive payments;



5018 however, in the case of a qualified business or industry described
5019 in Section 57-99-1(a)(ii), such date may not be later than
5020 seventy-two (72) months after the date the business or industry
5021 applied for incentive payments, or for a qualified business or
5022 industry described in Section 57-99-1(a)(iv), such date may not be
5023 later than the date that is sixty (60) months after the earlier
5024 of:

5025 (a) The date the qualified business or industry applied
5026 for incentive payments; or

5027 (b) The start of commercial production as defined in a
5028 definitive agreement between such qualified business or industry
5029 and the MDA.

5030 (2) In order to receive incentive payments, an establishment
5031 shall apply to the MDA. The application shall be on a form
5032 prescribed by the MDA and shall contain such information as may be
5033 required by the MDA to determine if the applicant is qualified.

5034 (3) In order to qualify to receive such payments, the
5035 establishment applying shall be required to:

5036 (a) Be engaged in a qualified business or industry; and

5037 (b) The business or industry must create and maintain
5038 the minimum number of qualified jobs as set forth in Section
5039 57-99-1. Establishments that are approved as a qualified business
5040 or industry under Sections 57-99-1 through 57-99-9 may not receive
5041 incentive payments under Section 57-62-1 et seq.



5042 (4) Upon approval of such an application, the MDA shall
5043 notify the Department of Revenue and shall provide it with a copy
5044 of the approved application. The Department of Revenue may
5045 require the qualified business or industry to submit such
5046 additional information as may be necessary to administer the
5047 provisions of Sections 57-99-1 through 57-99-9. The qualified
5048 business or industry shall report to the Department of Revenue
5049 periodically to show its continued eligibility for incentive
5050 payments. The qualified business or industry may be audited by
5051 the Department of Revenue to verify such eligibility.

5052 **SECTION 41.** Section 57-99-5, Mississippi Code of 1972, is
5053 brought forward as follows:

5054 57-99-5. (1) There is created in the State Treasury a
5055 special fund to be known as the "MMEIA Withholding Rebate Fund,"
5056 into which shall be deposited withholding tax revenue required to
5057 be deposited into such fund pursuant to Section 27-7-312. The
5058 money in the fund shall be used for the purpose of making the
5059 incentive payments authorized under Sections 57-99-1 through
5060 57-99-9.

5061 (2) The liability of the State of Mississippi to make the
5062 incentive payments authorized under Sections 57-99-1 through
5063 57-99-9 shall be limited to the balance contained in the fund.

5064 **SECTION 42.** Section 57-99-7, Mississippi Code of 1972, is
5065 brought forward as follows:



5066 57-99-7. (1) As soon as practicable after the end of a
5067 calendar quarter for which a qualified business or industry has
5068 qualified to receive an incentive payment, the qualified business
5069 or industry shall file a claim for the payment with the State Tax
5070 Commission and shall specify the actual number of qualified jobs
5071 created and maintained by the business or industry for the
5072 calendar quarter and the wages and taxable benefits thereof. The
5073 State Tax Commission shall verify the actual number of qualified
5074 jobs created and maintained by the business or industry. If the
5075 State Tax Commission is not able to provide such verification
5076 utilizing all available resources, the State Tax Commission may
5077 request such additional information from the business or industry
5078 as may be necessary.

5079 (2) (a) The business or industry must meet the job
5080 requirements of Sections 57-99-1 through 57-99-9 for four (4)
5081 consecutive calendar quarters prior to payment of the first
5082 incentive payment. If the business or industry does not maintain
5083 the job requirements of Sections 57-99-1 through 57-99-9 at any
5084 other time during the twenty-five-year period after the date the
5085 first payment was made, the incentive payments shall not be made
5086 and shall not be resumed until such time as the actual verified
5087 number of qualified jobs created and maintained by the business or
5088 industry equals or exceeds the requirements of Sections 57-99-1
5089 through 57-99-9 for one (1) calendar quarter.



5090 (3) An establishment that has qualified pursuant to Sections
5091 57-99-1 through 57-99-9 may receive payments only in accordance
5092 with the provision under which it initially applied and was
5093 approved. If an establishment that is receiving incentive
5094 payments expands, it may apply for additional incentive payments
5095 based on the wages and taxable benefits for qualified jobs
5096 anticipated from the expansion only, pursuant to Sections 57-99-1
5097 through 57-99-9.

5098 (4) As soon as practicable after verification of the
5099 qualified business or industry meeting the requirements of
5100 Sections 57-99-1 through 57-99-9 and all rules and regulations,
5101 the Department of Finance and Administration, upon requisition of
5102 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5103 Withholding Rebate Fund to the establishment in the amount of the
5104 rebate as determined pursuant to subsection (1) of this section
5105 for the calendar quarter.

5106 **SECTION 43.** Section 57-99-21, Mississippi Code of 1972, is
5107 brought forward as follows:

5108 57-99-21. As used in Sections 57-99-21 through 57-99-29, the
5109 following words and phrases shall have the meanings ascribed in
5110 this section unless the context clearly indicates otherwise:

5111 (a) "Qualified business or industry" means any
5112 enterprise which is a project that has been certified by the
5113 Mississippi Major Economic Impact Authority (MMEIA) as a project
5114 defined in Section 57-75-5(f)(xxiv).



5115 (b) "Qualified job" means full-time employment at the
5116 location of the manufacturing plant in this state of a qualified
5117 business or industry that has qualified to receive an incentive
5118 payment pursuant to Sections 57-99-21 through 57-99-29, which
5119 employment existed in this state at the location of the
5120 manufacturing plant on July 1, 2009.

5121 (c) "Full-time employment" means a job of at least
5122 thirty-five (35) hours per week.

5123 (d) "Rebate amount" means the amount of Mississippi
5124 income taxes withheld from employees in qualified jobs that is
5125 available for rebate to the qualified business or industry,
5126 provided that:

5127 (i) Except as otherwise provided in this paragraph
5128 (d), the rebate amount shall be one percent (1%) of the wages and
5129 taxable benefits for qualified jobs;

5130 (ii) In no event shall incentive payments exceed
5131 the actual Mississippi income taxes withheld from employees in
5132 qualified jobs that are available for rebate to the qualified
5133 business or industry; and

5134 (iii) In no event shall the aggregate amount of
5135 incentive payments authorized under Sections 57-99-21 through
5136 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

5137 (e) "MDA" means the Mississippi Development Authority.

5138 **SECTION 44.** Section 57-99-23, Mississippi Code of 1972, is
5139 brought forward as follows:



5140 57-99-23. (1) Except as otherwise provided in this section,
5141 a qualified business or industry that meets the qualifications
5142 specified in Sections 57-99-21 through 57-99-29 may receive
5143 quarterly incentive payments for a period not to exceed ten (10)
5144 years from the State Tax Commission pursuant to the provisions of
5145 Sections 57-99-21 through 57-99-29 in an amount which shall be
5146 equal to the lesser of one percent (1%) of the wages and taxable
5147 benefits for qualified jobs or the actual amount of Mississippi
5148 income tax withheld by the employer for the qualified jobs.

5149 (2) In order to receive incentive payments, an establishment
5150 shall apply to the MDA by not later than July 1, 2010. The
5151 application shall be on a form prescribed by the MDA and shall
5152 contain such information as may be required by the MDA to
5153 determine if the applicant is qualified.

5154 (3) In order to qualify to receive such payments, the
5155 establishment applying shall be required to:

- 5156 (a) Be engaged in a qualified business or industry; and
5157 (b) The business or industry must maintain a minimum of
5158 one thousand two hundred (1,200) qualified jobs.

5159 (4) Upon approval of such an application, the MDA shall
5160 notify the State Tax Commission and shall provide it with a copy
5161 of the approved application. The State Tax Commission may require
5162 the qualified business or industry to submit such additional
5163 information as may be necessary to administer the provisions of
5164 Sections 57-99-21 through 57-99-29. The qualified business or



5165 industry shall report to the State Tax Commission periodically to
5166 show its continued eligibility for incentive payments. The
5167 qualified business or industry may be audited by the State Tax
5168 Commission to verify such eligibility.

5169 **SECTION 45.** Section 57-99-25, Mississippi Code of 1972, is
5170 brought forward as follows:

5171 57-99-25. (1) There is created in the State Treasury a
5172 special fund to be known as the "MMEIA Rebate Fund" into which
5173 shall be deposited withholding tax revenue required to be
5174 deposited into such fund pursuant to Section 27-7-312. The money
5175 in the fund shall be used for the purpose of making the incentive
5176 payments authorized under Sections 57-99-21 through 57-99-29.

5177 (2) The liability of the State of Mississippi to make the
5178 incentive payments authorized under Sections 57-99-21 through
5179 57-99-29 shall be limited to the balance contained in the fund.

5180 **SECTION 46.** Section 57-99-27, Mississippi Code of 1972, is
5181 brought forward as follows:

5182 57-99-27. (1) As soon as practicable after the end of a
5183 calendar quarter for which a qualified business or industry has
5184 qualified to receive an incentive payment, the qualified business
5185 or industry shall file a claim for the payment with the State Tax
5186 Commission and shall specify the actual number of qualified jobs
5187 created and maintained by the business or industry for the
5188 calendar quarter and the wages and taxable benefits thereof. The
5189 State Tax Commission shall verify the actual number of qualified



5190 jobs maintained by the business or industry. If the State Tax
5191 Commission is not able to provide such verification utilizing all
5192 available resources, the State Tax Commission may request such
5193 additional information from the business or industry as may be
5194 necessary.

5195 (2) If the business or industry does not maintain the job
5196 requirements of Sections 57-99-21 through 57-99-29 at any other
5197 time during the ten-year period after the date the first payment
5198 was made, the incentive payments shall not be made and shall not
5199 be resumed until such time as the actual verified number of
5200 qualified jobs created and maintained by the business or industry
5201 equals or exceeds the requirements of Sections 57-99-21 through
5202 57-99-29 for one (1) calendar quarter.

5203 (3) An establishment that has qualified pursuant to Sections
5204 57-99-21 through 57-99-29 may receive payments only in accordance
5205 with the provision under which it initially applied and was
5206 approved.

5207 (4) As soon as practicable after verification of the
5208 qualified business or industry meeting the requirements of
5209 Sections 57-99-21 through 57-99-29 and all rules and regulations,
5210 the Department of Finance and Administration, upon requisition of
5211 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5212 Withholding Rebate Fund to the establishment in the amount of the
5213 rebate as determined pursuant to subsection (1) of this section
5214 for the calendar quarter.



5215 **SECTION 47.** Section 37-148-3, Mississippi Code of 1972, is
5216 brought forward as follows:

5217 37-148-3. As used in this act, the following words and
5218 phrases have the meanings ascribed in this section unless the
5219 context clearly indicates otherwise:

5220 (a) "College" means the state institutions of higher
5221 learning in Mississippi which are accredited by the Southern
5222 Association of Colleges and Schools.

5223 (b) "Investor" means a natural person, partnership,
5224 limited liability company, association, corporation, business
5225 trust or other business entity, not formed for the specific
5226 purpose of acquiring the rebate offered, which is subject to
5227 Mississippi income tax or franchise tax.

5228 (c) "Qualified research" means the systematic
5229 investigative process that is undertaken for the purpose of
5230 discovering information. The term "qualified research" does not
5231 include research conducted outside the State of Mississippi or
5232 research to the extent funded by any grant, contract or otherwise
5233 by another person or governmental entity.

5234 (d) "Research agreement" means a written contract,
5235 grant or cooperative agreement entered into between a person and a
5236 college or research corporation for the performance of qualified
5237 research; however, all qualified research costs generating a
5238 rebate must be spent by the college or research corporation on
5239 qualified research undertaken according to a research agreement.



5240 (e) "Research corporation" means any research
5241 corporation formed under Section 37-147-15 if the corporation is
5242 wholly owned by a college and all income and profits of the
5243 corporation inure to the benefit of the college.

5244 (f) "Qualified research costs" means costs paid or
5245 incurred by an investor to a college or research corporation for
5246 qualified research undertaken according to a research agreement.

5247 (g) "State" means the State of Mississippi or a
5248 governmental entity of the State of Mississippi.

5249 (h) "IHL" means the Board of Trustees of State
5250 Institutions of Higher Learning in Mississippi.

5251 (i) "SMART Business" means Strengthening Mississippi
5252 Academic Research Through Business.

5253 **SECTION 48.** Section 37-148-5, Mississippi Code of 1972, is
5254 brought forward as follows:

5255 37-148-5. (1) (a) Subject to the provisions of this
5256 chapter, an investor incurring qualified research costs subject to
5257 a research agreement is eligible for a rebate equal to twenty-five
5258 percent (25%) of the investor's qualified research costs.

5259 (b) An investor incurring research costs may not claim
5260 a rebate pursuant to this chapter greater than One Million Dollars
5261 (\$1,000,000.00) in any fiscal year.

5262 (c) The total amount of rebates issued under this
5263 chapter by the state in any fiscal year may not exceed Five
5264 Million Dollars (\$5,000,000.00).



5265 (2) Investors desiring to apply for the rebate authorized by
5266 this chapter shall submit an application to IHL which must
5267 contain, at a minimum, the following:

5268 (a) A description of the qualified research to be
5269 conducted by the college or research corporation;

5270 (b) A proposed budget;

5271 (c) An estimated date for completion of the qualified
5272 research; and

5273 (d) Such additional information as may be requested by
5274 IHL.

5275 (3) IHL shall review each application to determine if the
5276 investor has satisfied all of the requirements of this section.

5277 (4) Within sixty (60) days of receiving an application, IHL
5278 shall issue or refuse to issue a SMART Business certificate. The
5279 SMART Business certificate must include the amount of the rebate
5280 the investor is eligible to claim, subject to subsection (1) of
5281 this section. IHL must notify the Department of Revenue when a
5282 SMART Business certificate is issued.

5283 (5) To claim a rebate, the investor must submit a rebate
5284 allocation claim to the Department of Revenue. The rebate
5285 allocation claim must include, at a minimum, the SMART Business
5286 certificate issued by IHL and proof of payment to the college or
5287 research corporation for qualified research conducted according to
5288 the research agreement.



5289 (6) The Department of Revenue may request an audit from the
5290 investor submitting a rebate allocation claim, at the investor's
5291 expense, to verify the investor has satisfied the requirements of
5292 this chapter.

5293 (7) The Department of Revenue shall issue rebates available
5294 under this section from current income tax collections.

5295 (8) Rebates must be allocated to investors by the Department
5296 of Revenue in the order that SMART Business certificates are
5297 issued by IHL.

5298 **SECTION 49.** Section 57-105-1, Mississippi Code of 1972, is
5299 brought forward as follows:

5300 57-105-1. (1) As used in this section:

5301 (a) "Adjusted purchase price" means the investment in
5302 the qualified community development entity for the qualified
5303 equity investment, substantially all of the proceeds of which are
5304 used to make qualified low-income community investments in
5305 Mississippi.

5306 For the purposes of calculating the amount of qualified
5307 low-income community investments held by a qualified community
5308 development entity, an investment will be considered held by a
5309 qualified community development entity even if the investment has
5310 been sold or repaid; provided that the qualified community
5311 development entity reinvests an amount equal to the capital
5312 returned to or recovered by the qualified community development
5313 entity from the original investment, exclusive of any profits



5314 realized, in another qualified low-income community investment in
5315 Mississippi, including any federal Indian reservation located
5316 within the geographical boundary of Mississippi within twelve (12)
5317 months of the receipt of such capital. A qualified community
5318 development entity will not be required to reinvest capital
5319 returned from the qualified low-income community investments after
5320 the sixth anniversary of the issuance of the qualified equity
5321 investment, the proceeds of which were used to make the qualified
5322 low-income community investment, and the qualified low-income
5323 community investment will be considered held by the qualified
5324 community development entity through the seventh anniversary of
5325 the qualified equity investment's issuance.

5326 (b) "Applicable percentage" means:

5327 (i) For any equity investment issued prior to July
5328 1, 2008, four percent (4%) for each of the second through seventh
5329 credit allowance dates for purposes of the taxes imposed by
5330 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
5331 the second through seventh credit allowance dates for purposes of
5332 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.

5333 (ii) For any equity investment issued from and
5334 after July 1, 2008, eight percent (8%) for each of the first
5335 through third credit allowance dates for purposes of the taxes
5336 imposed by Section 27-7-5 or the taxes imposed by Sections
5337 27-15-103, 27-15-109 and 27-15-123.



5338 (c) "Credit allowance date" means, with respect to any
5339 qualified equity investment:

5340 (i) The later of:

5341 1. The date upon which the qualified equity
5342 investment is initially made; or

5343 2. The date upon which the Mississippi
5344 Development Authority issues a certificate under subsection (4) of
5345 this section; and

5346 (ii) 1. For equity investments issued prior to
5347 July 1, 2008, each of the subsequent six (6) anniversary dates of
5348 the date upon which the investment is initially made; or

5349 2. For equity investments issued from and
5350 after July 1, 2008, each of the subsequent two (2) anniversary
5351 dates of the date determined as provided for in subparagraph (i)
5352 of this paragraph.

5353 (d) "Qualified community development entity" shall have
5354 the meaning ascribed to such term in Section 45D of the Internal
5355 Revenue Code of 1986, as amended, if the entity has entered into
5356 an Allocation Agreement with the Community Development Financial
5357 Institutions Fund of the United States Department of the Treasury
5358 with respect to credits authorized by Section 45D of the Internal
5359 Revenue Code of 1986, as amended.

5360 (e) "Qualified active low-income community business"
5361 shall have the meaning ascribed to such term in Section 45D of the
5362 Internal Revenue Code of 1986, as amended.



5363 (f) "Qualified equity investment" shall have the
5364 meaning ascribed to such term in Section 45D of the Internal
5365 Revenue Code of 1986, as amended. The investment does not have to
5366 be designated as a qualified equity investment by the Community
5367 Development Financial Institutions Fund of the United States
5368 Treasury to be considered a qualified equity investment under this
5369 section but otherwise must meet the definition under the Internal
5370 Revenue Code. In addition to meeting the definition in Section
5371 45D of the Internal Revenue Code such investment must also:

5372 (i) Have been acquired after January 1, 2007, at
5373 its original issuance solely in exchange for cash; and

5374 (ii) Have been allocated by the Mississippi
5375 Development Authority.

5376 For the purposes of this section, such investment shall be
5377 deemed a qualified equity investment on the later of the date such
5378 qualified equity investment is made or the date on which the
5379 Mississippi Development Authority issues a certificate under
5380 subsection (4) of this section allocating credits based on such
5381 investment.

5382 (g) "Qualified low-income community investment" shall
5383 have the meaning ascribed to such term in Section 45D of the
5384 Internal Revenue Code of 1986, as amended; provided, however, that
5385 the maximum amount of qualified low-income community investments
5386 issued for a single qualified active low-income community
5387 business, on an aggregate basis with all of its affiliates, that



5388 may be included for purposes of allocating any credits under this
5389 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
5390 the aggregate, whether issued by one (1) or several qualified
5391 community development entities.

5392 (2) A taxpayer that holds a qualified equity investment on
5393 the credit allowance date shall be entitled to a credit applicable
5394 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
5395 and 27-15-123 during the taxable year that includes the credit
5396 allowance date. The amount of the credit shall be equal to the
5397 applicable percentage of the adjusted purchase price paid to the
5398 qualified community development entity for the qualified equity
5399 investment. The amount of the credit that may be utilized in any
5400 one (1) tax year shall be limited to an amount not greater than
5401 the total tax liability of the taxpayer for the taxes imposed by
5402 the above-referenced sections. The credit shall not be refundable
5403 or transferable. Any unused portion of the credit may be carried
5404 forward for seven (7) taxable years beyond the credit allowance
5405 date on which the credit was earned. The maximum aggregate amount
5406 of qualified equity investments that may be allocated by the
5407 Mississippi Development Authority may not exceed an amount that
5408 would result in taxpayers claiming in any one (1) state fiscal
5409 year credits in excess of Fifteen Million Dollars
5410 (\$15,000,000.00), exclusive of credits that might be carried
5411 forward from previous taxable years; however, a maximum of
5412 one-third (1/3) of this amount may be allocated as credits for



5413 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
5414 taxpayer claiming a credit under this section against the taxes
5415 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
5416 shall not be required to pay any additional tax under Section
5417 27-15-123 as a result of claiming such credit. The Mississippi
5418 Development Authority shall allocate credits within this limit as
5419 provided for in subsection (4) of this section.

5420 (3) Tax credits authorized by this section that are earned
5421 by a partnership, limited liability company, S corporation or
5422 other similar pass-through entity, shall be allocated among all
5423 partners, members or shareholders, respectively, either in
5424 proportion to their ownership interest in such entity or as the
5425 partners, members or shareholders mutually agree as provided in an
5426 executed document. Such allocation shall be made each taxable
5427 year of such pass-through entity which contains a credit allowance
5428 date.

5429 (4) The qualified community development entity shall apply
5430 for credits with the Mississippi Development Authority on forms
5431 prescribed by the Mississippi Development Authority. The
5432 qualified community development entity must pay an application fee
5433 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
5434 Authority at the time the application is submitted. In the
5435 application the qualified community development entity shall
5436 certify to the Mississippi Development Authority the dollar amount
5437 of the qualified equity investments made or to be made in this



5438 state, including in any federal Indian reservation located within
5439 the state's geographical boundary, during the first twelve-month
5440 period following the initial credit allowance date. The
5441 Mississippi Development Authority shall allocate credits based on
5442 the dollar amount of qualified equity investments as certified in
5443 the application. Once the Mississippi Development Authority has
5444 allocated credits to a qualified community development entity, if
5445 the corresponding qualified equity investment has not been issued
5446 as of the date of such allocation, then the corresponding
5447 qualified equity investment must be issued not later than one
5448 hundred twenty (120) days from the date of such allocation. If
5449 the qualified equity investment is not issued within such time
5450 period, the allocation shall be cancelled and returned to the
5451 Mississippi Development Authority for reallocation. Upon final
5452 documentation of the qualified low-income community investments,
5453 if the actual dollar amount of the investments is lower than the
5454 amount estimated, the Mississippi Development Authority shall
5455 adjust the tax credit allowed under this section. The Department
5456 of Revenue may recapture all of the credit allowed under this
5457 section if:

5458 (a) Any amount of federal tax credits available with
5459 respect to a qualified equity investment that is eligible for a
5460 tax credit under this section is recaptured under Section 45D of
5461 the Internal Revenue Code of 1986, as amended; or



5462 (b) The qualified community development entity redeems
5463 or makes any principal repayment with respect to a qualified
5464 equity investment prior to the seventh anniversary of the issuance
5465 of the qualified equity investment; or

5466 (c) The qualified community development entity fails to
5467 maintain at least eighty-five percent (85%) of the proceeds of the
5468 qualified equity investment in qualified low-income community
5469 investments in Mississippi at any time prior to the seventh
5470 anniversary of the issuance of the qualified equity investment.

5471 Any credits that are subject to recapture under this
5472 subsection shall be recaptured from the taxpayer that actually
5473 claimed the credit.

5474 The Mississippi Development Authority shall not allocate any
5475 credits under this section after July 1, 2021.

5476 (5) Each qualified community development entity that
5477 receives qualified equity investments to make qualified low-income
5478 community investments in Mississippi must annually report to the
5479 Mississippi Development Authority the North American Industry
5480 Classification System Code, the county, the dollars invested, the
5481 number of jobs assisted and the number of jobs assisted with wages
5482 over one hundred percent (100%) of the federal poverty level for a
5483 family of four (4) of each qualified low-income community
5484 investment.

5485 (6) The Mississippi Development Authority shall file an
5486 annual report on all qualified low-income community investments



5487 with the Governor, the Clerk of the House of Representatives, the
5488 Secretary of the Senate and the Secretary of State describing the
5489 North American Industry Classification System Code, the county,
5490 the dollars invested, the number of jobs assisted and the number
5491 of jobs assisted with wages over one hundred percent (100%) of the
5492 federal poverty level for a family of four (4) of each qualified
5493 low-income community investment. The annual report will be posted
5494 on the Mississippi Development Authority's internet website.

5495 (7) (a) The purpose of this subsection is to authorize the
5496 creation and establishment of public benefit corporations for
5497 financing arrangements regarding public property and facilities.

5498 (b) As used in this subsection:

5499 (i) "New Markets Tax Credit transaction" means any
5500 financing transaction which utilizes either this section or
5501 Section 45D of the Internal Revenue Code of 1986, as amended.

5502 (ii) "Public benefit corporation" means a
5503 nonprofit corporation formed or designated by a public entity to
5504 carry out the purposes of this subsection.

5505 (iii) "Public entity or public entities" includes
5506 utility districts, regional solid waste authorities, regional
5507 utility authorities, community hospitals, regional airport
5508 authorities, municipal airport authorities, community and junior
5509 colleges, educational building corporations established by or on
5510 behalf of the state institutions of higher learning, school
5511 districts, planning and development districts, county economic



5512 development districts, urban renewal agencies, any other regional
5513 or local economic development authority, agency or governmental
5514 entity, and any other regional or local industrial development
5515 authority, agency or governmental entity.

5516 (iv) "Public property or facilities" means any
5517 property or facilities owned or leased by a public entity or
5518 public benefit corporation.

5519 (c) Notwithstanding any other provision of law to the
5520 contrary, public entities are authorized pursuant to this
5521 subsection to create one or more public benefit corporations or
5522 designate an existing corporation as a public benefit corporation
5523 for the purpose of entering into financing agreements and engaging
5524 in New Markets Tax Credit transactions, which shall include,
5525 without limitation, arrangements to plan, acquire, renovate,
5526 construct, lease, sublease, manage, operate and/or improve new or
5527 existing public property or facilities located within the
5528 boundaries or service area of the public entity. Any financing
5529 arrangement authorized under this subsection shall further any
5530 purpose of the public entity and may include a term of up to fifty
5531 (50) years.

5532 (d) Notwithstanding any other provision of law to the
5533 contrary and in order to facilitate the acquisition, renovation,
5534 construction, leasing, subleasing, management, operating and/or
5535 improvement of new or existing public property or facilities to
5536 further any purpose of a public entity, public entities are



5537 authorized to enter into financing arrangements in order to
5538 transfer public property or facilities to and/or from public
5539 benefit corporations, including, without limitation, sales,
5540 sale-leasebacks, leases and lease-leasebacks, provided such
5541 transfer is related to any New Markets Tax Credit transaction
5542 furthering any purpose of the public entity. Any such transfer
5543 under this paragraph (d) and the public property or facilities
5544 transferred in connection therewith shall be exempted from any
5545 limitation or requirements with respect to leasing, acquiring,
5546 and/or constructing public property or facilities.

5547 (e) With respect to a New Markets Tax Credit
5548 transaction, public entities and public benefit corporations are
5549 authorized to enter into financing arrangements with any
5550 governmental, nonprofit or for-profit entity in order to leverage
5551 funds not otherwise available to public entities for the
5552 acquisition, construction and/or renovation of properties
5553 transferred to such public benefit corporations. The use of any
5554 funds loaned by or contributed by a public benefit corporation or
5555 borrowed by or otherwise made available to a public benefit
5556 corporation in such financing arrangement shall be dedicated
5557 solely to (i) the development of new properties or facilities
5558 and/or the renovation of existing properties or facilities or
5559 operation of properties or facilities, and/or (ii) the payment of
5560 costs and expenditures related to any such financing arrangements,
5561 including, but not limited to, funding any reserves required in



5562 connection therewith, the repayment of any indebtedness incurred
5563 in connection therewith, and the payment of fees and expenses
5564 incurred in connection with the closing, administration,
5565 accounting and/or compliance with respect to the New Markets Tax
5566 Credit transaction.

5567 (f) A public benefit corporation created pursuant to
5568 this subsection shall not be a political subdivision of the state
5569 but shall be a nonprofit corporation organized and governed under
5570 the provisions of the laws of this state and shall be a special
5571 purpose corporation established to facilitate New Markets Tax
5572 Credit transactions consistent with the requirements of this
5573 section.

5574 (g) Neither this subsection nor anything herein
5575 contained is or shall be construed as a restriction or limitation
5576 upon any powers which the public entity or public benefit
5577 corporation might otherwise have under any laws of this state, and
5578 this subsection is cumulative to any such powers. This subsection
5579 does and shall be construed to provide a complete additional and
5580 alternative method for the doing of the things authorized thereby
5581 and shall be regarded as supplemental and additional to powers
5582 conferred by other laws.

5583 (8) The Mississippi Development Authority shall promulgate
5584 rules and regulations to implement the provisions of this section.

5585 **SECTION 50.** Section 27-25-503, Mississippi Code of 1972, is
5586 brought forward as follows:



5587 27-25-503. (1) (a) Except as otherwise provided in this
5588 section, there is levied, to be collected as provided in this
5589 article, annual privilege taxes upon every person engaging or
5590 continuing within this state in the business of producing, or
5591 severing oil from the soil or water for sale, transport, storage,
5592 profit or for commercial use. The amount of the tax shall be
5593 measured by the value of the oil produced, and shall be levied and
5594 assessed at the rate of six percent (6%) of the value of the oil
5595 at the point of production.

5596 (b) The tax shall be levied and assessed at the rate of
5597 three percent (3%) of the value of the oil at the point of
5598 production on oil produced by an enhanced oil recovery method in
5599 which carbon dioxide is used; provided, that such carbon dioxide
5600 is transported by pipeline to the oil well site and on oil
5601 produced by any other enhanced oil recovery method approved and
5602 permitted by the State Oil and Gas Board on or after April 1,
5603 1994, pursuant to Section 53-3-101 et seq.

5604 (c) (i) The tax shall be levied and assessed at the
5605 rate of one and three-tenths percent (1.3%) of the value of the
5606 oil at the point of production on oil produced from a horizontally
5607 drilled well or from any horizontally drilled recompletion well
5608 from which production commences from and after July 1, 2013, for a
5609 period of thirty (30) months beginning on the date of first sale
5610 of production or until payout of the well cost is achieved,



5611 whichever first occurs. Thereafter, the tax shall be levied and
5612 assessed as provided for in paragraph (a) of this subsection.

5613 (ii) Payout of a horizontally drilled well or
5614 horizontally drilled recompletion well shall be deemed to have
5615 occurred the first day of the next month after gross revenues,
5616 less royalties and severance taxes, equal to the cost to drill and
5617 complete the well.

5618 (iii) Each operator must apply by letter to the
5619 State Oil and Gas Board for the reduced rate provided in this
5620 paragraph (c), and shall provide the board with the status of
5621 payout on a semiannual basis of any horizontally drilled well or
5622 horizontally drilled recompletion well by signed affidavit
5623 executed by a company representative.

5624 (iv) This paragraph (c) shall be repealed from and
5625 after July 1, 2023; however, any horizontally drilled well or
5626 horizontally drilled recompletion well from which production
5627 commences before July 1, 2023, shall be taxed as provided for in
5628 this paragraph (c) notwithstanding that the repeal of this
5629 paragraph (c) has become effective.

5630 (2) The tax is levied upon the entire production in this
5631 state regardless of the place of sale or to whom sold, or by whom
5632 used, or the fact that the delivery may be made to points outside
5633 the state, and the tax shall accrue at the time the oil is severed
5634 from the soil, or water, and in its natural, unrefined or
5635 unmanufactured state.



5636 (3) (a) Oil produced from a discovery well for which
5637 drilling or re-entry commenced on or after April 1, 1994, but
5638 before July 1, 1999, shall be exempt from the taxes levied under
5639 this section for a period of five (5) years beginning on the date
5640 of first sale of production from such well, provided that the
5641 average monthly sales price of such oil does not exceed
5642 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil
5643 produced from a discovery well as described in this paragraph (a)
5644 shall be repealed from and after July 1, 2003, provided that any
5645 such production for which a permit was granted by the board before
5646 July 1, 2003, shall be exempt for an entire period of five (5)
5647 years, notwithstanding that the repeal of this provision has
5648 become effective. Oil produced from development wells or
5649 replacement wells drilled in connection with discovery wells for
5650 which drilling commenced on or after January 1, 1994, but before
5651 July 1, 1999, shall be assessed at the rate of three percent (3%)
5652 of the value of the oil at the point of production for a period of
5653 three (3) years. The reduced rate of assessment of oil produced
5654 from development wells or replacement wells as described in this
5655 paragraph (a) shall be repealed from and after January 1, 2003,
5656 provided that any such production for which drilling commenced
5657 before January 1, 2003, shall be assessed at the reduced rate for
5658 an entire period of three (3) years, notwithstanding that the
5659 repeal of this provision has become effective.



5660 (b) Oil produced from a discovery well for which
5661 drilling or re-entry commenced on or after July 1, 1999, shall be
5662 assessed at the rate of three percent (3%) of the value of the oil
5663 at the point of production for a period of five (5) years
5664 beginning on the date of first sale of production from such well,
5665 provided that the average monthly sales price of such oil does not
5666 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of
5667 assessment of oil produced from a discovery well as described in
5668 this paragraph (b) shall be repealed from and after July 1, 2003,
5669 provided that any such production for which a permit was granted
5670 by the board before July 1, 2003, shall be assessed at the reduced
5671 rate for an entire period of five (5) years, notwithstanding that
5672 the repeal of this provision has become effective. Oil produced
5673 from development wells or replacement wells drilled in connection
5674 with discovery wells for which drilling commenced on or after July
5675 1, 1999, shall be assessed at the rate of three percent (3%) of
5676 the value of the oil at the point of production for a period of
5677 three (3) years. The reduced rate of assessment of oil produced
5678 from development wells or replacement wells as described in this
5679 paragraph (b) shall be repealed from and after January 1, 2003,
5680 provided that any such production for which drilling commenced
5681 before July 1, 2003, shall be assessed at the reduced rate for an
5682 entire period of three (3) years, notwithstanding that the repeal
5683 of this provision has become effective.



5684 (4) (a) Oil produced from a development well for which
5685 drilling commenced on or after April 1, 1994, but before July 1,
5686 1999, and for which three-dimensional seismic was utilized in
5687 connection with the drilling of such well shall be assessed at the
5688 rate of three percent (3%) of the value of the oil at the point of
5689 production for a period of five (5) years, provided that the
5690 average monthly sales price of such oil does not exceed
5691 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of
5692 assessment of oil produced from a development well as described in
5693 this paragraph (a) and for which three-dimensional seismic was
5694 utilized shall be repealed from and after July 1, 2003, provided
5695 that any such production for which a permit was granted by the
5696 board before July 1, 2003, shall be assessed at the reduced rate
5697 for an entire period of five (5) years, notwithstanding that the
5698 repeal of this provision has become effective.

5699 (b) Oil produced from a development well for which
5700 drilling commenced on or after July 1, 1999, and for which
5701 three-dimensional seismic was utilized in connection with the
5702 drilling of such well shall be assessed at the rate of three
5703 percent (3%) of the value of the oil at the point of production
5704 for a period of five (5) years, provided that the average monthly
5705 sales price of such oil does not exceed Twenty Dollars (\$20.00)
5706 per barrel. The reduced rate of assessment of oil produced from a
5707 development well as described in this paragraph (b) and for which
5708 three-dimensional seismic was utilized shall be repealed from and



5709 after July 1, 2003, provided that any such production for which a
5710 permit was granted by the board before July 1, 2003, shall be
5711 assessed at the reduced rate for an entire period of five (5)
5712 years, notwithstanding that the repeal of this provision has
5713 become effective.

5714 (5) (a) Oil produced before July 1, 1999, from a two-year
5715 inactive well as defined in Section 27-25-501 shall be exempt from
5716 the taxes levied under this section for a period of three (3)
5717 years beginning on the date of first sale of production from such
5718 well, provided that the average monthly sales price of such oil
5719 does not exceed Twenty-five Dollars (\$25.00) per barrel. The
5720 exemption for oil produced from an inactive well shall be repealed
5721 from and after July 1, 2003, provided that any such production
5722 which began before July 1, 2003, shall be exempt for an entire
5723 period of three (3) years, notwithstanding that the repeal of this
5724 provision has become effective.

5725 (b) Oil produced on or after July 1, 1999, from a
5726 two-year inactive well as defined in Section 27-25-501 shall be
5727 exempt from the taxes levied under this section for a period of
5728 three (3) years beginning on the date of first sale of production
5729 from such well, provided that the average monthly sales price of
5730 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The
5731 exemption for oil produced from an inactive well shall be repealed
5732 from and after July 1, 2003, provided that any such production
5733 which began before July 1, 2003, shall be exempt for an entire



5734 period of three (3) years, notwithstanding that the repeal of this
5735 provision has become effective.

5736 (6) [Repealed]

5737 (7) The State Oil and Gas Board shall have the exclusive
5738 authority to determine the qualification of wells defined in
5739 paragraphs (n) through (t) of Section 27-25-501.

5740 **SECTION 51.** Section 27-25-505, Mississippi Code of 1972, is
5741 brought forward as follows:

5742 **[With regard to any county which is exempt from the**
5743 **provisions of Section 19-2-3, this section shall read as follows:]**

5744 27-25-505. (1) All taxes levied in this article and
5745 collected by the Department of Revenue shall be paid into the
5746 State Treasury on the same day collected.

5747 (2) Except as otherwise provided in this section, the
5748 commissioner shall apportion all the tax collections made pursuant
5749 to this article to the state and to the county in which the oil
5750 was produced, in accordance with the following schedule and so
5751 certify such apportionment to the State Treasurer at the end of
5752 each month:

5753 On the first Six Hundred Thousand Dollars (\$600,000.00) or
5754 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
5755 the state and thirty-three and one-third percent (33-1/3%) to the
5756 county.

5757 Above and exceeding Six Hundred Thousand Dollars
5758 (\$600,000.00), or any part thereof, ninety percent (90%) to the



5759 state and ten percent (10%) to the county through June 30, 1989;
5760 eighty-five percent (85%) to the state and fifteen percent (15%)
5761 to the county from July 1, 1989, through June 30, 1990; eighty
5762 percent (80%) to the state and twenty percent (20%) to the county
5763 from July 1, 1990, through June 30, 2015; seventy-nine percent
5764 (79%) to the state and twenty-one percent (21%) to the county from
5765 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
5766 to the state and twenty-two percent (22%) to the county from July
5767 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
5768 state and twenty-three percent (23%) to the county from July 1,
5769 2017, through June 30, 2018; seventy-six percent (76%) to the
5770 state and twenty-four percent (24%) to the county from July 1,
5771 2018, through June 30, 2019; and seventy-four percent (74%) to the
5772 state and twenty-six percent (26%) to the county for each fiscal
5773 year thereafter.

5774 (3) The state's share of all oil severance taxes collected
5775 pursuant to this article shall be deposited as provided for in
5776 Section 27-25-506.

5777 (4) The commissioner shall apportion all the tax collections
5778 made pursuant to Section 27-25-503(1)(c) to the county in which
5779 the oil was produced.

5780 (5) The State Treasurer shall remit the county's share of
5781 taxes collected pursuant to this article on or before the
5782 twentieth day of the month next succeeding the month in which the
5783 collections were made, for division among the municipalities and



5784 taxing districts of the county. He shall accompany his remittance
5785 with a report to the county receiving the funds prepared by the
5786 commissioner showing from whom the tax was collected. Upon
5787 receipt of the funds, the board of supervisors of the county shall
5788 allocate the funds to the municipalities and to the various
5789 maintenance and bond and interest funds of the county, school
5790 districts, supervisors districts and road districts, as provided
5791 in this subsection.

5792 (6) Except as provided in subsection (8) of this section,
5793 when there are any oil producing properties within the corporate
5794 limits of any municipality, then the municipality shall
5795 participate in the division of the tax returned to the county in
5796 which the municipality is located, in the proportion which the tax
5797 on production of oil from any properties located within the
5798 municipal corporate limits bears to the tax on the total
5799 production of oil in the county. In no event, however, shall the
5800 amount allocated to municipalities exceed one-third (1/3) of the
5801 tax produced in the municipality and returned to the county. Any
5802 amount received by any municipality as a result of the allocation
5803 provided for in this subsection shall be used only for such
5804 purposes as are authorized by law.

5805 (7) Except as provided in subsection (8) of this section,
5806 the balance remaining of any amount of tax returned to the county
5807 after the allocation to municipalities shall be divided among the
5808 various maintenance and bond interest funds of the county, school



5809 districts, supervisors districts and road districts, in the
5810 discretion of the board of supervisors, and the board shall make
5811 the division in consideration of the needs of the various taxing
5812 districts. The funds so allocated shall be used only for purposes
5813 as are authorized by law.

5814 (8) Any amount above and exceeding Six Hundred Thousand
5815 Dollars (\$600,000.00) that is remitted to the county that is more
5816 than twenty percent (20%) of the taxes above and exceeding Six
5817 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
5818 in the county, shall be utilized by the county for infrastructure
5819 repairs.

5820 **[With regard to any county which is required to operate on a**
5821 **countywide system of road administration as described in Section**
5822 **19-2-3, this section shall read as follows:]**

5823 27-25-505. (1) All taxes levied in this article and
5824 collected by the Department of Revenue shall be paid into the
5825 State Treasury on the same day collected.

5826 (2) Except as otherwise provided in this section, the
5827 commissioner shall apportion all the tax collections made pursuant
5828 to this article to the state and to the county in which the oil
5829 was produced, in accordance with the following schedule and so
5830 certify such apportionment to the State Treasurer at the end of
5831 each month:

5832 On the first Six Hundred Thousand Dollars (\$600,000.00) or
5833 any part thereof, sixty-six and two-thirds percent (66-2/3%) to



5834 the state and thirty-three and one-third percent (33-1/3%) to the
5835 county.

5836 Above and exceeding Six Hundred Thousand Dollars
5837 (\$600,000.00), or any part thereof, ninety percent (90%) to the
5838 state and ten percent (10%) to the county through June 30, 1989;
5839 eighty-five percent (85%) to the state and fifteen percent (15%)
5840 to the county from July 1, 1989, through June 30, 1990; eighty
5841 percent (80%) to the state and twenty percent (20%) to the county
5842 from July 1, 1990, through June 30, 2015; seventy-nine percent
5843 (79%) to the state and twenty-one percent (21%) to the county from
5844 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
5845 to the state and twenty-two percent (22%) to the county from July
5846 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
5847 state and twenty-three percent (23%) to the county from July 1,
5848 2017, through June 30, 2018; seventy-six percent (76%) to the
5849 state and twenty-four percent (24%) to the county from July 1,
5850 2018, through June 30, 2019; and seventy-four percent (74%) to the
5851 state and twenty-six percent (26%) to the county for each fiscal
5852 year thereafter.

5853 (3) The state's share of all oil severance taxes collected
5854 pursuant to this article shall be deposited as provided for in
5855 Section 27-25-506.

5856 (4) The commissioner shall apportion all the tax collections
5857 made pursuant to the tax levied in Section 27-25-503(1)(c) to the
5858 county in which the oil was produced.



5859 (5) The State Treasurer shall remit the county's share of
5860 the taxes collected pursuant to this article on or before the
5861 twentieth day of the month next succeeding the month in which the
5862 collections were made, for division among the municipalities and
5863 taxing districts of the county. He shall accompany his remittance
5864 with a report to the county receiving the funds prepared by the
5865 commissioner showing from whom the tax was collected. Upon
5866 receipt of the funds, the board of supervisors of the county shall
5867 allocate the funds to the municipalities and to the various
5868 maintenance and bond and interest funds of the county and school
5869 districts, as provided in this subsection.

5870 (6) Except as provided in subsection (8) of this section,
5871 when there are any oil producing properties within the corporate
5872 limits of any municipality, then the municipality shall
5873 participate in the division of the tax returned to the county in
5874 which the municipality is located, in the proportion which the tax
5875 on production of oil from any properties located within the
5876 municipal corporate limits bears to the tax on the total
5877 production of oil in the county. In no event, however, shall the
5878 amount allocated to municipalities exceed one-third (1/3) of the
5879 tax produced in the municipality and returned to the county. Any
5880 amount received by any municipality as a result of the allocation
5881 provided in this subsection shall be used only for such purposes
5882 as are authorized by law.



5883 (7) Except as provided in subsection (8) of this section,
5884 the balance remaining of any amount of tax returned to the county
5885 after the allocation to municipalities shall be divided among the
5886 various maintenance and bond interest funds of the county and
5887 school districts, in the discretion of the board of supervisors,
5888 and the board shall make the division in consideration of the
5889 needs of the various taxing districts. The funds so allocated
5890 shall be used only for purposes as are authorized by law.

5891 (8) Any amount above and exceeding Six Hundred Thousand
5892 Dollars (\$600,000.00) that is remitted to the county that is more
5893 than twenty percent (20%) of the taxes above and exceeding Six
5894 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
5895 in the county, shall be utilized by the county for infrastructure
5896 repairs.

5897 **SECTION 52.** Section 27-25-703, Mississippi Code of 1972, is
5898 brought forward as follows:

5899 27-25-703. (1) (a) Except as otherwise provided in this
5900 section, there is hereby levied, to be collected as provided in
5901 this article, annual privilege taxes upon every person engaging or
5902 continuing within this state in the business of producing, or
5903 severing gas from below the soil or water for sale, transport,
5904 storage, profit or for commercial use. The amount of the tax
5905 shall be measured by the value of the gas produced and shall be
5906 levied and assessed at a rate of six percent (6%) of the value of



5907 the gas at the point of production, except as otherwise provided
5908 in subsection (4) of this section.

5909 (b) (i) The tax shall be levied and assessed at the
5910 rate of one and three-tenths percent (1.3%) of the value of the
5911 gas at the point of production on gas produced from a horizontally
5912 drilled well or from any horizontally drilled recompletion well
5913 from which production commences from and after July 1, 2013, for a
5914 period of thirty (30) months beginning on the date of first sale
5915 of production or until payout of the well cost is achieved,
5916 whichever first occurs. Thereafter, the tax shall be levied and
5917 assessed as provided for in paragraph (a) of this subsection.

5918 (ii) Payout of a horizontally drilled well or
5919 horizontally drilled recompletion well shall be deemed to have
5920 occurred the first day of the next month after gross revenues,
5921 less royalties and severance taxes, equal to the cost to drill and
5922 complete the well.

5923 (iii) Each operator must apply by letter to the
5924 State Oil and Gas Board for the reduced rate provided in this
5925 paragraph (b), and shall provide the board with the status of
5926 payout on a semiannual basis of any horizontally drilled well or
5927 horizontally drilled recompletion well by signed affidavit
5928 executed by a company representative.

5929 (iv) This paragraph (b) shall be repealed from and
5930 after July 1, 2023; however, any horizontally drilled well or
5931 horizontally drilled recompletion well from which production



5932 commences before July 1, 2023, shall be taxed as provided for in
5933 this paragraph (b) notwithstanding that the repeal of this
5934 paragraph (b) has become effective.

5935 (2) The tax is levied upon the entire production in this
5936 state, regardless of the place of sale or to whom sold or by whom
5937 used, or the fact that the delivery may be made to points outside
5938 the state, but not levied upon that gas, lawfully injected into
5939 the earth for cycling, repressuring, lifting or enhancing the
5940 recovery of oil, nor upon gas lawfully vented or flared in
5941 connection with the production of oil, nor upon gas condensed into
5942 liquids on which the oil severance tax of six percent (6%) is
5943 paid; however, if any gas so injected into the earth is sold for
5944 such purposes, then the gas so sold shall not be excluded in
5945 computing the tax. The tax shall accrue at the time the gas is
5946 produced or severed from the soil or water, and in its natural,
5947 unrefined or unmanufactured state.

5948 (3) Natural gas and condensate produced from any wells for
5949 which drilling is commenced after March 15, 1987, and before July
5950 1, 1990, shall be exempt from the tax levied under this section
5951 for a period of two (2) years beginning on the date of first sale
5952 of production from such wells.

5953 (4) (a) Any well which begins commercial production of
5954 occluded natural gas from coal seams on or after March 20, 1990,
5955 and before July 1, 1993, shall be taxed at the rate of three and
5956 one-half percent (3-1/2%) of the gross value of the occluded



5957 natural gas from coal seams at the point of production for a
5958 period of five (5) years after such well begins production.

5959 (b) Any well which begins commercial production of
5960 occluded natural gas from coal seams on or after July 1, 2004, and
5961 before July 1, 2007, shall be taxed at the rate of three percent
5962 (3%) of the gross value of the occluded natural gas from coal
5963 seams at the point of production for a period of five (5) years
5964 beginning on the date of the first sale of production from such
5965 well.

5966 (5) (a) Natural gas produced from discovery wells for which
5967 drilling or re-entry commenced on or after April 1, 1994, but
5968 before July 1, 1999, shall be exempt from the tax levied under
5969 this section for a period of five (5) years beginning on the
5970 earlier of one (1) year from completion of the well or the date of
5971 first sale from such well, provided that the average monthly sales
5972 price of such gas does not exceed Three Dollars and Fifty Cents
5973 (\$3.50) per one thousand (1,000) cubic feet. The exemption for
5974 natural gas produced from discovery wells as described in this
5975 paragraph (a) shall be repealed from and after July 1, 2003,
5976 provided that any such production for which a permit was granted
5977 by the board before July 1, 2003, shall be exempt for an entire
5978 period of five (5) years, notwithstanding that the repeal of this
5979 provision has become effective. Natural gas produced from
5980 development wells or replacement wells drilled in connection with
5981 discovery wells for which drilling commenced on or after January



5982 1, 1994, shall be assessed at a rate of three percent (3%) of the
5983 value thereof at the point of production for a period of three (3)
5984 years. The reduced rate of assessment of natural gas produced
5985 from development wells or replacement wells as described in this
5986 paragraph (a) shall be repealed from and after January 1, 2003,
5987 provided that any such production for which drilling commenced
5988 before January 1, 2003, shall be assessed at the reduced rate for
5989 an entire period of three (3) years, notwithstanding that the
5990 repeal of this provision has become effective.

5991 (b) Natural gas produced from discovery wells for which
5992 drilling or re-entry commenced on or after July 1, 1999, shall be
5993 assessed at a rate of three percent (3%) of the value thereof at
5994 the point of production for a period of five (5) years beginning
5995 on the earlier of one (1) year from completion of the well or the
5996 date of first sale from such well, provided that the average
5997 monthly sales price of such gas does not exceed Two Dollars and
5998 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The
5999 reduced rate of assessment of natural gas produced from discovery
6000 wells as described in this paragraph (b) shall be repealed from
6001 and after July 1, 2003, provided that any such production for
6002 which a permit was granted by the board before July 1, 2003, shall
6003 be assessed at the reduced rate for an entire period of five (5)
6004 years, notwithstanding that the repeal of this provision has
6005 become effective. Natural gas produced from development wells or
6006 replacement wells drilled in connection with discovery wells for



6007 which drilling commenced on or after July 1, 1999, shall be
6008 assessed at a rate of three percent (3%) of the value thereof at
6009 the point of production for a period of three (3) years. The
6010 reduced rate of assessment of natural gas produced from
6011 development wells or replacement wells as described in this
6012 paragraph (b) shall be repealed from and after January 1, 2003,
6013 provided that any such production for which drilling commenced
6014 before January 1, 2003, shall be assessed at the reduced rate for
6015 an entire period of three (3) years, notwithstanding that the
6016 repeal of this provision has become effective.

6017 (6) (a) Gas produced from a development well for which
6018 drilling commenced on or after April 1, 1994, but before July 1,
6019 1999, and for which three-dimensional seismic was utilized in
6020 connection with the drilling of such well, shall be assessed at a
6021 rate of three percent (3%) of the value of the gas at the point of
6022 production for a period of five (5) years, provided that the
6023 average monthly sales price of such gas does not exceed Three
6024 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic
6025 feet. The reduced rate of assessment of gas produced from a
6026 development well as described in this subsection and for which
6027 three-dimensional seismic was utilized shall be repealed from and
6028 after July 1, 2003, provided that any such production for which a
6029 permit was granted by the board before July 1, 2003, shall be
6030 assessed at the reduced rate for an entire period of five (5)



6031 years, notwithstanding that the repeal of this provision has
6032 become effective.

6033 (b) Gas produced from a development well for which
6034 drilling commenced on or after July 1, 1999, and for which
6035 three-dimensional seismic was utilized in connection with the
6036 drilling of such well, shall be assessed at a rate of three
6037 percent (3%) of the value of the gas at the point of production
6038 for a period of five (5) years, provided that the average monthly
6039 sales price of such gas does not exceed Two Dollars and Fifty
6040 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced
6041 rate of assessment of gas produced from a development well as
6042 described in this paragraph (b) and for which three-dimensional
6043 seismic was utilized shall be repealed from and after July 1,
6044 2003, provided that any such production for which a permit was
6045 granted by the board before July 1, 2003, shall be assessed at the
6046 reduced rate for an entire period of five (5) years,
6047 notwithstanding that the repeal of this provision has become
6048 effective.

6049 (7) (a) Natural gas produced before July 1, 1999, from a
6050 two-year inactive well as defined in Section 27-25-701 shall be
6051 exempt from the taxes levied under this section for a period of
6052 three (3) years beginning on the date of first sale of production
6053 from such well, provided that the average monthly sales price of
6054 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per
6055 one thousand (1,000) cubic feet. The exemption for natural gas



6056 produced from an inactive well as described in this subsection
6057 shall be repealed from and after July 1, 2003, provided that any
6058 such production which began before July 1, 2003, shall be exempt
6059 for an entire period of three (3) years, notwithstanding that the
6060 repeal of this provision has become effective.

6061 (b) Natural gas produced on or after July 1, 1999, from
6062 a two-year inactive well as defined in Section 27-25-701 shall be
6063 exempt from the taxes levied under this section for a period of
6064 three (3) years beginning on the date of first sale of production
6065 from such well, provided that the average monthly sales price of
6066 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per
6067 one thousand (1,000) cubic feet. The exemption for natural gas
6068 produced from an inactive well as described in this paragraph (b)
6069 shall be repealed from and after July 1, 2003, provided that any
6070 such production which began before July 1, 2003, shall be exempt
6071 for an entire period of three (3) years, notwithstanding that the
6072 repeal of this provision has become effective.

6073 (8) The State Oil and Gas Board shall have the exclusive
6074 authority to determine the qualification of wells defined in
6075 paragraphs (n) through (t) of Section 27-25-701.

6076 **SECTION 53.** Section 27-25-705, Mississippi Code of 1972, is
6077 brought forward as follows:

6078 **[With regard to any county which is exempt from the**
6079 **provisions of Section 19-2-3, this section shall read as follows:]**



6080 27-25-705. (1) All taxes levied in this article and
6081 collected by the department shall be paid into the State Treasury
6082 on the same day in which the taxes are collected.

6083 (2) Except as otherwise provided in this section, the
6084 commissioner shall apportion all the tax collections made pursuant
6085 to this article to the state and to the county in which the gas
6086 was produced, in the proportion of sixty-six and two-thirds
6087 percent (66-2/3%) to the state and thirty-three and one-third
6088 percent (33-1/3%) to the county.

6089 (3) The commissioner shall apportion all the tax collections
6090 made pursuant to Section 27-25-703(1)(b) to the county in which
6091 the gas is produced.

6092 (4) When the producer of gas subject to the tax levied in
6093 this article increases the price of the gas sold and such increase
6094 is subject to approval by a federal regulatory board or
6095 commission, and when the producer of the gas so requests, the
6096 State Treasurer is hereby authorized to hold the severance tax
6097 collected on the price increase in escrow until such time as the
6098 price increase or a portion thereof is finally granted or
6099 approved. The severance tax thus held in escrow shall be
6100 deposited by the State Treasurer to an account in a state
6101 depository to be invested in an interest-bearing account in the
6102 manner provided by law. When the price increase in question or a
6103 portion thereof is granted or approved, the commissioner shall
6104 compute the correct severance tax due on the increase and certify



6105 the amount of tax thus computed. This amount and interest earned
6106 from the depository shall be distributed to the General Fund and
6107 to the county or counties proportionately as provided in this
6108 subsection. The balance, if any, of the tax and interest held in
6109 escrow on the price increase shall be returned to the taxpayer.

6110 (5) The state's share of all gas severance taxes collected
6111 pursuant to this section shall be deposited as provided for in
6112 Section 27-25-506.

6113 (6) The commissioner shall certify at the end of each month
6114 the apportionment to each county to the State Treasurer, who shall
6115 remit the county's share of the funds on or before the twentieth
6116 day of the month next succeeding the month in which the
6117 collections were made for division among the municipalities and
6118 taxing districts of the county. The commissioner shall submit a
6119 report to the State Treasurer for distribution to each county
6120 receiving the funds showing from whom the tax and interest, if
6121 any, were collected. Upon receipt of the funds, the board of
6122 supervisors of the county shall allocate the funds to the
6123 municipalities and to the various maintenance and bond and
6124 interest funds of the county, school districts, supervisors
6125 districts and road districts, as provided in this subsection.

6126 When there are any gas producing properties within the
6127 corporate limits of any municipality, then the municipality shall
6128 participate in the division of the tax and interest, if any,
6129 returned to the county in which the municipality is located in the



6130 proportion which the tax on production of gas from properties
6131 located within the municipal corporate limits bears to the tax on
6132 total production of gas in the county. In no event, however,
6133 shall the amount allocated to the municipalities exceed one-third
6134 (1/3) of the tax and interest produced in the municipality and
6135 returned to the county. Any amount received by any municipality
6136 as a result of the allocation provided for in this subsection
6137 shall be used for such purposes as are authorized by law.

6138 The balance remaining of any funds returned to the county
6139 after the allocation to municipalities shall be divided among the
6140 various maintenance and bond and interest funds of the county,
6141 school districts, supervisors districts and road districts, in the
6142 discretion of the board of supervisors, and the board shall make
6143 the division in consideration of the needs of the various taxing
6144 districts. The funds so allocated shall be used only for such
6145 purposes as are authorized by law.

6146 **[With regard to any county which is required to operate on a**
6147 **countywide system of road administration as described in Section**
6148 **19-2-3, this section shall read as follows:]**

6149 27-25-705. (1) All taxes herein levied in this article and
6150 collected by the department shall be paid into the State Treasury
6151 on the same day in which the taxes are collected.

6152 (2) Except as otherwise provided in this section, the
6153 commissioner shall apportion all the tax collections made pursuant
6154 to this article to the state and to the county in which the gas



6155 was produced, in the proportion of sixty-six and two-thirds
6156 percent (66-2/3%) to the state and thirty-three and one-third
6157 percent (33-1/3%) to the county.

6158 (3) The commissioner shall apportion all the tax collections
6159 made pursuant to Section 27-25-703(1)(b) to the county in which
6160 the gas is produced.

6161 (4) When the producer of gas subject to the tax levied in
6162 this article increases the price of the gas sold and the increase
6163 is subject to approval by a federal regulatory board or
6164 commission, and when the producer of the gas so requests, the
6165 State Treasurer is hereby authorized to hold the severance tax
6166 collected on the price increase in escrow until such time as the
6167 price increase or a portion thereof is finally granted or
6168 approved. The severance tax thus held in escrow shall be
6169 deposited by the State Treasurer to an account in a state
6170 depository to be invested in an interest-bearing account in the
6171 manner provided by law. When the price increase in question or a
6172 portion thereof is granted or approved, the commissioner shall
6173 compute the correct severance tax due on the increase and certify
6174 the amount of tax thus computed. This amount and interest earned
6175 from the depository shall be distributed to the General Fund and
6176 to the county or counties proportionately as provided in this
6177 subsection. The balance, if any, of the tax and interest held in
6178 escrow on the price increase shall be returned to the taxpayer.



6179 (5) The state's share of all gas severance taxes collected
6180 pursuant to this section shall be deposited as provided for in
6181 Section 27-25-506.

6182 (6) The commissioner shall certify at the end of each month
6183 the apportionment to each county to the State Treasurer, who shall
6184 remit the county's share of the funds on or before the twentieth
6185 day of the month next succeeding the month in which the
6186 collections were made for division among the municipalities and
6187 taxing districts of the county. The commissioner shall submit a
6188 report to the State Treasurer for distribution to each county
6189 receiving the funds showing from whom the tax and interest, if
6190 any, were collected. Upon receipt of the funds, the board of
6191 supervisors of the county shall allocate the funds to the
6192 municipalities and to the various maintenance and bond and
6193 interest funds of the county and school districts, as provided in
6194 this subsection.

6195 When there are any gas producing properties within the
6196 corporate limits of any municipality, then the municipality shall
6197 participate in the division of the tax and interest, if any,
6198 returned to the county in which the municipality is located in the
6199 proportion which the tax on production of gas from properties
6200 located within the municipal corporate limits bears to the tax on
6201 total production of gas in the county. In no event, however,
6202 shall the amount allocated to the municipalities exceed one-third
6203 (1/3) of the tax and interest produced in the municipality and



6204 returned to the county. Any amount received by any municipality
6205 as a result of the allocation provided for in this subsection
6206 shall be used for such purposes as are authorized by law.

6207 The balance remaining of any funds returned to the county
6208 after the allocation to municipalities shall be divided among the
6209 various maintenance and bond and interest funds of the county and
6210 school districts, in the discretion of the board of supervisors,
6211 and the board shall make the division in consideration of the
6212 needs of the various taxing districts. The funds so allocated
6213 shall be used only for such purposes as are authorized by law.

6214 **SECTION 54.** Section 27-65-101, Mississippi Code of 1972, is
6215 brought forward as follows:

6216 27-65-101. (1) The exemptions from the provisions of this
6217 chapter which are of an industrial nature or which are more
6218 properly classified as industrial exemptions than any other
6219 exemption classification of this chapter shall be confined to
6220 those persons or property exempted by this section or by the
6221 provisions of the Constitution of the United States or the State
6222 of Mississippi. No industrial exemption as now provided by any
6223 other section except Section 57-3-33 shall be valid as against the
6224 tax herein levied. Any subsequent industrial exemption from the
6225 tax levied hereunder shall be provided by amendment to this
6226 section. No exemption provided in this section shall apply to
6227 taxes levied by Section 27-65-15 or 27-65-21.



6228 The tax levied by this chapter shall not apply to the
6229 following:

6230 (a) Sales of boxes, crates, cartons, cans, bottles and
6231 other packaging materials to manufacturers and wholesalers for use
6232 as containers or shipping materials to accompany goods sold by
6233 said manufacturers or wholesalers where possession thereof will
6234 pass to the customer at the time of sale of the goods contained
6235 therein and sales to anyone of containers or shipping materials
6236 for use in ships engaged in international commerce.

6237 (b) Sales of raw materials, catalysts, processing
6238 chemicals, welding gases or other industrial processing gases
6239 (except natural gas) to a manufacturer for use directly in
6240 manufacturing or processing a product for sale or rental or
6241 repairing or reconditioning vessels or barges of fifty (50) tons
6242 load displacement and over. For the purposes of this exemption,
6243 electricity used directly in the electrolysis process in the
6244 production of sodium chlorate shall be considered a raw material.
6245 This exemption shall not apply to any property used as fuel except
6246 to the extent that such fuel comprises by-products which have no
6247 market value.

6248 (c) The gross proceeds of sales of dry docks, offshore
6249 drilling equipment for use in oil or natural gas exploration or
6250 production, vessels or barges of fifty (50) tons load displacement
6251 and over, when the vessels or barges are sold by the manufacturer
6252 or builder thereof. In addition to other types of equipment,



6253 offshore drilling equipment for use in oil or natural gas
6254 exploration or production shall include aircraft used
6255 predominately to transport passengers or property to or from
6256 offshore oil or natural gas exploration or production platforms or
6257 vessels, and engines, accessories and spare parts for such
6258 aircraft.

6259 (d) Sales to commercial fishermen of commercial fishing
6260 boats of over five (5) tons load displacement and not more than
6261 fifty (50) tons load displacement as registered with the United
6262 States Coast Guard and licensed by the Mississippi Commission on
6263 Marine Resources.

6264 (e) The gross income from repairs to vessels and barges
6265 engaged in foreign trade or interstate transportation.

6266 (f) Sales of petroleum products to vessels or barges
6267 for consumption in marine international commerce or interstate
6268 transportation businesses.

6269 (g) Sales and rentals of rail rolling stock (and
6270 component parts thereof) for ultimate use in interstate commerce
6271 and gross income from services with respect to manufacturing,
6272 repairing, cleaning, altering, reconditioning or improving such
6273 rail rolling stock (and component parts thereof).

6274 (h) Sales of raw materials, catalysts, processing
6275 chemicals, welding gases or other industrial processing gases
6276 (except natural gas) used or consumed directly in manufacturing,
6277 repairing, cleaning, altering, reconditioning or improving such



6278 rail rolling stock (and component parts thereof). This exemption
6279 shall not apply to any property used as fuel.

6280 (i) Sales of machinery or tools or repair parts
6281 therefor or replacements thereof, fuel or supplies used directly
6282 in manufacturing, converting or repairing ships, vessels or barges
6283 of three thousand (3,000) tons load displacement and over, but not
6284 to include office and plant supplies or other equipment not
6285 directly used on the ship, vessel or barge being built, converted
6286 or repaired. For purposes of this exemption, "ships, vessels or
6287 barges" shall not include floating structures described in Section
6288 27-65-18.

6289 (j) Sales of tangible personal property to persons
6290 operating ships in international commerce for use or consumption
6291 on board such ships. This exemption shall be limited to cases in
6292 which procedures satisfactory to the commissioner, ensuring
6293 against use in this state other than on such ships, are
6294 established.

6295 (k) Sales of materials used in the construction of a
6296 building, or any addition or improvement thereon, and sales of any
6297 machinery and equipment not later than three (3) months after the
6298 completion of construction of the building, or any addition
6299 thereon, to be used therein, to qualified businesses, as defined
6300 in Section 57-51-5, which are located in a county or portion
6301 thereof designated as an enterprise zone pursuant to Sections
6302 57-51-1 through 57-51-15.



6303 (1) Sales of materials used in the construction of a
6304 building, or any addition or improvement thereon, and sales of any
6305 machinery and equipment not later than three (3) months after the
6306 completion of construction of the building, or any addition
6307 thereon, to be used therein, to qualified businesses, as defined
6308 in Section 57-54-5.

6309 (m) Income from storage and handling of perishable
6310 goods by a public storage warehouse.

6311 (n) The value of natural gas lawfully injected into the
6312 earth for cycling, repressuring or lifting of oil, or lawfully
6313 vented or flared in connection with the production of oil;
6314 however, if any gas so injected into the earth is sold for such
6315 purposes, then the gas so sold shall not be exempt.

6316 (o) The gross collections from self-service commercial
6317 laundering, drying, cleaning and pressing equipment.

6318 (p) Sales of materials used in the construction of a
6319 building, or any addition or improvement thereon, and sales of any
6320 machinery and equipment not later than three (3) months after the
6321 completion of construction of the building, or any addition
6322 thereon, to be used therein, to qualified companies, certified as
6323 such by the Mississippi Development Authority under Section
6324 57-53-1.

6325 (q) Sales of component materials used in the
6326 construction of a building, or any addition or improvement
6327 thereon, sales of machinery and equipment to be used therein, and



6328 sales of manufacturing or processing machinery and equipment which
6329 is permanently attached to the ground or to a permanent foundation
6330 and which is not by its nature intended to be housed within a
6331 building structure, not later than three (3) months after the
6332 initial start-up date, to permanent business enterprises engaging
6333 in manufacturing or processing in Tier Three areas (as such term
6334 is defined in Section 57-73-21), which businesses are certified by
6335 the Department of Revenue as being eligible for the exemption
6336 granted in this paragraph (q).

6337 (r) (i) Sales of component materials used in the
6338 construction of a building, or any addition or improvement
6339 thereon, and sales of any machinery and equipment not later than
6340 three (3) months after the completion of the building, addition or
6341 improvement thereon, to be used therein, for any company
6342 establishing or transferring its national or regional headquarters
6343 from within or outside the State of Mississippi and creating a
6344 minimum of twenty (20) jobs at the new headquarters in this state.
6345 The Department of Revenue shall establish criteria and prescribe
6346 procedures to determine if a company qualifies as a national or
6347 regional headquarters for the purpose of receiving the exemption
6348 provided in this subparagraph (i).

6349 (ii) Sales of component materials used in the
6350 construction of a building, or any addition or improvement
6351 thereon, and sales of any machinery and equipment not later than
6352 three (3) months after the completion of the building, addition or



6353 improvement thereon, to be used therein, for any company expanding
6354 or making additions after January 1, 2013, to its national or
6355 regional headquarters within the State of Mississippi and creating
6356 a minimum of twenty (20) new jobs at the headquarters as a result
6357 of the expansion or additions. The Department of Revenue shall
6358 establish criteria and prescribe procedures to determine if a
6359 company qualifies as a national or regional headquarters for the
6360 purpose of receiving the exemption provided in this subparagraph
6361 (ii).

6362 (s) The gross proceeds from the sale of semitrailers,
6363 trailers, boats, travel trailers, motorcycles, all-terrain cycles
6364 and rotary-wing aircraft if exported from this state within
6365 forty-eight (48) hours and registered and first used in another
6366 state.

6367 (t) Gross income from the storage and handling of
6368 natural gas in underground salt domes and in other underground
6369 reservoirs, caverns, structures and formations suitable for such
6370 storage.

6371 (u) Sales of machinery and equipment to nonprofit
6372 organizations if the organization:

6373 (i) Is tax exempt pursuant to Section 501(c)(4) of
6374 the Internal Revenue Code of 1986, as amended;

6375 (ii) Assists in the implementation of the
6376 contingency plan or area contingency plan, and which is created in



6377 response to the requirements of Title IV, Subtitle B of the Oil
6378 Pollution Act of 1990, Public Law 101-380; and

6379 (iii) Engages primarily in programs to contain,
6380 clean up and otherwise mitigate spills of oil or other substances
6381 occurring in the United States coastal and tidal waters.

6382 For purposes of this exemption, "machinery and equipment"
6383 means any ocean-going vessels, barges, booms, skimmers and other
6384 capital equipment used primarily in the operations of nonprofit
6385 organizations referred to herein.

6386 (v) Sales or leases of materials and equipment to
6387 approved business enterprises as provided under the Growth and
6388 Prosperity Act.

6389 (w) From and after July 1, 2001, sales of pollution
6390 control equipment to manufacturers or custom processors for
6391 industrial use. For the purposes of this exemption, "pollution
6392 control equipment" means equipment, devices, machinery or systems
6393 used or acquired to prevent, control, monitor or reduce air, water
6394 or groundwater pollution, or solid or hazardous waste as required
6395 by federal or state law or regulation.

6396 (x) Sales or leases to a manufacturer of motor vehicles
6397 or powertrain components operating a project that has been
6398 certified by the Mississippi Major Economic Impact Authority as a
6399 project as defined in Section 57-75-5(f)(iv)1, Section
6400 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
6401 equipment; special tooling such as dies, molds, jigs and similar



6402 items treated as special tooling for federal income tax purposes;
6403 or repair parts therefor or replacements thereof; repair services
6404 thereon; fuel, supplies, electricity, coal and natural gas used
6405 directly in the manufacture of motor vehicles or motor vehicle
6406 parts or used to provide climate control for manufacturing areas.

6407 (y) Sales or leases of component materials, machinery
6408 and equipment used in the construction of a building, or any
6409 addition or improvement thereon to an enterprise operating a
6410 project that has been certified by the Mississippi Major Economic
6411 Impact Authority as a project as defined in Section
6412 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
6413 or Section 57-75-5(f)(xxviii) and any other sales or leases
6414 required to establish or operate such project.

6415 (z) Sales of component materials and equipment to a
6416 business enterprise as provided under Section 57-64-33.

6417 (aa) The gross income from the stripping and painting
6418 of commercial aircraft engaged in foreign or interstate
6419 transportation business.

6420 (bb) [Repealed]

6421 (cc) Sales or leases to an enterprise owning or
6422 operating a project that has been designated by the Mississippi
6423 Major Economic Impact Authority as a project as defined in Section
6424 57-75-5(f)(xviii) of machinery and equipment; special tooling such
6425 as dies, molds, jigs and similar items treated as special tooling
6426 for federal income tax purposes; or repair parts therefor or



6427 replacements thereof; repair services thereon; fuel, supplies,
6428 electricity, coal and natural gas used directly in the
6429 manufacturing/production operations of the project or used to
6430 provide climate control for manufacturing/production areas.

6431 (dd) Sales or leases of component materials, machinery
6432 and equipment used in the construction of a building, or any
6433 addition or improvement thereon to an enterprise owning or
6434 operating a project that has been designated by the Mississippi
6435 Major Economic Impact Authority as a project as defined in Section
6436 57-75-5(f) (xviii) and any other sales or leases required to
6437 establish or operate such project.

6438 (ee) Sales of parts used in the repair and servicing of
6439 aircraft not registered in Mississippi engaged exclusively in the
6440 business of foreign or interstate transportation to businesses
6441 engaged in aircraft repair and maintenance.

6442 (ff) Sales of component materials used in the
6443 construction of a facility, or any addition or improvement
6444 thereon, and sales or leases of machinery and equipment not later
6445 than three (3) months after the completion of construction of the
6446 facility, or any addition or improvement thereto, to be used in
6447 the building or any addition or improvement thereto, to a
6448 permanent business enterprise operating a data/information
6449 enterprise in Tier Three areas (as such areas are designated in
6450 accordance with Section 57-73-21), meeting minimum criteria
6451 established by the Mississippi Development Authority.



6452 (gg) Sales of component materials used in the
6453 construction of a facility, or any addition or improvement
6454 thereto, and sales of machinery and equipment not later than three
6455 (3) months after the completion of construction of the facility,
6456 or any addition or improvement thereto, to be used in the facility
6457 or any addition or improvement thereto, to technology intensive
6458 enterprises for industrial purposes in Tier Three areas (as such
6459 areas are designated in accordance with Section 57-73-21), as
6460 certified by the Department of Revenue. For purposes of this
6461 paragraph, an enterprise must meet the criteria provided for in
6462 Section 27-65-17(1) (f) in order to be considered a technology
6463 intensive enterprise.

6464 (hh) Sales of component materials used in the
6465 replacement, reconstruction or repair of a building or facility
6466 that has been destroyed or sustained extensive damage as a result
6467 of a disaster declared by the Governor, sales of machinery and
6468 equipment to be used therein to replace machinery or equipment
6469 damaged or destroyed as a result of such disaster, including, but
6470 not limited to, manufacturing or processing machinery and
6471 equipment which is permanently attached to the ground or to a
6472 permanent foundation and which is not by its nature intended to be
6473 housed within a building structure, to enterprises or companies
6474 that were eligible for the exemptions authorized in paragraph (q),
6475 (r), (ff) or (gg) of this subsection during initial construction
6476 of the building that was destroyed or damaged, which enterprises



6477 or companies are certified by the Department of Revenue as being
6478 eligible for the exemption granted in this paragraph.

6479 (ii) Sales of software or software services transmitted
6480 by the Internet to a destination outside the State of Mississippi
6481 where the first use of such software or software services by the
6482 purchaser occurs outside the State of Mississippi.

6483 (jj) Gross income of public storage warehouses derived
6484 from the temporary storage of raw materials that are to be used in
6485 an eligible facility as defined in Section 27-7-22.35.

6486 (kk) Sales of component building materials and
6487 equipment for initial construction of facilities or expansion of
6488 facilities as authorized under Sections 57-113-1 through 57-113-7
6489 and Sections 57-113-21 through 57-113-27.

6490 (ll) Sales and leases of machinery and equipment
6491 acquired in the initial construction to establish facilities as
6492 authorized in Sections 57-113-1 through 57-113-7.

6493 (mm) Sales and leases of replacement hardware, software
6494 or other necessary technology to operate a data center as
6495 authorized under Sections 57-113-21 through 57-113-27.

6496 (nn) Sales of component materials used in the
6497 construction of a building, or any addition or improvement
6498 thereon, and sales or leases of machinery and equipment not later
6499 than three (3) months after the completion of the construction of
6500 the facility, to be used in the facility, to permanent business
6501 enterprises operating a facility producing renewable crude oil



6502 from biomass harvested or produced, in whole or in part, in
6503 Mississippi, which businesses meet minimum criteria established by
6504 the Mississippi Development Authority. As used in this paragraph,
6505 the term "biomass" shall have the meaning ascribed to such term in
6506 Section 57-113-1.

6507 (oo) Sales of supplies, equipment and other personal
6508 property to an organization that is exempt from taxation under
6509 Section 501(c)(3) of the Internal Revenue Code and is the host
6510 organization coordinating a professional golf tournament played or
6511 to be played in this state and the supplies, equipment or other
6512 personal property will be used for purposes related to the golf
6513 tournament and related activities.

6514 (pp) Sales of materials used in the construction of a
6515 health care industry facility, as defined in Section 57-117-3, or
6516 any addition or improvement thereon, and sales of any machinery
6517 and equipment not later than three (3) months after the completion
6518 of construction of the facility, or any addition thereon, to be
6519 used therein, to qualified businesses, as defined in Section
6520 57-117-3. This paragraph shall be repealed from and after July 1,
6521 2022.

6522 (qq) Sales or leases to a manufacturer of automotive
6523 parts operating a project that has been certified by the
6524 Mississippi Major Economic Impact Authority as a project as
6525 defined in Section 57-75-5(f)(xxviii) of machinery and equipment;
6526 or repair parts therefor or replacements thereof; repair services



6527 thereon; fuel, supplies, electricity, coal, nitrogen and natural
6528 gas used directly in the manufacture of automotive parts or used
6529 to provide climate control for manufacturing areas.

6530 (rr) Gross collections derived from guided tours on any
6531 navigable waters of this state, which include providing
6532 accommodations, guide services and/or related equipment operated
6533 by or under the direction of the person providing the tour, for
6534 the purposes of outdoor tourism. The exemption provided in this
6535 paragraph (rr) does not apply to the sale of tangible personal
6536 property by a person providing such tours.

6537 (ss) Retail sales of truck-tractors and semitrailers
6538 used in interstate commerce and registered under the International
6539 Registration Plan (IRP) or any similar reciprocity agreement or
6540 compact relating to the proportional registration of commercial
6541 vehicles entered into as provided for in Section 27-19-143.

6542 (tt) Sales exempt under the Facilitating Business Rapid
6543 Response to State Declared Disasters Act of 2015 (Sections
6544 27-113-1 through 27-113-9).

6545 (uu) Sales or leases to an enterprise and its
6546 affiliates operating a project that has been certified by the
6547 Mississippi Major Economic Impact Authority as a project as
6548 defined in Section 57-75-5(f)(xxix) of:

6549 (i) All personal property and fixtures, including
6550 without limitation, sales or leases to the enterprise and its
6551 affiliates of:



6552 1. Manufacturing machinery and equipment;
6553 2. Special tooling such as dies, molds, jigs
6554 and similar items treated as special tooling for federal income
6555 tax purposes;

6556 3. Component building materials, machinery
6557 and equipment used in the construction of buildings, and any other
6558 additions or improvements to the project site for the project;

6559 4. Nonmanufacturing furniture, fixtures and
6560 equipment (inclusive of all communications, computer, server,
6561 software and other hardware equipment); and

6562 5. Fuel, supplies (other than
6563 nonmanufacturing consumable supplies and water), electricity,
6564 nitrogen gas and natural gas used directly in the
6565 manufacturing/production operations of such project or used to
6566 provide climate control for manufacturing/production areas of such
6567 project;

6568 (ii) All replacements of, repair parts for or
6569 services to repair items described in subparagraph (i)1, 2 and 3
6570 of this paragraph; and

6571 (iii) All services taxable pursuant to Section
6572 27-65-23 required to establish, support, operate, repair and/or
6573 maintain such project.

6574 (vv) Sales or leases to an enterprise operating a
6575 project that has been certified by the Mississippi Major Economic



6576 Impact Authority as a project as defined in Section

6577 57-75-5(f) (xxx) of:

6578 (i) Purchases required to establish and operate
6579 the project, including, but not limited to, sales of component
6580 building materials, machinery and equipment required to establish
6581 the project facility and any additions or improvements thereon;
6582 and

6583 (ii) Machinery, special tools (such as dies,
6584 molds, and jigs) or repair parts thereof, or replacements and
6585 lease thereof, repair services thereon, fuel, supplies and
6586 electricity, coal and natural gas used in the manufacturing
6587 process and purchased by the enterprise owning or operating the
6588 project for the benefit of the project.

6589 (ww) Sales of component materials used in the
6590 construction of a building, or any expansion or improvement
6591 thereon, sales of machinery and/or equipment to be used therein,
6592 and sales of processing machinery and equipment which is
6593 permanently attached to the ground or to a permanent foundation
6594 which is not by its nature intended to be housed in a building
6595 structure, no later than three (3) months after initial startup,
6596 expansion or improvement of a permanent enterprise solely engaged
6597 in the conversion of natural sand into proppants used in oil and
6598 gas exploration and development with at least ninety-five percent
6599 (95%) of such proppants used in the production of oil and/or gas



6600 from horizontally drilled wells and/or horizontally drilled
6601 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6602 (2) Sales of component materials used in the construction of
6603 a building, or any addition or improvement thereon, sales of
6604 machinery and equipment to be used therein, and sales of
6605 manufacturing or processing machinery and equipment which is
6606 permanently attached to the ground or to a permanent foundation
6607 and which is not by its nature intended to be housed within a
6608 building structure, not later than three (3) months after the
6609 initial start-up date, to permanent business enterprises engaging
6610 in manufacturing or processing in Tier Two areas and Tier One
6611 areas (as such areas are designated in accordance with Section
6612 57-73-21), which businesses are certified by the Department of
6613 Revenue as being eligible for the exemption granted in this
6614 subsection, shall be exempt from one-half (1/2) of the taxes
6615 imposed on such transactions under this chapter.

6616 (3) Sales of component materials used in the construction of
6617 a facility, or any addition or improvement thereon, and sales or
6618 leases of machinery and equipment not later than three (3) months
6619 after the completion of construction of the facility, or any
6620 addition or improvement thereto, to be used in the building or any
6621 addition or improvement thereto, to a permanent business
6622 enterprise operating a data/information enterprise in Tier Two
6623 areas and Tier One areas (as such areas are designated in
6624 accordance with Section 57-73-21), which businesses meet minimum



6625 criteria established by the Mississippi Development Authority,
6626 shall be exempt from one-half (1/2) of the taxes imposed on such
6627 transaction under this chapter.

6628 (4) Sales of component materials used in the construction of
6629 a facility, or any addition or improvement thereto, and sales of
6630 machinery and equipment not later than three (3) months after the
6631 completion of construction of the facility, or any addition or
6632 improvement thereto, to be used in the building or any addition or
6633 improvement thereto, to technology intensive enterprises for
6634 industrial purposes in Tier Two areas and Tier One areas (as such
6635 areas are designated in accordance with Section 57-73-21), which
6636 businesses are certified by the Department of Revenue as being
6637 eligible for the exemption granted in this subsection, shall be
6638 exempt from one-half (1/2) of the taxes imposed on such
6639 transactions under this chapter. For purposes of this subsection,
6640 an enterprise must meet the criteria provided for in Section
6641 27-65-17(1)(f) in order to be considered a technology intensive
6642 enterprise.

6643 (5) (a) For purposes of this subsection:

6644 (i) "Telecommunications enterprises" shall have
6645 the meaning ascribed to such term in Section 57-73-21;

6646 (ii) "Tier One areas" mean counties designated as
6647 Tier One areas pursuant to Section 57-73-21;

6648 (iii) "Tier Two areas" mean counties designated as
6649 Tier Two areas pursuant to Section 57-73-21;



6650 (iv) "Tier Three areas" mean counties designated
6651 as Tier Three areas pursuant to Section 57-73-21; and

6652 (v) "Equipment used in the deployment of broadband
6653 technologies" means any equipment capable of being used for or in
6654 connection with the transmission of information at a rate, prior
6655 to taking into account the effects of any signal degradation, that
6656 is not less than three hundred eighty-four (384) kilobits per
6657 second in at least one (1) direction, including, but not limited
6658 to, asynchronous transfer mode switches, digital subscriber line
6659 access multiplexers, routers, servers, multiplexers, fiber optics
6660 and related equipment.

6661 (b) Sales of equipment to telecommunications
6662 enterprises after June 30, 2003, and before July 1, 2025, that is
6663 installed in Tier One areas and used in the deployment of
6664 broadband technologies shall be exempt from one-half (1/2) of the
6665 taxes imposed on such transactions under this chapter.

6666 (c) Sales of equipment to telecommunications
6667 enterprises after June 30, 2003, and before July 1, 2025, that is
6668 installed in Tier Two and Tier Three areas and used in the
6669 deployment of broadband technologies shall be exempt from the
6670 taxes imposed on such transactions under this chapter.

6671 (6) Sales of component materials used in the replacement,
6672 reconstruction or repair of a building that has been destroyed or
6673 sustained extensive damage as a result of a disaster declared by
6674 the Governor, sales of machinery and equipment to be used therein



6675 to replace machinery or equipment damaged or destroyed as a result
6676 of such disaster, including, but not limited to, manufacturing or
6677 processing machinery and equipment which is permanently attached
6678 to the ground or to a permanent foundation and which is not by its
6679 nature intended to be housed within a building structure, to
6680 enterprises that were eligible for the partial exemptions provided
6681 for in subsections (2), (3) and (4) of this section during initial
6682 construction of the building that was destroyed or damaged, which
6683 enterprises are certified by the Department of Revenue as being
6684 eligible for the partial exemption granted in this subsection,
6685 shall be exempt from one-half (1/2) of the taxes imposed on such
6686 transactions under this chapter.

6687 **SECTION 55.** Section 27-65-103, Mississippi Code of 1972, is
6688 brought forward as follows:

6689 27-65-103. The exemptions from the provisions of this
6690 chapter which are of an agricultural nature or which are more
6691 properly classified as agricultural exemptions than any other
6692 exemption classification of this chapter shall be confined to
6693 those persons or property exempted by this section or by
6694 provisions of the Constitution of the United States or the State
6695 of Mississippi. No agricultural exemption as now provided by any
6696 other section shall be valid as against the tax herein levied.
6697 Any subsequent agricultural exemption from the tax levied
6698 hereunder shall be provided by amendment to this section.



6699 No exemption provided in this section shall apply to taxes
6700 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6701 The tax levied by this chapter shall not apply to the
6702 following:

6703 (a) The gross proceeds of sales of lint cotton, seed
6704 cotton, baled cotton, whether compressed or not, and cottonseed
6705 and soybeans in their original condition. Retail sales of seeds,
6706 livestock feed, poultry feed, fish feed and fertilizers. Sales of
6707 defoliants, insecticides, fungicides, herbicides and baby chicks
6708 used in growing agricultural products for market. Bagging and
6709 ties for baling cotton, hay-baling wire and twine, boxes, bags and
6710 cans used in growing or preparing agricultural products for market
6711 when possession thereof will pass to the customer at the time of
6712 sale of the product contained therein. Sales of ice to commercial
6713 fishermen purchased for use in the preservation of seafood or to
6714 producers for use in the refrigeration of vegetables for market.

6715 (b) The sales by producers of livestock, poultry, fish,
6716 honey bees or other products of farm, grove, apiary or garden when
6717 such products are sold in the original state or condition of
6718 preparation for sale before such products are subjected to any
6719 other process within a class of business or sold by a producer
6720 through an established store, as defined in the Privilege Tax Law.
6721 However, except as otherwise provided in this paragraph (b), this
6722 exemption shall not apply to ornamental plants which bear no fruit
6723 of commercial value. The exemption provided in this paragraph (b)



6724 shall apply to Christmas trees, hay, straw, fresh cut flowers and
6725 similar products when (i) grown in Mississippi and (ii) cut,
6726 severed or otherwise removed from the farm, grove, garden or other
6727 place of production and first sold from such place of production
6728 in the original state or condition of preparation for sale. All
6729 sales by agricultural cooperative associations organized under
6730 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title
6731 79, Mississippi Code of 1972, of agricultural products produced by
6732 members for market before such products are subjected to any
6733 manufacturing process.

6734 (c) The gross proceeds of retail sales of mules,
6735 horses, honey bees and other livestock.

6736 (d) Income from grading, excavating, ditching, dredging
6737 or landscaping activities performed for a farmer on a farm for
6738 agricultural or soil erosion purposes.

6739 (e) The gross proceeds of sales of all antibiotics,
6740 hormones and hormone preparations, drugs, medicines and other
6741 medications including serums and vaccines, vitamins, minerals or
6742 other nutrients for use in the production and growing of fish,
6743 livestock, honey bees and poultry by whomever sold. Such
6744 exemption shall be in addition to the exemption provided in this
6745 section for feed for fish, livestock, honey bees and poultry.

6746 (f) Sales of food products and honey that are grown,
6747 made or processed in Mississippi and sold from farmers' markets



6748 that have been certified by the Mississippi Department of
6749 Agriculture and Commerce.

6750 **SECTION 56.** Section 27-65-105, Mississippi Code of 1972, is
6751 brought forward as follows:

6752 27-65-105. The exemption from the provisions of this chapter
6753 which are of a governmental nature or which are more properly
6754 classified as governmental exemptions than any other exemption
6755 classification of this chapter shall be confined to those persons
6756 or property exempted by this section or by provisions of the
6757 Constitutions of the United States or the State of Mississippi.
6758 No governmental exemption as now provided by any other section
6759 shall be valid as against the tax herein levied. Any subsequent
6760 governmental exemption from the tax levied hereunder shall be
6761 provided by amendment to this section.

6762 No exemption provided in this section shall apply to taxes
6763 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
6764 except as provided by paragraph (f) of this section.

6765 The tax levied by this chapter shall not apply to the
6766 following:

6767 (a) Sales of property, labor, services or products
6768 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
6769 when sold to and billed directly to and payment therefor is made
6770 directly by the United States government, the State of Mississippi
6771 and its departments, institutions, counties and municipalities or



6772 departments or school districts of said counties and
6773 municipalities.

6774 The exemption from the tax imposed under this chapter shall
6775 not apply to sales of tangible personal property or specified
6776 digital products, labor or services to contractors purchasing in
6777 the performance of contracts with the United States, the State of
6778 Mississippi, counties and municipalities.

6779 (b) Sales to schools, when such schools are supported
6780 wholly or in part by funds provided by the State of Mississippi,
6781 provided that this exemption does not apply to sales of property
6782 which is not to be used in the ordinary operation of the school,
6783 or which is to be resold to the students or the public.

6784 (c) Amounts received from the sale of school textbooks
6785 to students.

6786 (d) Sales to the Mississippi Band of Choctaw Indians,
6787 but not to Indians individually.

6788 (e) Sales of firefighting equipment to governmental
6789 fire departments or volunteer fire departments for their use.

6790 (f) Sales of any gas from any project, as defined in
6791 the Municipal Gas Authority of Mississippi Law, to any
6792 municipality shall not be subject to sales, use or other tax.

6793 (g) Sales of home medical equipment and home medical
6794 supplies listed as eligible for payment under Title XVIII of the
6795 Social Security Act or under the state plan for medical assistance
6796 under Title XIX of the Social Security Act, prosthetics,



6797 orthotics, hearing aids, hearing devices, prescription eyeglasses,
6798 oxygen and oxygen equipment, when ordered or prescribed by a
6799 licensed physician for medical purposes of a patient, and when
6800 payment for such equipment or supplies, or both, is made, in part
6801 or in whole, under the provisions of the Medicare or Medicaid
6802 program, then the entire sale shall be exempt from the taxes
6803 imposed by this chapter. Payment does not have to be made, in
6804 whole or in part, by any particular person to be eligible for this
6805 exemption. Purchases of home medical equipment and supplies by a
6806 provider of home health services or a provider of hospice services
6807 are eligible for this exemption if the purchases otherwise meet
6808 the requirements of this paragraph.

6809 (h) Sales to regional educational service agencies
6810 established under Section 37-7-345.

6811 (i) Sales of buses and other motor vehicles, and parts
6812 and labor used to maintain and/or repair such buses and motor
6813 vehicles, to an entity that (a) has entered into a contract with a
6814 school board under Section 37-41-31 for the purpose of
6815 transporting students to and from schools and (b) uses or will use
6816 the buses and other motor vehicles for such transportation
6817 purposes. This paragraph (i) shall apply to contracts entered
6818 into or renewed on or after July 1, 2010.

6819 (j) Parking at events held solely for religious or
6820 charitable purposes at livestock facilities, agriculture
6821 facilities or other facilities constructed, renovated or expanded



6822 with funds for the grant program authorized under Section 18,
6823 Chapter 530, Laws of 1995.

6824 (k) Sales of tangible personal property, labor,
6825 services or products to schools and school districts under a
6826 program that is administered by or coordinated with an agency,
6827 commission, department or other instrumentality of the United
6828 States government when payment for the tangible personal property,
6829 labor, services or products is made by or through a nonprofit
6830 organization or other entity established by or for the benefit of
6831 the agency, commission, department or other instrumentality of the
6832 United States government administering or coordinating such
6833 program.

6834 **SECTION 57.** Section 27-65-107, Mississippi Code of 1972, is
6835 brought forward as follows:

6836 27-65-107. The exemptions from the provisions of this
6837 chapter which relate to utilities or which are more properly
6838 classified as utility exemptions than any other exemption
6839 classification of this chapter shall be confined to those persons
6840 or property exempted by this section or by provisions of the
6841 Constitutions of the United States or the State of Mississippi.
6842 No utility exemption as now provided by any other section shall be
6843 valid as against the tax herein levied. Any subsequent utility
6844 exemption from the tax levied hereunder shall be provided by
6845 amendment to this section.



6846 No exemption provided in this section shall apply to taxes
6847 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6848 The tax levied by this chapter shall not apply to the
6849 following:

6850 (a) Sales and rentals of locomotives, rail rolling
6851 stock and materials for their repair, locomotive water, when made
6852 to a railroad whose rates are fixed by the Interstate Commerce
6853 Commission or the Mississippi Public Service Commission.

6854 (b) Rentals of manufacturing machinery to a
6855 manufacturer or custom processor where such manufacturer or custom
6856 processor is engaged in, and such machinery is used in, the
6857 manufacture of containers made from timber or wood for sale. The
6858 tax, likewise, shall not apply to replacement or repair parts of
6859 such machinery used in such manufacture.

6860 (c) Sales of tangible personal property and services to
6861 nonprofit water associations or corporations in which no part of
6862 the net earnings inures to the benefit of any private shareholder,
6863 group or individual. Only sales of property or services which are
6864 ordinary and necessary to the operation of such organizations are
6865 exempt from tax.

6866 (d) Wholesale sales of tangible personal property for
6867 resale under Section 27-65-19.

6868 (e) From and after July 1, 2003, sales of fuel used to
6869 produce electric power by a company primarily engaged in the



6870 business of producing, generating or distributing electric power
6871 for sale.

6872 (f) Sales of electricity, current, power, steam, coal,
6873 natural gas, liquefied petroleum gas or other fuel to a
6874 manufacturer, custom processor, data center meeting the criteria
6875 provided for in Section 57-113-21, technology intensive enterprise
6876 meeting the criteria provided for in Section 27-65-17(1)(f), or
6877 public service company for industrial purposes, which shall
6878 include that used to generate electricity, to operate an
6879 electrical distribution or transmission system, to operate
6880 pipeline compressor or pumping stations, or to operate railroad
6881 locomotives.

6882 (g) Sales of electricity, current, power, steam, coal,
6883 natural gas, liquefied petroleum gas or other fuel to a producer
6884 or processor for use directly in the production of poultry or
6885 poultry products, the production of livestock and livestock
6886 products, the production of domesticated fish and domesticated
6887 fish products, the production of marine aquaculture products, the
6888 production of plants or food by commercial horticulturists, the
6889 processing of milk and milk products, the processing of poultry
6890 and livestock feed, and the irrigation of farm crops.

6891 (h) Sales of electricity, current, power, steam, coal,
6892 natural gas, liquefied petroleum gas or other fuel to a commercial
6893 fisherman, shrimper or oysterman.



6894 (i) Sales exempt under the Facilitating Business Rapid
6895 Response to State Declared Disasters Act of 2015 (Sections
6896 27-113-1 through 27-113-9).

6897 (j) Sales of electricity, current, power, steam, coal,
6898 natural gas, liquefied petroleum gas or other fuel to a permanent
6899 enterprise that is eligible for the exemption authorized in
6900 Section 27-65-101(1)(ww) upon completion of the expansion upon
6901 which such exemption is based; however, in order to be eligible
6902 for the exemption authorized by this paragraph, the expansion
6903 must:

6904 (i) Create at least eighty-five (85) full-time
6905 jobs in this state with an average annual wage of at least Sixty
6906 Thousand Dollars (\$60,000.00); and

6907 (ii) Have at least Eighty Million Dollars
6908 (\$80,000,000.00) in new investment at the existing facility.

6909 **SECTION 58.** Section 27-65-111, Mississippi Code of 1972, is
6910 brought forward as follows:

6911 27-65-111. The exemptions from the provisions of this
6912 chapter which are not industrial, agricultural or governmental, or
6913 which do not relate to utilities or taxes, or which are not
6914 properly classified as one (1) of the exemption classifications of
6915 this chapter, shall be confined to persons or property exempted by
6916 this section or by the Constitution of the United States or the
6917 State of Mississippi. No exemptions as now provided by any other
6918 section, except the classified exemption sections of this chapter



6919 set forth herein, shall be valid as against the tax herein levied.
6920 Any subsequent exemption from the tax levied hereunder, except as
6921 indicated above, shall be provided by amendments to this section.

6922 No exemption provided in this section shall apply to taxes
6923 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6924 The tax levied by this chapter shall not apply to the
6925 following:

6926 (a) Sales of tangible personal property and services to
6927 hospitals or infirmaries owned and operated by a corporation or
6928 association in which no part of the net earnings inures to the
6929 benefit of any private shareholder, group or individual, and which
6930 are subject to and governed by Sections 41-7-123 through 41-7-127.

6931 Only sales of tangible personal property or services which
6932 are ordinary and necessary to the operation of such hospitals and
6933 infirmaries are exempted from tax.

6934 (b) Sales of daily or weekly newspapers, and
6935 periodicals or publications of scientific, literary or educational
6936 organizations exempt from federal income taxation under Section
6937 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
6938 March 31, 1975, and subscription sales of all magazines.

6939 (c) Sales of coffins, caskets and other materials used
6940 in the preparation of human bodies for burial.

6941 (d) Sales of tangible personal property for immediate
6942 export to a foreign country.



6943 (e) Sales of tangible personal property to an
6944 orphanage, old men's or ladies' home, supported wholly or in part
6945 by a religious denomination, fraternal nonprofit organization or
6946 other nonprofit organization.

6947 (f) Sales of tangible personal property, labor or
6948 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
6949 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
6950 corporation or association in which no part of the net earnings
6951 inures to the benefit of any private shareholder, group or
6952 individual.

6953 (g) Sales to elementary and secondary grade schools,
6954 junior and senior colleges owned and operated by a corporation or
6955 association in which no part of the net earnings inures to the
6956 benefit of any private shareholder, group or individual, and which
6957 are exempt from state income taxation, provided that this
6958 exemption does not apply to sales of property or services which
6959 are not to be used in the ordinary operation of the school, or
6960 which are to be resold to the students or the public.

6961 (h) The gross proceeds of retail sales and the use or
6962 consumption in this state of drugs and medicines:

6963 (i) Prescribed for the treatment of a human being
6964 by a person authorized to prescribe the medicines, and dispensed
6965 or prescription filled by a registered pharmacist in accordance
6966 with law; or



6967 (ii) Furnished by a licensed physician, surgeon,
6968 dentist or podiatrist to his own patient for treatment of the
6969 patient; or

6970 (iii) Furnished by a hospital for treatment of any
6971 person pursuant to the order of a licensed physician, surgeon,
6972 dentist or podiatrist; or

6973 (iv) Sold to a licensed physician, surgeon,
6974 podiatrist, dentist or hospital for the treatment of a human
6975 being; or

6976 (v) Sold to this state or any political
6977 subdivision or municipal corporation thereof, for use in the
6978 treatment of a human being or furnished for the treatment of a
6979 human being by a medical facility or clinic maintained by this
6980 state or any political subdivision or municipal corporation
6981 thereof.

6982 "Medicines," as used in this paragraph (h), shall mean and
6983 include any substance or preparation intended for use by external
6984 or internal application to the human body in the diagnosis, cure,
6985 mitigation, treatment or prevention of disease and which is
6986 commonly recognized as a substance or preparation intended for
6987 such use; provided that "medicines" do not include any auditory,
6988 prosthetic, ophthalmic or ocular device or appliance, any dentures
6989 or parts thereof or any artificial limbs or their replacement
6990 parts, articles which are in the nature of splints, bandages,
6991 pads, compresses, supports, dressings, instruments, apparatus,



6992 contrivances, appliances, devices or other mechanical, electronic,
6993 optical or physical equipment or article or the component parts
6994 and accessories thereof, or any alcoholic beverage or any other
6995 drug or medicine not commonly referred to as a prescription drug.

6996 Notwithstanding the preceding sentence of this paragraph (h),
6997 "medicines" as used in this paragraph (h), shall mean and include
6998 sutures, whether or not permanently implanted, bone screws, bone
6999 pins, pacemakers and other articles permanently implanted in the
7000 human body to assist the functioning of any natural organ, artery,
7001 vein or limb and which remain or dissolve in the body.

7002 "Hospital," as used in this paragraph (h), shall have the
7003 meaning ascribed to it in Section 41-9-3, Mississippi Code of
7004 1972.

7005 Insulin furnished by a registered pharmacist to a person for
7006 treatment of diabetes as directed by a physician shall be deemed
7007 to be dispensed on prescription within the meaning of this
7008 paragraph (h).

7009 (i) Retail sales of automobiles, trucks and
7010 truck-tractors if exported from this state within forty-eight (48)
7011 hours and registered and first used in another state.

7012 (j) Sales of tangible personal property or services to
7013 the Salvation Army and the Muscular Dystrophy Association, Inc.

7014 (k) From July 1, 1985, through December 31, 1992,
7015 retail sales of "alcohol blended fuel" as such term is defined in
7016 Section 75-55-5. The gasoline-alcohol blend or the straight



7017 alcohol eligible for this exemption shall not contain alcohol
7018 distilled outside the State of Mississippi.

7019 (l) Sales of tangible personal property or services to
7020 the Institute for Technology Development.

7021 (m) The gross proceeds of retail sales of food and
7022 drink for human consumption made through vending machines serviced
7023 by full line vendors from and not connected with other taxable
7024 businesses.

7025 (n) The gross proceeds of sales of motor fuel.

7026 (o) Retail sales of food for human consumption
7027 purchased with food stamps issued by the United States Department
7028 of Agriculture, or other federal agency, from and after October 1,
7029 1987, or from and after the expiration of any waiver granted
7030 pursuant to federal law, the effect of which waiver is to permit
7031 the collection by the state of tax on such retail sales of food
7032 for human consumption purchased with food stamps.

7033 (p) Sales of cookies for human consumption by the Girl
7034 Scouts of America no part of the net earnings from which sales
7035 inures to the benefit of any private group or individual.

7036 (q) Gifts or sales of tangible personal property or
7037 services to public or private nonprofit museums of art.

7038 (r) Sales of tangible personal property or services to
7039 alumni associations of state-supported colleges or universities.



7040 (s) Sales of tangible personal property or services to
7041 National Association of Junior Auxiliaries, Inc., and chapters of
7042 the National Association of Junior Auxiliaries, Inc.

7043 (t) Sales of tangible personal property or services to
7044 domestic violence shelters which qualify for state funding under
7045 Sections 93-21-101 through 93-21-113.

7046 (u) Sales of tangible personal property or services to
7047 the National Multiple Sclerosis Society, Mississippi Chapter.

7048 (v) Retail sales of food for human consumption
7049 purchased with food instruments issued the Mississippi Band of
7050 Choctaw Indians under the Women, Infants and Children Program
7051 (WIC) funded by the United States Department of Agriculture.

7052 (w) Sales of tangible personal property or services to
7053 a private company, as defined in Section 57-61-5, which is making
7054 such purchases with proceeds of bonds issued under Section 57-61-1
7055 et seq., the Mississippi Business Investment Act.

7056 (x) The gross collections from the operation of
7057 self-service, coin-operated car washing equipment and sales of the
7058 service of washing motor vehicles with portable high-pressure
7059 washing equipment on the premises of the customer.

7060 (y) Sales of tangible personal property or services to
7061 the Mississippi Technology Alliance.

7062 (z) Sales of tangible personal property to nonprofit
7063 organizations that provide foster care, adoption services and
7064 temporary housing for unwed mothers and their children if the



7065 organization is exempt from federal income taxation under Section
7066 501(c) (3) of the Internal Revenue Code.

7067 (aa) Sales of tangible personal property to nonprofit
7068 organizations that provide residential rehabilitation for persons
7069 with alcohol and drug dependencies if the organization is exempt
7070 from federal income taxation under Section 501(c) (3) of the
7071 Internal Revenue Code.

7072 (bb) (i) Retail sales of an article of clothing or
7073 footwear designed to be worn on or about the human body and retail
7074 sales of school supplies if the sales price of the article of
7075 clothing or footwear or school supply is less than One Hundred
7076 Dollars (\$100.00) and the sale takes place during a period
7077 beginning at 12:01 a.m. on the last Friday in July and ending at
7078 12:00 midnight the following Saturday. This paragraph (bb) shall
7079 not apply to:

7080 1. Accessories including jewelry, handbags,
7081 luggage, umbrellas, wallets, watches, briefcases, garment bags and
7082 similar items carried on or about the human body, without regard
7083 to whether worn on the body in a manner characteristic of
7084 clothing;

7085 2. The rental of clothing or footwear; and

7086 3. Skis, swim fins, roller blades, skates and
7087 similar items worn on the foot.



7088 (ii) For purposes of this paragraph (bb), "school
7089 supplies" means items that are commonly used by a student in a
7090 course of study. The following is an all-inclusive list:

- 7091 1. Backpacks;
- 7092 2. Binder pockets;
- 7093 3. Binders;
- 7094 4. Blackboard chalk;
- 7095 5. Book bags;
- 7096 6. Calculators;
- 7097 7. Cellophane tape;
- 7098 8. Clays and glazes;
- 7099 9. Compasses;
- 7100 10. Composition books;
- 7101 11. Crayons;
- 7102 12. Dictionaries and thesauruses;
- 7103 13. Dividers;
- 7104 14. Erasers;
- 7105 15. Folders: expandable, pocket, plastic and
7106 manila;
- 7107 16. Glue, paste and paste sticks;
- 7108 17. Highlighters;
- 7109 18. Index card boxes;
- 7110 19. Index cards;
- 7111 20. Legal pads;
- 7112 21. Lunch boxes;



- 7113 22. Markers;
- 7114 23. Notebooks;
- 7115 24. Paintbrushes for artwork;
- 7116 25. Paints: acrylic, tempera and oil;
- 7117 26. Paper: loose-leaf ruled notebook paper,
- 7118 copy paper, graph paper, tracing paper, manila paper, colored
- 7119 paper, poster board and construction paper;
- 7120 27. Pencil boxes and other school supply
- 7121 boxes;
- 7122 28. Pencil sharpeners;
- 7123 29. Pencils;
- 7124 30. Pens;
- 7125 31. Protractors;
- 7126 32. Reference books;
- 7127 33. Reference maps and globes;
- 7128 34. Rulers;
- 7129 35. Scissors;
- 7130 36. Sheet music;
- 7131 37. Sketch and drawing pads;
- 7132 38. Textbooks;
- 7133 39. Watercolors;
- 7134 40. Workbooks; and
- 7135 41. Writing tablets.

7136 (iii) From and after January 1, 2010, the

7137 governing authorities of a municipality, for retail sales



7138 occurring within the corporate limits of the municipality, may
7139 suspend the application of the exemption provided for in this
7140 paragraph (bb) by adoption of a resolution to that effect stating
7141 the date upon which the suspension shall take effect. A certified
7142 copy of the resolution shall be furnished to the Department of
7143 Revenue at least ninety (90) days prior to the date upon which the
7144 municipality desires such suspension to take effect.

7145 (cc) The gross proceeds of sales of tangible personal
7146 property made for the sole purpose of raising funds for a school
7147 or an organization affiliated with a school.

7148 As used in this paragraph (cc), "school" means any public or
7149 private school that teaches courses of instruction to students in
7150 any grade from kindergarten through Grade 12.

7151 (dd) Sales of durable medical equipment and home
7152 medical supplies when ordered or prescribed by a licensed
7153 physician for medical purposes of a patient. As used in this
7154 paragraph (dd), "durable medical equipment" and "home medical
7155 supplies" mean equipment, including repair and replacement parts
7156 for the equipment or supplies listed under Title XVIII of the
7157 Social Security Act or under the state plan for medical assistance
7158 under Title XIX of the Social Security Act, prosthetics,
7159 orthotics, hearing aids, hearing devices, prescription eyeglasses,
7160 oxygen and oxygen equipment. Payment does not have to be made, in
7161 whole or in part, by any particular person to be eligible for this
7162 exemption. Purchases of home medical equipment and supplies by a



7163 provider of home health services or a provider of hospice services
7164 are eligible for this exemption if the purchases otherwise meet
7165 the requirements of this paragraph.

7166 (ee) Sales of tangible personal property or services to
7167 Mississippi Blood Services.

7168 (ff) (i) Subject to the provisions of this paragraph
7169 (ff), retail sales of firearms, ammunition and hunting supplies if
7170 sold during the annual Mississippi Second Amendment Weekend
7171 holiday beginning at 12:01 a.m. on the last Friday in August and
7172 ending at 12:00 midnight the following Sunday. For the purposes
7173 of this paragraph (ff), "hunting supplies" means tangible personal
7174 property used for hunting, including, and limited to, archery
7175 equipment, firearm and archery cases, firearm and archery
7176 accessories, hearing protection, holsters, belts and slings.
7177 Hunting supplies does not include animals used for hunting.

7178 (ii) This paragraph (ff) shall apply only if one
7179 or more of the following occur:

7180 1. Title to and/or possession of an eligible
7181 item is transferred from a seller to a purchaser; and/or

7182 2. A purchaser orders and pays for an
7183 eligible item and the seller accepts the order for immediate
7184 shipment, even if delivery is made after the time period provided
7185 in subparagraph (i) of this paragraph (ff), provided that the
7186 purchaser has not requested or caused the delay in shipment.



7187 (gg) Sales of nonperishable food items to charitable
7188 organizations that are exempt from federal income taxation under
7189 Section 501(c) (3) of the Internal Revenue Code and operate a food
7190 bank or food pantry or food lines.

7191 (hh) Sales of tangible personal property or services to
7192 the United Way of the Pine Belt Region, Inc.

7193 (ii) Sales of tangible personal property or services to
7194 the Mississippi Children's Museum or any subsidiary or affiliate
7195 thereof operating a satellite or branch museum within this state.

7196 (jj) Sales of tangible personal property or services to
7197 the Jackson Zoological Park.

7198 (kk) Sales of tangible personal property or services to
7199 the Hattiesburg Zoo.

7200 (ll) Gross proceeds from sales of food, merchandise or
7201 other concessions at an event held solely for religious or
7202 charitable purposes at livestock facilities, agriculture
7203 facilities or other facilities constructed, renovated or expanded
7204 with funds for the grant program authorized under Section 18,
7205 Chapter 530, Laws of 1995.

7206 (mm) Sales of tangible personal property and services
7207 to the Diabetes Foundation of Mississippi and the Mississippi
7208 Chapter of the Juvenile Diabetes Research Foundation.

7209 (nn) Sales of potting soil, mulch, or other soil
7210 amendments used in growing ornamental plants which bear no fruit
7211 of commercial value when sold to commercial plant nurseries that



7212 operate exclusively at wholesale and where no retail sales can be
7213 made.

7214 (oo) Sales of tangible personal property or services to
7215 the University of Mississippi Medical Center Research Development
7216 Foundation.

7217 (pp) Sales of tangible personal property or services to
7218 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
7219 Mississippi Beautiful, Inc.

7220 (qq) Sales of tangible personal property or services to
7221 the Friends of Children's Hospital.

7222 (rr) Sales of tangible personal property or services to
7223 the Pinecrest Weekend Backpacks for Kids located in Corinth,
7224 Mississippi.

7225 (ss) Sales of hearing aids when ordered or prescribed
7226 by a licensed physician, audiologist or hearing aid specialist for
7227 the medical purposes of a patient.

7228 (tt) Sales exempt under the Facilitating Business Rapid
7229 Response to State Declared Disasters Act of 2015 (Sections
7230 27-113-1 through 27-113-9).

7231 (uu) Sales of tangible personal property or services to
7232 the Junior League of Jackson.

7233 (vv) Sales of tangible personal property or services to
7234 the Mississippi's Toughest Kids Foundation for use in the
7235 construction, furnishing and equipping of buildings and related
7236 facilities and infrastructure at Camp Kamassa in Copiah County,



7237 Mississippi. This paragraph (vv) shall stand repealed on July 1,
7238 2022.

7239 (ww) Sales of tangible personal property or services to
7240 MS Gulf Coast Buddy Sports, Inc.

7241 (xx) Sales of tangible personal property or services to
7242 Biloxi Lions, Inc.

7243 (yy) Sales of tangible personal property or services to
7244 Lions Sight Foundation of Mississippi, Inc.

7245 (zz) Sales of tangible personal property and services
7246 to the Goldring/Woldenberg Institute of Southern Jewish Life
7247 (ISJL).

7248 **SECTION 59.** Sections 1 through 59 of this act shall be known
7249 and may be cited as the "Mississippi Tax Freedom Act of 2021."

7250 **SECTION 60.** Section 37-19-7, Mississippi Code of 1972, is
7251 amended as follows:

7252 37-19-7. (1) The allowance in the Mississippi Adequate
7253 Education Program for teachers' salaries in each county and
7254 separate school district shall be determined and paid in
7255 accordance with the scale for teachers' salaries as provided in
7256 this subsection. For teachers holding the following types of
7257 licenses or the equivalent as determined by the State Board of
7258 Education, and the following number of years of teaching
7259 experience, the scale shall be as follows:

7260 * * *

7261 **2021-2022 MINIMUM SALARY SCHEDULE**



7262	<u>Years</u>				
7263	<u>Exp.</u>	<u>AAAA</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
7264	<u>0</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7265	<u>1</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7266	<u>2</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7267	<u>3</u>	<u>42,402.00</u>	<u>41,171.00</u>	<u>39,940.00</u>	<u>37,385.00</u>
7268	<u>4</u>	<u>43,196.00</u>	<u>41,898.00</u>	<u>40,600.00</u>	<u>37,880.00</u>
7269	<u>5</u>	<u>43,990.00</u>	<u>42,625.00</u>	<u>41,260.00</u>	<u>38,375.00</u>
7270	<u>6</u>	<u>44,784.00</u>	<u>43,352.00</u>	<u>41,920.00</u>	<u>38,870.00</u>
7271	<u>7</u>	<u>45,578.00</u>	<u>44,079.00</u>	<u>42,580.00</u>	<u>39,365.00</u>
7272	<u>8</u>	<u>46,372.00</u>	<u>44,806.00</u>	<u>43,240.00</u>	<u>39,860.00</u>
7273	<u>9</u>	<u>47,166.00</u>	<u>45,533.00</u>	<u>43,900.00</u>	<u>40,355.00</u>
7274	<u>10</u>	<u>47,960.00</u>	<u>46,260.00</u>	<u>44,560.00</u>	<u>40,850.00</u>
7275	<u>11</u>	<u>48,754.00</u>	<u>46,987.00</u>	<u>45,220.00</u>	<u>41,345.00</u>
7276	<u>12</u>	<u>49,548.00</u>	<u>47,714.00</u>	<u>45,880.00</u>	<u>41,840.00</u>
7277	<u>13</u>	<u>50,342.00</u>	<u>48,441.00</u>	<u>46,540.00</u>	<u>42,335.00</u>
7278	<u>14</u>	<u>51,136.00</u>	<u>49,168.00</u>	<u>47,200.00</u>	<u>42,830.00</u>
7279	<u>15</u>	<u>51,930.00</u>	<u>49,895.00</u>	<u>47,860.00</u>	<u>43,325.00</u>
7280	<u>16</u>	<u>52,724.00</u>	<u>50,622.00</u>	<u>48,520.00</u>	<u>43,820.00</u>
7281	<u>17</u>	<u>53,518.00</u>	<u>51,349.00</u>	<u>49,180.00</u>	<u>44,315.00</u>
7282	<u>18</u>	<u>54,312.00</u>	<u>52,076.00</u>	<u>49,840.00</u>	<u>44,810.00</u>
7283	<u>19</u>	<u>55,106.00</u>	<u>52,803.00</u>	<u>50,500.00</u>	<u>45,305.00</u>
7284	<u>20</u>	<u>55,900.00</u>	<u>53,530.00</u>	<u>51,160.00</u>	<u>45,800.00</u>
7285	<u>21</u>	<u>56,694.00</u>	<u>54,257.00</u>	<u>51,820.00</u>	<u>46,295.00</u>
7286	<u>22</u>	<u>57,488.00</u>	<u>54,984.00</u>	<u>52,480.00</u>	<u>46,790.00</u>



7287	<u>23</u>	<u>58,282.00</u>	<u>55,711.00</u>	<u>53,140.00</u>	<u>47,285.00</u>
7288	<u>24</u>	<u>59,076.00</u>	<u>56,438.00</u>	<u>53,800.00</u>	<u>47,780.00</u>
7289	<u>25</u>	<u>61,930.00</u>	<u>59,225.00</u>	<u>56,520.00</u>	<u>50,335.00</u>
7290	<u>26</u>	<u>62,724.00</u>	<u>59,952.00</u>	<u>57,180.00</u>	<u>50,830.00</u>
7291	<u>27</u>	<u>63,518.00</u>	<u>60,679.00</u>	<u>57,840.00</u>	<u>51,325.00</u>
7292	<u>28</u>	<u>64,312.00</u>	<u>61,406.00</u>	<u>58,500.00</u>	<u>51,820.00</u>
7293	<u>29</u>	<u>65,106.00</u>	<u>62,133.00</u>	<u>59,160.00</u>	<u>52,315.00</u>
7294	<u>30</u>	<u>65,900.00</u>	<u>62,860.00</u>	<u>59,820.00</u>	<u>52,810.00</u>
7295	<u>31</u>	<u>66,694.00</u>	<u>63,587.00</u>	<u>60,480.00</u>	<u>53,305.00</u>
7296	<u>32</u>	<u>67,488.00</u>	<u>64,314.00</u>	<u>61,140.00</u>	<u>53,800.00</u>
7297	<u>33</u>	<u>68,282.00</u>	<u>65,041.00</u>	<u>61,800.00</u>	<u>54,295.00</u>
7298	<u>34</u>	<u>69,076.00</u>	<u>65,768.00</u>	<u>62,460.00</u>	<u>54,790.00</u>
7299	<u>35</u>				
7300	<u>& above</u>	<u>69,870.00</u>	<u>66,495.00</u>	<u>63,120.00</u>	<u>55,285.00</u>

7301 It is the intent of the Legislature that any state funds made
7302 available for salaries of licensed personnel in excess of the
7303 funds paid for such salaries for the 1986-1987 school year shall
7304 be paid to licensed personnel pursuant to a personnel appraisal
7305 and compensation system implemented by the State Board of
7306 Education. The State Board of Education shall have the authority
7307 to adopt and amend rules and regulations as are necessary to
7308 establish, administer and maintain the system.

7309 All teachers employed on a full-time basis shall be paid a
7310 minimum salary in accordance with the above scale. However, no
7311 school district shall receive any funds under this section for any



7312 school year during which the local supplement paid to any
7313 individual teacher shall have been reduced to a sum less than that
7314 paid to that individual teacher for performing the same duties
7315 from local supplement during the immediately preceding school
7316 year. The amount actually spent for the purposes of group health
7317 and/or life insurance shall be considered as a part of the
7318 aggregate amount of local supplement but shall not be considered a
7319 part of the amount of individual local supplement.

7320 The level of professional training of each teacher to be used
7321 in establishing the salary allotment for the teachers for each
7322 year shall be determined by the type of valid teacher's license
7323 issued to those teachers on or before October 1 of the current
7324 school year. Provided, however, that school districts are
7325 authorized, in their discretion, to negotiate the salary levels
7326 applicable to certificated employees who are receiving retirement
7327 benefits from the retirement system of another state, and the
7328 annual experience increment provided above in Section 37-19-7
7329 shall not be applicable to any such retired certificated employee.

7330 (2) (a) The following employees shall receive an annual
7331 salary supplement in the amount of Six Thousand Dollars
7332 (\$6,000.00), plus fringe benefits, in addition to any other
7333 compensation to which the employee may be entitled:

7334 (i) Any licensed teacher who has met the
7335 requirements and acquired a Master Teacher certificate from the
7336 National Board for Professional Teaching Standards and who is



7337 employed by a local school board or the State Board of Education
7338 as a teacher and not as an administrator. Such teacher shall
7339 submit documentation to the State Department of Education that the
7340 certificate was received prior to October 15 in order to be
7341 eligible for the full salary supplement in the current school
7342 year, or the teacher shall submit such documentation to the State
7343 Department of Education prior to February 15 in order to be
7344 eligible for a prorated salary supplement beginning with the
7345 second term of the school year.

7346 (ii) A licensed nurse who has met the requirements
7347 and acquired a certificate from the National Board for
7348 Certification of School Nurses, Inc., and who is employed by a
7349 local school board or the State Board of Education as a school
7350 nurse and not as an administrator. The licensed school nurse
7351 shall submit documentation to the State Department of Education
7352 that the certificate was received before October 15 in order to be
7353 eligible for the full salary supplement in the current school
7354 year, or the licensed school nurse shall submit the documentation
7355 to the State Department of Education before February 15 in order
7356 to be eligible for a prorated salary supplement beginning with the
7357 second term of the school year. Provided, however, that the total
7358 number of licensed school nurses eligible for a salary supplement
7359 under this subparagraph (ii) shall not exceed thirty-five (35).

7360 (iii) Any licensed school counselor who has met
7361 the requirements and acquired a National Certified School



7362 Counselor (NCSC) endorsement from the National Board of Certified
7363 Counselors and who is employed by a local school board or the
7364 State Board of Education as a counselor and not as an
7365 administrator. Such licensed school counselor shall submit
7366 documentation to the State Department of Education that the
7367 endorsement was received prior to October 15 in order to be
7368 eligible for the full salary supplement in the current school
7369 year, or the licensed school counselor shall submit such
7370 documentation to the State Department of Education prior to
7371 February 15 in order to be eligible for a prorated salary
7372 supplement beginning with the second term of the school year.
7373 However, any school counselor who started the National Board for
7374 Professional Teaching Standards process for school counselors
7375 between June 1, 2003, and June 30, 2004, and completes the
7376 requirements and acquires the Master Teacher certificate shall be
7377 entitled to the master teacher supplement, and those counselors
7378 who complete the process shall be entitled to a one-time
7379 reimbursement for the actual cost of the process as outlined in
7380 paragraph (b) of this subsection.

7381 (iv) Any licensed speech-language pathologist and
7382 audiologist who has met the requirements and acquired a
7383 Certificate of Clinical Competence from the American
7384 Speech-Language-Hearing Association and any certified academic
7385 language therapist (CALT) who has met the certification
7386 requirements of the Academic Language Therapy Association and who



7387 is employed by a local school board or is employed by a state
7388 agency under the State Personnel Board. The licensed
7389 speech-language pathologist and audiologist and certified academic
7390 language therapist shall submit documentation to the State
7391 Department of Education that the certificate or endorsement was
7392 received before October 15 in order to be eligible for the full
7393 salary supplement in the current school year, or the licensed
7394 speech-language pathologist and audiologist and certified academic
7395 language therapist shall submit the documentation to the State
7396 Department of Education before February 15 in order to be eligible
7397 for a prorated salary supplement beginning with the second term of
7398 the school year. However, the total number of certified academic
7399 language therapists eligible for a salary supplement under this
7400 subparagraph (iv) shall not exceed twenty (20).

7401 (b) An employee shall be reimbursed for the actual cost
7402 of completing each component of acquiring the certificate or
7403 endorsement, excluding any costs incurred for postgraduate
7404 courses, not to exceed Five Hundred Dollars (\$500.00) for each
7405 component, not to exceed four (4) components, for a teacher,
7406 school counselor or speech-language pathologist and audiologist,
7407 regardless of whether or not the process resulted in the award of
7408 the certificate or endorsement. A local school district or any
7409 private individual or entity may pay the cost of completing the
7410 process of acquiring the certificate or endorsement for any
7411 employee of the school district described under paragraph (a), and



7412 the State Department of Education shall reimburse the school
7413 district for such cost, regardless of whether or not the process
7414 resulted in the award of the certificate or endorsement. If a
7415 private individual or entity has paid the cost of completing the
7416 process of acquiring the certificate or endorsement for an
7417 employee, the local school district may agree to directly
7418 reimburse the individual or entity for such cost on behalf of the
7419 employee.

7420 (c) All salary supplements, fringe benefits and process
7421 reimbursement authorized under this subsection shall be paid
7422 directly by the State Department of Education to the local school
7423 district and shall be in addition to its minimum education program
7424 allotments and not a part thereof in accordance with regulations
7425 promulgated by the State Board of Education. Local school
7426 districts shall not reduce the local supplement paid to any
7427 employee receiving such salary supplement, and the employee shall
7428 receive any local supplement to which employees with similar
7429 training and experience otherwise are entitled. However, an
7430 educational employee shall receive the salary supplement in the
7431 amount of Six Thousand Dollars (\$6,000.00) for only one (1) of the
7432 qualifying certifications authorized under paragraph (a) of this
7433 subsection. No school district shall provide more than one (1)
7434 annual salary supplement under the provisions of this subsection
7435 to any one individual employee holding multiple qualifying
7436 national certifications.



7437 (d) If an employee for whom such cost has been paid, in
7438 full or in part, by a local school district or private individual
7439 or entity fails to complete the certification or endorsement
7440 process, the employee shall be liable to the school district or
7441 individual or entity for all amounts paid by the school district
7442 or individual or entity on behalf of that employee toward his or
7443 her certificate or endorsement.

7444 (3) The following employees shall receive an annual salary
7445 supplement in the amount of Four Thousand Dollars (\$4,000.00),
7446 plus fringe benefits, in addition to any other compensation to
7447 which the employee may be entitled:

7448 Effective July 1, 2016, if funds are available for that
7449 purpose, any licensed teacher who has met the requirements and
7450 acquired a Master Teacher Certificate from the National Board for
7451 Professional Teaching Standards and who is employed in a public
7452 school district located in one (1) of the following counties:
7453 Claiborne, Adams, Jefferson, Wilkinson, Amite, Bolivar, Coahoma,
7454 Leflore, Quitman, Sharkey, Issaquena, Sunflower, Washington,
7455 Holmes, Yazoo and Tallahatchie. The salary supplement awarded
7456 under the provisions of this subsection (3) shall be in addition
7457 to the salary supplement awarded under the provisions of
7458 subsection (2) of this section.

7459 Teachers who meet the qualifications for a salary supplement
7460 under this subsection (3) who are assigned for less than one (1)
7461 full year or less than full time for the school year shall receive



7462 the salary supplement in a prorated manner, with the portion of
7463 the teacher's assignment to the critical geographic area to be
7464 determined as of June 15th of the school year.

7465 (4) (a) This section shall be known and may be cited as the
7466 "Mississippi Performance-Based Pay (MPBP)" plan. In addition to
7467 the minimum base pay described in this section, only after full
7468 funding of MAEP and if funds are available for that purpose, the
7469 State of Mississippi may provide monies from state funds to school
7470 districts for the purposes of rewarding certified teachers,
7471 administrators and nonlicensed personnel at individual schools
7472 showing improvement in student test scores. The MPBP plan shall
7473 be developed by the State Department of Education based on the
7474 following criteria:

7475 (i) It is the express intent of this legislation
7476 that the MPBP plan shall utilize only existing standards of
7477 accreditation and assessment as established by the State Board of
7478 Education.

7479 (ii) To ensure that all of Mississippi's teachers,
7480 administrators and nonlicensed personnel at all schools have equal
7481 access to the monies set aside in this section, the MPBP program
7482 shall be designed to calculate each school's performance as
7483 determined by the school's increase in scores from the prior
7484 school year. The MPBP program shall be based on a standardized
7485 scores rating where all levels of schools can be judged in a
7486 statistically fair and reasonable way upon implementation. At the



7487 end of each year, after all student achievement scores have been
7488 standardized, the State Department of Education shall implement
7489 the MPBP plan.

7490 (iii) To ensure all teachers cooperate in the
7491 spirit of teamwork, individual schools shall submit a plan to the
7492 local school district to be approved before the beginning of each
7493 school year beginning July 1, 2008. The plan shall include, but
7494 not be limited to, how all teachers, regardless of subject area,
7495 and administrators will be responsible for improving student
7496 achievement for their individual school.

7497 (b) The State Board of Education shall develop the
7498 processes and procedures for designating schools eligible to
7499 participate in the MPBP. State assessment results, growth in
7500 student achievement at individual schools and other measures
7501 deemed appropriate in designating successful student achievement
7502 shall be used in establishing MPBP criteria. The State Board of
7503 Education shall develop the MPBP policies and procedures and
7504 report to the Legislature and Governor by December 1, 2006.

7505 (5) (a) Beginning in the 2008-2009 school year, if funds
7506 are available for that purpose, each school in Mississippi shall
7507 have mentor teachers, as defined by Sections 37-9-201 through
7508 37-9-213, who shall receive additional base compensation provided
7509 for by the State Legislature in the amount of One Thousand Dollars
7510 (\$1,000.00) per each beginning teacher that is being mentored.
7511 The additional state compensation shall be limited to those mentor



7512 teachers that provide mentoring services to beginning teachers.
7513 For the purposes of such funding, a beginning teacher shall be
7514 defined as any teacher in any school in Mississippi that has less
7515 than one (1) year of classroom experience teaching in a public
7516 school. For the purposes of such funding, no full-time academic
7517 teacher shall mentor more than two (2) beginning teachers.

7518 (b) To be eligible for this state funding, the
7519 individual school must have a classroom management program
7520 approved by the local school board.

7521 (6) Effective with the 2014-2015 school year, the school
7522 districts participating in the Pilot Performance-Based
7523 Compensation System pursuant to Section 37-19-9 may award
7524 additional teacher and administrator pay based thereon.

7525 **SECTION 61.** Section 37-21-7, Mississippi Code of 1972, is
7526 amended as follows:

7527 37-21-7. (1) This section shall be referred to as the
7528 "Mississippi Elementary Schools Assistant Teacher Program," the
7529 purpose of which shall be to provide an early childhood education
7530 program that assists in the instruction of basic skills. The
7531 State Board of Education is authorized, empowered and directed to
7532 implement a statewide system of assistant teachers in kindergarten
7533 classes and in the first, second and third grades. The assistant
7534 teacher shall assist pupils in actual instruction under the strict
7535 supervision of a licensed teacher.



7536 (2) (a) Except as otherwise authorized under subsection
7537 (7), each school district shall employ the total number of
7538 assistant teachers funded under subsection (6) of this section.
7539 The superintendent of each district shall assign the assistant
7540 teachers to the kindergarten, first-, second- and third-grade
7541 classes in the district in a manner that will promote the maximum
7542 efficiency, as determined by the superintendent, in the
7543 instruction of skills such as verbal and linguistic skills,
7544 logical and mathematical skills, and social skills.

7545 (b) If a licensed teacher to whom an assistant teacher
7546 has been assigned is required to be absent from the classroom, the
7547 assistant teacher may assume responsibility for the classroom in
7548 lieu of a substitute teacher. However, no assistant teacher shall
7549 assume sole responsibility of the classroom for more than three
7550 (3) consecutive school days. Further, in no event shall any
7551 assistant teacher be assigned to serve as a substitute teacher for
7552 any teacher other than the licensed teacher to whom that assistant
7553 teacher has been assigned.

7554 (3) Assistant teachers shall have, at a minimum, a high
7555 school diploma or a High School Equivalency Diploma equivalent,
7556 and shall show demonstratable proficiency in reading and writing
7557 skills. The State Department of Education shall develop a testing
7558 procedure for assistant teacher applicants to be used in all
7559 school districts in the state.



7560 (4) (a) In order to receive funding, each school district
7561 shall:

7562 (i) Submit a plan on the implementation of a
7563 reading improvement program to the State Department of Education;
7564 and

7565 (ii) Develop a plan of educational accountability
7566 and assessment of performance, including pretests and posttests,
7567 for reading in Grades 1 through 6.

7568 (b) Additionally, each school district shall:

7569 (i) Provide annually a mandatory preservice
7570 orientation session, using an existing in-school service day, for
7571 administrators and teachers on the effective use of assistant
7572 teachers as part of a team in the classroom setting and on the
7573 role of assistant teachers, with emphasis on program goals;

7574 (ii) Hold periodic workshops for administrators
7575 and teachers on the effective use and supervision of assistant
7576 teachers;

7577 (iii) Provide training annually on specific
7578 instructional skills for assistant teachers;

7579 (iv) Annually evaluate their program in accordance
7580 with their educational accountability and assessment of
7581 performance plan; and

7582 (v) Designate the necessary personnel to supervise
7583 and report on their program.

7584 (5) The State Department of Education shall:



7585 (a) Develop and assist in the implementation of a
7586 statewide uniform training module, subject to the availability of
7587 funds specifically appropriated therefor by the Legislature, which
7588 shall be used in all school districts for training administrators,
7589 teachers and assistant teachers. The module shall provide for the
7590 consolidated training of each assistant teacher and teacher to
7591 whom the assistant teacher is assigned, working together as a
7592 team, and shall require further periodic training for
7593 administrators, teachers and assistant teachers regarding the role
7594 of assistant teachers;

7595 (b) Annually evaluate the program on the district and
7596 state level. Subject to the availability of funds specifically
7597 appropriated therefor by the Legislature, the department shall
7598 develop: (i) uniform evaluation reports, to be performed by the
7599 principal or assistant principal, to collect data for the annual
7600 overall program evaluation conducted by the department; or (ii) a
7601 program evaluation model that, at a minimum, addresses process
7602 evaluation; and

7603 (c) Promulgate rules, regulations and such other
7604 standards deemed necessary to effectuate the purposes of this
7605 section. Noncompliance with the provisions of this section and
7606 any rules, regulations or standards adopted by the department may
7607 result in a violation of compulsory accreditation standards as
7608 established by the State Board of Education and the Commission on
7609 School Accreditation.



7610 (6) In addition to other funds allotted under the Minimum
7611 Education or Adequate Education Program, each school district
7612 shall be allotted sufficient funding for the purpose of employing
7613 assistant teachers. No assistant teacher shall be paid less than
7614 the amount he or she received in the prior school year. No school
7615 district shall receive any funds under this section for any school
7616 year during which the aggregate amount of the local contribution
7617 to the salaries of assistant teachers by the district shall have
7618 been reduced below such amount for the previous year.

7619 * * *

7620 For assistant teachers, the minimum annual salary shall be as
7621 follows:

7622 2021-2022 Minimum Salary.....\$15,100.00

7623 In addition, for each one percent (1%) that the Sine Die
7624 General Fund Revenue Estimate Growth exceeds five percent (5%) in
7625 fiscal year 2006, as certified by the Legislative Budget Office to
7626 the State Board of Education and subject to the specific
7627 appropriation therefor by the Legislature, the State Board of
7628 Education shall revise the salary scale in the appropriate year to
7629 provide an additional one percent (1%) across-the-board increase
7630 in the base salaries for assistant teachers. The State Board of
7631 Education shall revise the salaries prescribed above for assistant
7632 teachers to conform to any adjustments made in prior fiscal years
7633 due to revenue growth over and above five percent (5%). The
7634 assistant teachers shall not be restricted to working only in the



7635 grades for which the funds were allotted, but may be assigned to
7636 other classes as provided in subsection (2)(a) of this section.

7637 (7) (a) As an alternative to employing assistant teachers,
7638 any school district may use the allotment provided under
7639 subsection (6) of this section for the purpose of employing
7640 licensed teachers for kindergarten, first-, second- and
7641 third-grade classes; however, no school district shall be
7642 authorized to use the allotment for assistant teachers for the
7643 purpose of employing licensed teachers unless the district has
7644 established that the employment of licensed teachers using such
7645 funds will reduce the teacher: student ratio in the kindergarten,
7646 first-, second- and third-grade classes. All state funds for
7647 assistant teachers shall be applied to reducing teacher: student
7648 ratio in Grades K-3.

7649 It is the intent of the Legislature that no school district
7650 shall dismiss any assistant teacher for the purpose of using the
7651 assistant teacher allotment to employ licensed teachers. School
7652 districts may rely only upon normal attrition to reduce the number
7653 of assistant teachers employed in that district.

7654 (b) Districts meeting the highest levels of
7655 accreditation standards, as defined by the State Board of
7656 Education, shall be exempted from the provisions of subsection (4)
7657 of this section.

7658 **SECTION 62.** This act shall take effect and be in force from
7659 and after July 1, 2021.

