

By: Representatives Gunn, Lamar, White,
Guice, Eubanks, Williamson, Hopkins, Brown
(20th), Criswell, Newman, Kinkade, Owen

To: Ways and Means

HOUSE BILL NO. 1439
(As Passed the House)

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 through August 15, 2021 two and two hundred sixty-six
1767 one-thousandths percent (2.266%) of the total sales tax revenue
1768 collected during the preceding month under the provisions of this
1769 chapter, except that collected under the provisions of Section
1770 27-65-17 (1)(n) and (2), shall be deposited into the School Ad
1771 Valorem Tax Reduction Fund created under Section 37-61-35 until
1772 such time that the total amount deposited into the fund during a
1773 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1774 Thereafter, the amounts diverted under this subsection (7) during
1775 the fiscal year in excess of Forty-two Million Dollars
1776 (\$42,000,000.00) shall be deposited into the Education Enhancement
1777 Fund created under Section 37-61-33 for appropriation by the
1778 Legislature as other education needs and shall not be subject to
1779 the percentage appropriation requirements set forth in Section
1780 37-61-33. On or before September 15, 2021, and each succeeding
1781 month thereafter through August 15, 2024, two and two hundred
1782 sixty-six one-thousandths percent (2.266%) of the total sales tax
1783 revenue collected during the preceding month under the provisions
1784 of this chapter, except that collected under the provisions of
1785 Section 27-65-17 (1)(n) and (2), and three and fifty-two one
1786 hundredths percent (3.52%) of the total sales tax revenue
1787 collected during the preceding month under the provisions of
1788 Section 27-65-1(1)(n) shall be deposited into the School Ad
1789 Valorem Tax Reduction Fund created under Section 37-61-35 until



1790 such time that the total amount deposited into the fund during a
1791 fiscal year equals Forty-two Million Dollars (\$42,000,000.00).
1792 Thereafter, the amounts diverted under this subsection (7) during
1793 the fiscal year in excess of Forty-two Million Dollars
1794 (\$42,000,000.00) shall be deposited into the Education Enhancement
1795 Fund created under Section 37-61-33 for appropriation by the
1796 Legislature as other education needs and shall not be subject to
1797 the percentage appropriation requirements set forth in Section
1798 37-61-33. On or before September 15, 2024, and each succeeding
1799 month thereafter through August 15, 2026, two and two hundred
1800 sixty-six one-thousandths percent (2.266%) of the total sales tax
1801 revenue collected during the preceding month under the provisions
1802 of this chapter, except that collected under the provisions of
1803 Section 27-65-17(1) (n) and (2), and four percent (4%) of the total
1804 sales tax revenue collected during the preceding month under the
1805 provisions of Section 27-65-1(1) (n) shall be deposited into the
1806 School Ad Valorem Tax Reduction Fund created under Section
1807 37-61-35 until such time that the total amount deposited into the
1808 fund during a fiscal year equals Forty-two Million Dollars
1809 (\$42,000,000.00). Thereafter, the amounts diverted under this
1810 subsection (7) during the fiscal year in excess of Forty-two
1811 Million Dollars (\$42,000,000.00) shall be deposited into the
1812 Education Enhancement Fund created under Section 37-61-33 for
1813 appropriation by the Legislature as other education needs and
1814 shall not be subject to the percentage appropriation requirements



1815 set forth in Section 37-61-33. On or before September 15, 2026,
1816 and each succeeding month thereafter, two and two hundred
1817 sixty-six one-thousandths percent (2.266%) of the total sales tax
1818 revenue collected during the preceding month under the provisions
1819 of this chapter, except that collected under the provisions of
1820 Section 27-65-17(1) (n) and (2), and four and one-half percent
1821 (4.5%) of the total sales tax revenue collected during the
1822 preceding month under the provisions of Section 27-65-1(1) (n)
1823 shall be deposited into the School Ad Valorem Tax Reduction Fund
1824 created under Section 37-61-35 until such time that the total
1825 amount deposited into the fund during a fiscal year equals
1826 Forty-two Million Dollars (\$42,000,000.00). Thereafter, the
1827 amounts diverted under this subsection (7) during the fiscal year
1828 in excess of Forty-two Million Dollars (\$42,000,000.00) shall be
1829 deposited into the Education Enhancement Fund created under
1830 Section 37-61-33 for appropriation by the Legislature as other
1831 education needs and shall not be subject to the percentage
1832 appropriation requirements set forth in Section 37-61-33.

1833 (8) On or before August 15, 1992, and each succeeding month
1834 thereafter, through August 15, 2021 nine and seventy-three
1835 one-thousandths percent (9.073%) of the total sales tax revenue
1836 collected during the preceding month under the provisions of this
1837 chapter, except that collected under the provisions of Section
1838 27-65-17 (1) (n) and (2), shall be deposited into the Education
1839 Enhancement Fund created under Section 37-61-33. On or before



1840 September 15, 2021, and each succeeding month thereafter through
1841 August 15, 2024, nine and seventy-three one-thousandths percent
1842 (9.073%) of the total sales tax revenue collected during the
1843 preceding month under the provisions of this chapter, except that
1844 collected under the provisions of Section 27-65-17(1)(n) and (2),
1845 and fourteen and eleven one-hundredths percent (14.11%) of the
1846 total sales tax revenue collected during the preceding month under
1847 the provisions of Section 27-65-1(1)(n) shall be deposited into
1848 the Education Enhancement Fund created under Section 37-61-33. On
1849 or before September 15, 2024, and each succeeding month thereafter
1850 through August 15, 2026, nine and seventy-three one-thousandths
1851 percent (9.073%) of the total sales tax revenue collected during
1852 the preceding month under the provisions of this chapter, except
1853 that collected under the provisions of Section 27-65-17(1)(n) and
1854 (2), and fifteen and nine tenths percent (15.9%) of the total
1855 sales tax revenue collected during the preceding month under the
1856 provisions of Section 27-65-1(1)(n) shall be deposited into the
1857 Education Enhancement Fund created under Section 37-61-33. On or
1858 before September 15, 2026, and each succeeding month thereafter,
1859 nine and seventy-three one-thousandths percent (9.073%) of the
1860 total sales tax revenue collected during the preceding month under
1861 the provisions of this chapter, except that collected under the
1862 provisions of Section 27-65-17(1)(n) and (2), and eighteen and
1863 one-tenths percent (18.1%) of the total sales tax revenue
1864 collected during the preceding month under the provisions of



1865 Section 27-65-1(1)(n) shall be deposited into the Education
1866 Enhancement Fund created under Section 37-61-33.

1867 (9) On or before August 15, 1994, and each succeeding month
1868 thereafter, from the revenue collected under this chapter during
1869 the preceding month, Two Hundred Fifty Thousand Dollars
1870 (\$250,000.00) shall be paid into the State Aid Road Fund.

1871 (10) On or before August 15, 1994, and each succeeding month
1872 thereafter through August 15, 1995, from the revenue collected
1873 under this chapter during the preceding month, Two Million Dollars
1874 (\$2,000,000.00) shall be deposited into the Motor Vehicle Ad
1875 Valorem Tax Reduction Fund established in Section 27-51-105.

1876 (11) Notwithstanding any other provision of this section to
1877 the contrary, on or before February 15, 1995, and each succeeding
1878 month thereafter, the sales tax revenue collected during the
1879 preceding month under the provisions of Section 27-65-17(2) and
1880 the corresponding levy in Section 27-65-23 on the rental or lease
1881 of private carriers of passengers and light carriers of property
1882 as defined in Section 27-51-101 shall be deposited, without
1883 diversion, into the Motor Vehicle Ad Valorem Tax Reduction Fund
1884 established in Section 27-51-105.

1885 (12) Notwithstanding any other provision of this section to
1886 the contrary, on or before August 15, 1995, and each succeeding
1887 month thereafter, the sales tax revenue collected during the
1888 preceding month under the provisions of Section 27-65-17(1) on
1889 retail sales of private carriers of passengers and light carriers



1890 of property, as defined in Section 27-51-101 and the corresponding
1891 levy in Section 27-65-23 on the rental or lease of these vehicles,
1892 shall be deposited, after diversion, into the Motor Vehicle Ad
1893 Valorem Tax Reduction Fund established in Section 27-51-105.

1894 (13) On or before July 15, 1994, and on or before the
1895 fifteenth day of each succeeding month thereafter, that portion of
1896 the avails of the tax imposed in Section 27-65-22 that is derived
1897 from activities held on the Mississippi State Fairgrounds Complex
1898 shall be paid into a special fund that is created in the State
1899 Treasury and shall be expended upon legislative appropriation
1900 solely to defray the costs of repairs and renovation at the Trade
1901 Mart and Coliseum.

1902 (14) On or before August 15, 1998, and each succeeding month
1903 thereafter through July 15, 2005, that portion of the avails of
1904 the tax imposed in Section 27-65-23 that is derived from sales by
1905 cotton compresses or cotton warehouses and that would otherwise be
1906 paid into the General Fund shall be deposited in an amount not to
1907 exceed Two Million Dollars (\$2,000,000.00) into the special fund
1908 created under Section 69-37-39. On or before August 15, 2007, and
1909 each succeeding month thereafter through July 15, 2010, that
1910 portion of the avails of the tax imposed in Section 27-65-23 that
1911 is derived from sales by cotton compresses or cotton warehouses
1912 and that would otherwise be paid into the General Fund shall be
1913 deposited in an amount not to exceed Two Million Dollars
1914 (\$2,000,000.00) into the special fund created under Section



1915 69-37-39 until all debts or other obligations incurred by the
1916 Certified Cotton Growers Organization under the Mississippi Boll
1917 Weevil Management Act before January 1, 2007, are satisfied in
1918 full. On or before August 15, 2010, and each succeeding month
1919 thereafter through July 15, 2011, fifty percent (50%) of that
1920 portion of the avails of the tax imposed in Section 27-65-23 that
1921 is derived from sales by cotton compresses or cotton warehouses
1922 and that would otherwise be paid into the General Fund shall be
1923 deposited into the special fund created under Section 69-37-39
1924 until such time that the total amount deposited into the fund
1925 during a fiscal year equals One Million Dollars (\$1,000,000.00).
1926 On or before August 15, 2011, and each succeeding month
1927 thereafter, that portion of the avails of the tax imposed in
1928 Section 27-65-23 that is derived from sales by cotton compresses
1929 or cotton warehouses and that would otherwise be paid into the
1930 General Fund shall be deposited into the special fund created
1931 under Section 69-37-39 until such time that the total amount
1932 deposited into the fund during a fiscal year equals One Million
1933 Dollars (\$1,000,000.00).

1934 (15) Notwithstanding any other provision of this section to
1935 the contrary, on or before September 15, 2000, and each succeeding
1936 month thereafter, the sales tax revenue collected during the
1937 preceding month under the provisions of Section
1938 27-65-19(1) (d) (i)2, and 27-65-19(1) (d) (i)3 shall be deposited,



1939 without diversion, into the Telecommunications Ad Valorem Tax
1940 Reduction Fund established in Section 27-38-7.

1941 (16) (a) On or before August 15, 2000, and each succeeding
1942 month thereafter, the sales tax revenue collected during the
1943 preceding month under the provisions of this chapter on the gross
1944 proceeds of sales of a project as defined in Section 57-30-1 shall
1945 be deposited, after all diversions except the diversion provided
1946 for in subsection (1) of this section, into the Sales Tax
1947 Incentive Fund created in Section 57-30-3.

1948 (b) On or before August 15, 2007, and each succeeding
1949 month thereafter, eighty percent (80%) of the sales tax revenue
1950 collected during the preceding month under the provisions of this
1951 chapter from the operation of a tourism project under the
1952 provisions of Sections 57-26-1 through 57-26-5, shall be
1953 deposited, after the diversions required in subsections (7) and
1954 (8) of this section, into the Tourism Project Sales Tax Incentive
1955 Fund created in Section 57-26-3.

1956 (17) Notwithstanding any other provision of this section to
1957 the contrary, on or before April 15, 2002, and each succeeding
1958 month thereafter, the sales tax revenue collected during the
1959 preceding month under Section 27-65-23 on sales of parking
1960 services of parking garages and lots at airports shall be
1961 deposited, without diversion, into the special fund created under
1962 Section 27-5-101(d).

1963 (18) [Repealed]



1964 (19) (a) On or before August 15, 2005, and each succeeding
1965 month thereafter, the sales tax revenue collected during the
1966 preceding month under the provisions of this chapter on the gross
1967 proceeds of sales of a business enterprise located within a
1968 redevelopment project area under the provisions of Sections
1969 57-91-1 through 57-91-11, and the revenue collected on the gross
1970 proceeds of sales from sales made to a business enterprise located
1971 in a redevelopment project area under the provisions of Sections
1972 57-91-1 through 57-91-11 (provided that such sales made to a
1973 business enterprise are made on the premises of the business
1974 enterprise), shall, except as otherwise provided in this
1975 subsection (19), be deposited, after all diversions, into the
1976 Redevelopment Project Incentive Fund as created in Section
1977 57-91-9.

1978 (b) For a municipality participating in the Economic
1979 Redevelopment Act created in Sections 57-91-1 through 57-91-11,
1980 the diversion provided for in subsection (1) of this section
1981 attributable to the gross proceeds of sales of a business
1982 enterprise located within a redevelopment project area under the
1983 provisions of Sections 57-91-1 through 57-91-11, and attributable
1984 to the gross proceeds of sales from sales made to a business
1985 enterprise located in a redevelopment project area under the
1986 provisions of Sections 57-91-1 through 57-91-11 (provided that
1987 such sales made to a business enterprise are made on the premises
1988 of the business enterprise), shall be deposited into the



1989 Redevelopment Project Incentive Fund as created in Section
1990 57-91-9, as follows:

1991 (i) For the first six (6) years in which payments
1992 are made to a developer from the Redevelopment Project Incentive
1993 Fund, one hundred percent (100%) of the diversion shall be
1994 deposited into the fund;

1995 (ii) For the seventh year in which such payments
1996 are made to a developer from the Redevelopment Project Incentive
1997 Fund, eighty percent (80%) of the diversion shall be deposited
1998 into the fund;

1999 (iii) For the eighth year in which such payments
2000 are made to a developer from the Redevelopment Project Incentive
2001 Fund, seventy percent (70%) of the diversion shall be deposited
2002 into the fund;

2003 (iv) For the ninth year in which such payments are
2004 made to a developer from the Redevelopment Project Incentive Fund,
2005 sixty percent (60%) of the diversion shall be deposited into the
2006 fund; and

2007 (v) For the tenth year in which such payments are
2008 made to a developer from the Redevelopment Project Incentive Fund,
2009 fifty percent (50%) of the funds shall be deposited into the fund.

2010 (20) On or before January 15, 2007, and each succeeding
2011 month thereafter, eighty percent (80%) of the sales tax revenue
2012 collected during the preceding month under the provisions of this
2013 chapter from the operation of a tourism project under the



2014 provisions of Sections 57-28-1 through 57-28-5 shall be deposited,
2015 after the diversions required in subsections (7) and (8) of this
2016 section, into the Tourism Sales Tax Incentive Fund created in
2017 Section 57-28-3.

2018 (21) (a) On or before April 15, 2007, and each succeeding
2019 month thereafter through June 15, 2013, One Hundred Fifty Thousand
2020 Dollars (\$150,000.00) of the sales tax revenue collected during
2021 the preceding month under the provisions of this chapter shall be
2022 deposited into the MMEIA Tax Incentive Fund created in Section
2023 57-101-3.

2024 (b) On or before July 15, 2013, and each succeeding
2025 month thereafter, One Hundred Fifty Thousand Dollars (\$150,000.00)
2026 of the sales tax revenue collected during the preceding month
2027 under the provisions of this chapter shall be deposited into the
2028 Mississippi Development Authority Job Training Grant Fund created
2029 in Section 57-1-451.

2030 (22) Notwithstanding any other provision of this section to
2031 the contrary, on or before August 15, 2009, and each succeeding
2032 month thereafter, the sales tax revenue collected during the
2033 preceding month under the provisions of Section 27-65-201 shall be
2034 deposited, without diversion, into the Motor Vehicle Ad Valorem
2035 Tax Reduction Fund established in Section 27-51-105.

2036 (23) (a) On or before August 15, 2019, and each month
2037 thereafter through July 15, 2020, one percent (1%) of the total
2038 sales tax revenue collected during the preceding month from



2039 restaurants and hotels shall be allocated for distribution to the
2040 Mississippi Development Authority Tourism Advertising Fund
2041 established under Section 57-1-64, to be used exclusively for the
2042 purpose stated therein. On or before August 15, 2020, and each
2043 month thereafter through July 15, 2021, two percent (2%) of the
2044 total sales tax revenue collected during the preceding month from
2045 restaurants and hotels shall be allocated for distribution to the
2046 Mississippi Development Authority Tourism Advertising Fund
2047 established under Section 57-1-64, to be used exclusively for the
2048 purpose stated therein. On or before August 15, 2021, and each
2049 month thereafter, three percent (3%) of the total sales tax
2050 revenue collected during the preceding month from restaurants and
2051 hotels shall be allocated for distribution to the Mississippi
2052 Development Authority Tourism Advertising Fund established under
2053 Section 57-1-64, to be used exclusively for the purpose stated
2054 therein. The revenue diverted pursuant to this subsection shall
2055 not be available for expenditure until February 1, 2020.

2056 (b) The Joint Legislative Committee on Performance
2057 Evaluation and Expenditure Review (PEER) must provide an annual
2058 report to the Legislature indicating the amount of funds deposited
2059 into the Mississippi Development Authority Tourism Advertising
2060 Fund established under Section 57-1-64, and a detailed record of
2061 how the funds are spent.

2062 (24) (a) Notwithstanding any other provision of this
2063 section to the contrary, on or before September 15, 2021, and each



2064 succeeding month thereafter through February 15, 2022, (a) the
2065 total sales tax revenue collected during the preceding month under
2066 the provisions of Sections 27-65-17(1) (a), 27-65-19, 27-65-22,
2067 27-65-23(1), 27-65-25 and 27-65-26, from the amount of the
2068 increases to tax rates under such sections as provided in House
2069 Bill No. , 2021 Regular Session, shall be deposited, without
2070 diversion, into the Budget Stabilization Fund created in Section
2071 17 of this act, and (b) the total sales tax revenue collected
2072 during the preceding month under the provisions of Sections
2073 27-65-17(1) (b), (c), (d), (e), (f), (g), (h), (l) and (m),
2074 27-65-20, 27-65-21, 27-65-23(2) and (3), 27-65-24 and 27-65-201,
2075 from the amount of the increases to tax rates under such sections
2076 as provided in House Bill No. , 2021 Regular Session, shall be
2077 deposited, without diversion, into the State Treasury to the
2078 credit of the General Fund. Notwithstanding any other provision
2079 of this section to the contrary, on or before March 15, 2022, and
2080 each succeeding month thereafter, the total sales tax revenue
2081 collected during the preceding month under the provisions of
2082 Sections 27-65-17, 27-65-19, 27-65-20, 27-65-21, 27-65-22,
2083 27-65-23, 27-65-24, 27-65-25, 27-65-26 and 27-65-201, from the
2084 amount of the increases to tax rates under such sections as
2085 provided in House Bill No. , 2021 Regular Session, shall be
2086 deposited, without diversion, into the State Treasury to the
2087 credit of the General Fund.



2088 (b) The provisions of this subsection (24) shall supersede
2089 and control over any other provisions of this section providing
2090 for the distribution of revenue under this section.

2091 (* * *25) The remainder of the amounts collected under the
2092 provisions of this chapter shall be paid into the State Treasury
2093 to the credit of the General Fund.

2094 (* * *26) (a) It shall be the duty of the municipal
2095 officials of any municipality that expands its limits, or of any
2096 community that incorporates as a municipality, to notify the
2097 commissioner of that action thirty (30) days before the effective
2098 date. Failure to so notify the commissioner shall cause the
2099 municipality to forfeit the revenue that it would have been
2100 entitled to receive during this period of time when the
2101 commissioner had no knowledge of the action.

2102 (b) (i) Except as otherwise provided in subparagraph
2103 (ii) of this paragraph, if any funds have been erroneously
2104 disbursed to any municipality or any overpayment of tax is
2105 recovered by the taxpayer, the commissioner may make correction
2106 and adjust the error or overpayment with the municipality by
2107 withholding the necessary funds from any later payment to be made
2108 to the municipality.

2109 (ii) Subject to the provisions of Sections
2110 27-65-51 and 27-65-53, if any funds have been erroneously
2111 disbursed to a municipality under subsection (1) of this section
2112 for a period of three (3) years or more, the maximum amount that



2113 may be recovered or withheld from the municipality is the total
2114 amount of funds erroneously disbursed for a period of three (3)
2115 years beginning with the date of the first erroneous disbursement.
2116 However, if during such period, a municipality provides written
2117 notice to the Department of Revenue indicating the erroneous
2118 disbursement of funds, then the maximum amount that may be
2119 recovered or withheld from the municipality is the total amount of
2120 funds erroneously disbursed for a period of one (1) year beginning
2121 with the date of the first erroneous disbursement.

2122 **SECTION 12.** Section 27-67-31, Mississippi Code of 1972, is
2123 amended as follows:

2124 27-67-31. All administrative provisions of the sales tax
2125 law, and amendments thereto, including those which fix damages,
2126 penalties and interest for failure to comply with the provisions
2127 of said sales tax law, and all other requirements and duties
2128 imposed upon taxpayer, shall apply to all persons liable for use
2129 taxes under the provisions of this article. The commissioner
2130 shall exercise all power and authority and perform all duties with
2131 respect to taxpayers under this article as are provided in said
2132 sales tax law, except where there is conflict, then the provisions
2133 of this article shall control.

2134 The commissioner may require transportation companies to
2135 permit the examination of waybills, freight bills, or other
2136 documents covering shipments of tangible personal property into
2137 this state.



2138 On or before the fifteenth day of each month, the amount
2139 received from taxes, damages and interest under the provisions of
2140 this article during the preceding month shall be paid and
2141 distributed as follows:

2142 (a) On or before July 15, 1994, through July 15, 2000,
2143 and each succeeding month thereafter, two and two hundred
2144 sixty-six one-thousandths percent (2.266%) of the total use tax
2145 revenue collected during the preceding month under the provisions
2146 of this article shall be deposited in the School Ad Valorem Tax
2147 Reduction Fund created pursuant to Section 37-61-35. On or before
2148 August 15, 2000, and each succeeding month thereafter, two and two
2149 hundred sixty-six one-thousandths percent (2.266%) of the total
2150 use tax revenue collected during the preceding month under the
2151 provisions of this chapter shall be deposited into the School Ad
2152 Valorem Tax Reduction Fund created under Section 37-61-35 until
2153 such time that the total amount deposited into the fund during a
2154 fiscal year equals Four Million Dollars (\$4,000,000.00).
2155 Thereafter, the amounts diverted under this paragraph (a) during
2156 the fiscal year in excess of Four Million Dollars (\$4,000,000.00)
2157 shall be deposited into the Education Enhancement Fund created
2158 under Section 37-61-33 for appropriation by the Legislature as
2159 other education needs and shall not be subject to the percentage
2160 appropriation requirements set forth in Section 37-61-33.

2161 (b) On or before July 15, 1994, and each succeeding
2162 month thereafter, nine and seventy-three one-thousandths percent



2163 (9.073%) of the total use tax revenue collected during the
2164 preceding month under the provisions of this article shall be
2165 deposited into the Education Enhancement Fund created pursuant to
2166 Section 37-61-33.

2167 (c) On or before July 15, 1997, and on or before the
2168 fifteenth day of each succeeding month thereafter, the revenue
2169 collected under the provisions of this article imposed and levied
2170 as a result of Section 27-65-17(2) and the corresponding levy in
2171 Section 27-65-23 on the rental or lease of private carriers of
2172 passengers and light carriers of property as defined in Section
2173 27-51-101 shall be deposited into the Motor Vehicle Ad Valorem Tax
2174 Reduction Fund created pursuant to Section 27-51-105.

2175 (d) On or before July 15, 1997, and on or before the
2176 fifteenth day of each succeeding month thereafter and after the
2177 deposits required by paragraphs (a) and (b) of this section are
2178 made, the remaining revenue collected under the provisions of this
2179 article imposed and levied as a result of Section 27-65-17(1) and
2180 the corresponding levy in Section 27-65-23 on the rental or lease
2181 of private carriers of passengers and light carriers of property
2182 as defined in Section 27-51-101 shall be deposited into the Motor
2183 Vehicle Ad Valorem Tax Reduction Fund created pursuant to Section
2184 27-51-105.

2185 (e) On or before August 15, 2019, and each succeeding
2186 month thereafter through July 15, 2020, three and three-fourths
2187 percent (3-3/4%) of the total use tax revenue collected during the



2188 preceding month under the provisions of this article shall be
2189 deposited into the special fund created in Section 27-67-35(1).
2190 On or before August 15, 2020, and each succeeding month thereafter
2191 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2192 total use tax revenue collected during the preceding month under
2193 the provisions of this article shall be deposited into the special
2194 fund created in Section 27-67-35(1). On or before August 15,
2195 2021, and each succeeding month thereafter through July 15, 2022,
2196 eleven and one-fourth percent (11-1/4%) of the total use tax
2197 revenue collected during the preceding month under the provisions
2198 of this article shall be deposited into the special fund created
2199 in Section 27-67-35(1). On or before August 15, 2022, and each
2200 succeeding month thereafter, fifteen percent (15%) of the total
2201 use tax revenue collected during the preceding month under the
2202 provisions of this article shall be deposited into the special
2203 fund created in Section 27-67-35(1).

2204 (f) On or before August 15, 2019, and each succeeding
2205 month thereafter through July 15, 2020, three and three-fourths
2206 percent (3-3/4%) of the total use tax revenue collected during the
2207 preceding month under the provisions of this article shall be
2208 deposited into the special fund created in Section 27-67-35(2).
2209 On or before August 15, 2020, and each succeeding month thereafter
2210 through July 15, 2021, seven and one-half percent (7-1/2%) of the
2211 total use tax revenue collected during the preceding month under
2212 the provisions of this article shall be deposited into the special



2213 fund created in Section 27-67-35(2). On or before August 15,
2214 2021, and each succeeding month thereafter through July 15, 2022,
2215 eleven and one-fourth percent (11-1/4%) of the total use tax
2216 revenue collected during the preceding month under the provisions
2217 of this article shall be deposited into the special fund created
2218 in Section 27-67-35(2). On or before August 15, 2022, and each
2219 succeeding month thereafter, fifteen percent (15%) of the total
2220 use tax revenue collected during the preceding month under the
2221 provisions of this article shall be deposited into the special
2222 fund created in Section 27-67-35(2).

2223 (g) On or before August 15, 2019, and each succeeding
2224 month thereafter through July 15, 2020, Four Hundred Sixteen
2225 Thousand Six Hundred Sixty-six Dollars and Sixty-seven Cents
2226 (\$416,666.67) or one and one-fourth percent (1-1/4%) of the total
2227 use tax revenue collected during the preceding month under the
2228 provisions of this article, whichever is the greater amount, shall
2229 be deposited into the Local System Bridge Replacement and
2230 Rehabilitation Fund created in Section 65-37-13. On or before
2231 August 15, 2020, and each succeeding month thereafter through July
2232 15, 2021, Eight Hundred Thirty-three Thousand Three Hundred
2233 Thirty-three Dollars and Thirty-four Cents (\$833,333.34) or two
2234 and one-half percent (2-1/2%) of the total use tax revenue
2235 collected during the preceding month under the provisions of this
2236 article, whichever is the greater amount, shall be deposited into
2237 the Local System Bridge Replacement and Rehabilitation Fund



2238 created in Section 65-37-13. On or before August 15, 2021, and
2239 each succeeding month thereafter through July 15, 2022, One
2240 Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) or
2241 three and three-fourths percent (3-3/4%) of the total use tax
2242 revenue collected during the preceding month under the provisions
2243 of this article, whichever is the greater amount, shall be
2244 deposited into the Local System Bridge Replacement and
2245 Rehabilitation Fund created in Section 65-37-13. On or before
2246 August 15, 2022, and each succeeding month thereafter, One Million
2247 Six Hundred Sixty-six Thousand Six Hundred Sixty-six Dollars and
2248 Sixty-seven Cents (\$1,666,666.67) or five percent (5%) of the
2249 total use tax revenue collected during the preceding month under
2250 the provisions of this article, whichever is the greater amount,
2251 shall be deposited into the Local System Bridge Replacement and
2252 Rehabilitation Fund created in Section 65-37-13.

2253 (h) On or before August 15, 2020, and each succeeding
2254 month thereafter through July 15, 2022, One Million Dollars
2255 (\$1,000,000.00) of the total use tax revenue collected during the
2256 preceding month under the provisions of this article shall be
2257 deposited into the Local System Bridge Replacement and
2258 Rehabilitation Fund created in Section 65-37-13. Amounts
2259 deposited into the Local System Bridge Replacement and
2260 Rehabilitation Fund under this paragraph (h) shall be in addition
2261 to amounts deposited into the fund under paragraph (g) of this
2262 section.



2263 (i) Notwithstanding any other provision of this section
2264 to the contrary, on or before September 15, 2021, and each
2265 succeeding month thereafter through February 15, 2022, (i) the
2266 total use tax revenue collected during the preceding month under
2267 the provisions of this article as a result of the increases to tax
2268 rates under Sections 27-65-17(1)(a), 27-65-25 and 27-65-26, as
2269 provided in House Bill No. , 2021 Regular Session, shall be
2270 deposited, without diversion, into the Budget Stabilization Fund
2271 created in Section 17 of this act, and (ii) the total use tax
2272 revenue collected during the preceding month under the provisions
2273 of this article as a result of the increases to tax rates under
2274 Sections 27-65-17(1)(b), (c), (d), (e), (f), (g), (h), (l) and (m)
2275 and 27-65-20, as provided in House Bill No. , 2021 Regular
2276 Session, shall be deposited, without diversion, into the State
2277 Treasury to the credit of the General Fund. Notwithstanding any
2278 other provision of this section to the contrary, on or before
2279 March 15, 2022, and each succeeding month thereafter, the total
2280 use tax revenue collected during the preceding month under the
2281 provisions of this article as a result of the increases to tax
2282 rates under Sections 27-65-17, 27-65-20, 27-65-25 and 27-65-26, as
2283 provided in House Bill No. , 2021 Regular Session, shall be
2284 shall be deposited, without diversion, into the State Treasury to
2285 the credit of the General Fund.



2286 The provisions of this paragraph (i) shall supersede and
2287 control over any other provisions of this section providing for
2288 the distribution of revenue under this section.

2289 **SECTION 13.** Section 27-65-241, Mississippi Code of 1972, is
2290 amended as follows:

2291 27-65-241. (1) As used in this section, the following terms
2292 shall have the meanings ascribed to them in this section unless
2293 otherwise clearly indicated by the context in which they are used:

2294 (a) "Hotel" or "motel" means and includes a place of
2295 lodging that at any one time will accommodate transient guests on
2296 a daily or weekly basis and that is known to the trade as such.
2297 Such terms shall not include a place of lodging with ten (10) or
2298 less rental units.

2299 (b) "Municipality" means any municipality in the State
2300 of Mississippi with a population of one hundred fifty thousand
2301 (150,000) or more according to the most recent federal decennial
2302 census.

2303 (c) "Restaurant" means and includes all places where
2304 prepared food is sold and whose annual gross proceeds of sales or
2305 gross income for the preceding calendar year equals or exceeds One
2306 Hundred Thousand Dollars (\$100,000.00). The term "restaurant"
2307 shall not include any nonprofit organization that is exempt from
2308 federal income taxation under Section 501(c)(3) of the Internal
2309 Revenue Code. For the purpose of calculating gross proceeds of
2310 sales or gross income, the sales or income of all establishments



2311 owned, operated or controlled by the same person, persons or
2312 corporation shall be aggregated.

2313 (2) (a) Subject to the provisions of this section, the
2314 governing authorities of a municipality may impose upon all
2315 persons as a privilege for engaging or continuing in business or
2316 doing business within such municipality, a special sales tax at
2317 the rate of not more than one percent (1%) of the gross proceeds
2318 of sales or gross income of the business, as the case may be,
2319 derived from any of the activities taxed at the rate of * * * nine
2320 and one-half percent (9-1/2%) or more under the Mississippi Sales
2321 Tax Law, Section 27-65-1 et seq.

2322 (b) The tax levied under this section shall apply to
2323 every person making sales of tangible personal property or
2324 services within the municipality but shall not apply to:

2325 (i) Sales exempted by Sections 27-65-19,
2326 27-65-101, 27-65-103, 27-65-105, 27-65-107, 27-65-109 and
2327 27-65-111 of the Mississippi Sales Tax Law;

2328 (ii) Gross proceeds of sales or gross income of
2329 restaurants derived from the sale of food and beverages;

2330 (iii) Gross proceeds of sales or gross income of
2331 hotels and motels derived from the sale of hotel rooms and motel
2332 rooms for lodging purposes;

2333 (iv) Retail sales of food for human consumption
2334 not purchased with food stamps issued by the United States
2335 Department of Agriculture, or other federal agency, but which



2336 would be exempt under Section 27-65-111(o) from the taxes imposed
2337 by this chapter if the food items were purchased with food stamps;

2338 (v) Gross income of businesses engaging or
2339 continuing in the business of TV cable systems, subscription TV
2340 services, and other similar activities, including, but not limited
2341 to, cable Internet services;

2342 (vi) Wholesale sales of food and drink for human
2343 consumption sold to full service vending machine operators; and

2344 (vii) Wholesale sales of light wine, light spirit
2345 product, beer and alcoholic beverages.

2346 (3) (a) Before any tax authorized under this section may be
2347 imposed, the governing authorities of the municipality shall adopt
2348 a resolution declaring its intention to levy the tax, setting
2349 forth the amount of the tax to be imposed, the purposes for which
2350 the revenue collected pursuant to the tax levy may be used and
2351 expended, the date upon which the tax shall become effective, the
2352 date upon which the tax shall be repealed, and calling for an
2353 election to be held on the question. The date of the election
2354 shall be set in the resolution. Notice of the election shall be
2355 published once each week for at least three (3) consecutive weeks
2356 in a newspaper published or having a general circulation in the
2357 municipality, with the first publication of the notice to be made
2358 not less than twenty-one (21) days before the date fixed in the
2359 resolution for the election and the last publication to be made
2360 not more than seven (7) days before the election. At the



2361 election, all qualified electors of the municipality may vote.
2362 The ballots used at the election shall have printed thereon a
2363 brief description of the sales tax, the amount of the sales tax
2364 levy, a description of the purposes for which the tax revenue may
2365 be used and expended and the words "FOR THE LOCAL SALES TAX" and
2366 "AGAINST THE LOCAL SALES TAX" and the voter shall vote by placing
2367 a cross (X) or check mark (√) opposite his choice on the
2368 proposition. When the results of the election have been canvassed
2369 by the election commissioners of the municipality and certified by
2370 them to the governing authorities, it shall be the duty of such
2371 governing authorities to determine and adjudicate whether at least
2372 three-fifths (3/5) of the qualified electors who voted in the
2373 election voted in favor of the tax. If at least three-fifths
2374 (3/5) of the qualified electors who voted in the election voted in
2375 favor of the tax, the governing authorities shall adopt a
2376 resolution declaring the levy and collection of the tax provided
2377 in this section and shall set the first day of the second month
2378 following the date of such adoption as the effective date of the
2379 tax levy. A certified copy of this resolution, together with the
2380 result of the election, shall be furnished to the Department of
2381 Revenue not less than thirty (30) days before the effective date
2382 of the levy.

2383 (b) A municipality shall not hold more than two (2)
2384 elections under this subsection.



2385 (4) The revenue collected pursuant to the tax levy imposed
2386 under this section may be expended to pay the cost of road and
2387 street repair, reconstruction and resurfacing projects based on
2388 traffic patterns, need and usage, and to pay the costs of water,
2389 sewer and drainage projects in accordance with a master plan
2390 adopted by the department established pursuant to subsection (7).

2391 (5) (a) The special sales tax authorized by this section
2392 shall be collected by the Department of Revenue, shall be
2393 accounted for separately from the amount of sales tax collected
2394 for the state in the municipality and shall be paid to the
2395 municipality. The Department of Revenue may retain one percent
2396 (1%) of the proceeds of such tax for the purpose of defraying the
2397 costs incurred by the department in the collection of the tax.
2398 Payments to the municipality shall be made by the Department of
2399 Revenue on or before the fifteenth day of the month following the
2400 month in which the tax was collected.

2401 (b) The proceeds of the special sales tax shall be
2402 placed into a special municipal fund apart from the municipal
2403 general fund and any other funds of the municipality, and shall be
2404 expended by the municipality solely for the purposes authorized in
2405 subsection (4) of this section. The records reflecting the
2406 receipts and expenditures of the revenue from the special sales
2407 tax shall be audited annually by an independent certified public
2408 accountant. The accountant shall make a report of his findings to
2409 the governing authorities of the municipality and file a copy of



2410 his report with the Secretary of the Senate and the Clerk of the
2411 House of Representatives. The audit shall be made and completed
2412 as soon as practical after the close of the fiscal year of the
2413 municipality, and expenses of the audit shall be paid from the
2414 funds derived by the municipality pursuant to this section.

2415 (c) All provisions of the Mississippi Sales Tax Law
2416 applicable to filing of returns, discounts to the taxpayer,
2417 remittances to the Department of Revenue, enforced collection,
2418 rights of taxpayers, recovery of improper taxes, refunds of
2419 overpaid taxes or other provisions of law providing for imposition
2420 and collection of the state sales tax shall apply to the special
2421 sales tax authorized by this section, except where there is a
2422 conflict, in which case the provisions of this section shall
2423 control. Any damages, penalties or interest collected for the
2424 nonpayment of taxes imposed under this section, or for
2425 noncompliance with the provisions of this section, shall be paid
2426 to the municipality on the same basis and in the same manner as
2427 the tax proceeds. Any overpayment of tax for any reason that has
2428 been disbursed to a municipality or any payment of the tax to a
2429 municipality in error may be adjusted by the Department of Revenue
2430 on any subsequent payment to the municipality pursuant to the
2431 provisions of the Mississippi Sales Tax Law. The Department of
2432 Revenue may, from time to time, make such rules and regulations
2433 not inconsistent with this section as may be deemed necessary to



2434 carry out the provisions of this section, and such rules and
2435 regulations shall have the full force and effect of law.

2436 (6) If a municipality expands its corporate boundaries, the
2437 governing authorities of the municipality may not impose the
2438 special sales tax in the annexed area unless the tax is approved
2439 at an election conducted, as far as is practicable, in the manner
2440 provided in subsection (3) of this section, except that only
2441 qualified electors in the annexed area may vote in the election.

2442 (7) (a) Any municipality that levies the special sales tax
2443 authorized under this section shall establish a commission as
2444 provided for in this section. Expenditures of revenue from the
2445 special sales tax authorized by this section shall be in
2446 accordance with a master plan adopted by the commission pursuant
2447 to this subsection.

2448 (b) The commission shall be composed of ten (10) voting
2449 members who shall be known as commissioners appointed as follows:

2450 (i) Four (4) members representing the business
2451 community in the municipality appointed by the local chamber of
2452 commerce for initial terms of one (1), two (2), four (4) and five
2453 (5) years respectively. The members appointed pursuant to this
2454 paragraph shall be persons who represent businesses located within
2455 the city limits of the municipality.

2456 (ii) Three (3) members shall be appointed at large
2457 by the mayor of the municipality, with the advice and consent of
2458 the legislative body of the municipality, for initial terms of two



2459 (2), three (3) and four (4) years respectively. All appointments
2460 made by the mayor pursuant to this paragraph shall be residents of
2461 the municipality.

2462 (iii) One (1) member shall be appointed at large
2463 by the Governor for an initial term of four (4) years. All
2464 appointments made by the Governor pursuant to this paragraph shall
2465 be residents of the municipality.

2466 (iv) One (1) member shall be appointed at large by
2467 the Lieutenant Governor for an initial term of four (4) years.
2468 All appointments made by the Lieutenant Governor pursuant to this
2469 paragraph shall be residents of the municipality.

2470 (v) One (1) member shall be appointed at large by
2471 the Speaker of the House of Representatives for a term of four (4)
2472 years. All appointments made by the Speaker of the House of
2473 Representatives pursuant to this paragraph shall be residents of
2474 the municipality.

2475 (c) The terms of all appointments made subsequent to
2476 the initial appointment shall be made for five (5) years. Any
2477 vacancy which may occur shall be filled in the same manner as the
2478 original appointment and shall be made for the unexpired term.
2479 Each member of the commission shall serve until his successor is
2480 appointed and qualified.

2481 (d) The mayor of the municipality shall designate a
2482 chairman of the commission from among the membership of the
2483 commission. The vice chairman and secretary shall be elected by



2484 the commission from among the membership of the commission for a
2485 term of two (2) years. The vice chairman and secretary may be
2486 reelected, and the chairman may be reappointed.

2487 (e) The commissioners shall serve without compensation.

2488 (f) Any commissioner shall be disqualified and shall be
2489 removed from office for either of the following reasons:

2490 (i) Conviction of a felony in any state court or
2491 in federal court; or

2492 (ii) Failure to attend three (3) consecutive
2493 meetings without just cause.

2494 If a commissioner is removed for any of the above reasons,
2495 the vacancy shall be filled in the manner prescribed in this
2496 section and shall be made for the unexpired term.

2497 (g) A quorum shall consist of six (6) voting members of
2498 the commission. The commission shall adopt such rules and
2499 regulations as may govern the time and place for holding meetings,
2500 regular and special.

2501 (h) The commission shall, with input from the
2502 municipality, establish a master plan for road and street repair,
2503 reconstruction and resurfacing projects based on traffic patterns,
2504 need and usage, and for water, sewer and drainage projects.
2505 Expenditures of the revenue from the tax authorized to be imposed
2506 pursuant to this section shall be made at the discretion of the
2507 governing authorities of the municipality if the expenditures



2508 comply with the master plan. The commission shall monitor the
2509 compliance of the municipality with the master plan.

2510 (8) The governing authorities of any municipality that
2511 levies the special sales tax authorized under this section are
2512 authorized to incur debt, including bonds, notes or other
2513 evidences of indebtedness, for the purpose of paying the costs of
2514 road and street repair, reconstruction and resurfacing projects
2515 based on traffic patterns, need and usage, and to pay the costs of
2516 water, sewer and drainage projects in accordance with a master
2517 plan adopted by the commission established pursuant to subsection
2518 (7) of this section. Any bonds or notes issued to pay such costs
2519 may be secured by the proceeds of the special sales tax levied
2520 pursuant to this section or may be general obligations of the
2521 municipality and shall satisfy the requirements for the issuance
2522 of debt provided by Sections 21-33-313 through 21-33-323.

2523 (9) This section shall stand repealed from and after July 1,
2524 2035.

2525 **SECTION 14.** Section 27-69-3, Mississippi Code of 1972, is
2526 amended as follows:

2527 27-69-3. When used in this chapter:

2528 (a) "State" means the State of Mississippi as
2529 geographically defined, and any and all waters under the
2530 jurisdiction of the State of Mississippi.



2531 (b) "State Auditor" means the Auditor of Public
2532 Accounts of the State of Mississippi, or his legally appointed
2533 deputy, clerk or agent.

2534 (c) "Commissioner" means the Commissioner of Revenue of
2535 the Department of Revenue, and his authorized agents and
2536 employees.

2537 (d) "Person" means any individual, company,
2538 corporation, partnership, association, joint venture, estate,
2539 trust, or any other group, or combination acting as a unit, and
2540 the plural as well as the singular, unless the intention to give a
2541 more limited meaning is disclosed by the context.

2542 (e) "Consumer" means a person who comes into possession
2543 of tobacco for the purpose of consuming it, giving it away, or
2544 disposing of it in any way by sale, barter or exchange.

2545 (f) "Tobacco" means any cigarettes, cigars, cheroots,
2546 stogies, smoking tobacco (including granulated, plug cut, crimp
2547 cut, ready rubbed, and other kinds and forms of tobacco, or
2548 substitutes therefor, prepared in such manner as to be suitable
2549 for smoking in a pipe or cigarette) and including plug and twist
2550 chewing tobacco and snuff, when such "tobacco" is manufactured and
2551 prepared for sale or personal consumption, or any other product
2552 containing, made of, or derived from tobacco or nicotine that is
2553 intended for human consumption or is likely to be consumed,
2554 whether inhaled, absorbed, or ingested by any means; any
2555 substances that may be aerosolized or vaporized by any device,



2556 including any component, part, or accessory thereof, whether or
2557 not any of these contain tobacco or nicotine, including, but not
2558 limited to, filters, rolling papers, blunt or hemp wraps, and
2559 pipes. The term "tobacco" also means and includes alternative
2560 nicotine products and electronic cigarettes as defined in Section
2561 97-32-51. All words used herein shall be given the meaning as
2562 defined in the regulations of the Treasury Department of the
2563 United States of America.

2564 (g) "First sale" means and includes the first sale, or
2565 distribution of such tobacco in intrastate commerce, or the first
2566 use or consumption of such tobacco within this state.

2567 (h) "Drop shipment" means and includes any delivery of
2568 tobacco received by any person within this state, when payment for
2569 such tobacco is made to the shipper, or seller by or through a
2570 person other than a consignee.

2571 (i) "Distributor" includes every person, except
2572 retailers as defined herein, in the state who manufactures or
2573 produces tobacco or who ships, transports, or imports into this
2574 state, or in any manner acquires or possesses tobacco, and makes a
2575 first sale of the same in the state.

2576 (j) "Wholesaler" includes dealers, whose principal
2577 business is that of a wholesale dealer or jobber, who is known to
2578 the retail trade as such, and whose place of business is located
2579 in Mississippi or in a state which affords reciprocity to



2580 wholesalers domiciled in Mississippi, who shall sell any taxable
2581 tobacco to retail dealers only for the purpose of resale.

2582 (k) "Retailer" includes every person, other than a
2583 wholesale dealer, as defined above, whose principal business is
2584 that of selling merchandise at retail, who shall sell, or offer
2585 for sale tobacco to the consumer. The sale of tobacco in quantity
2586 lots by retailers to other retailers, transient vendors, or other
2587 persons, shall not be construed as wholesale and shall not qualify
2588 such retailer for a permit as a wholesaler.

2589 (l) "Dealer" includes every person, firm, corporation
2590 or association of persons, except retailers as defined herein, who
2591 manufacture tobacco for distribution, for sale, for use or for
2592 consumption in the State of Mississippi.

2593 The word "dealer" is further defined to mean any person,
2594 firm, corporation or association of persons, except retailers as
2595 defined herein, who imports tobacco from any state or foreign
2596 country for distribution, sale, use, or consumption in the State
2597 of Mississippi.

2598 (m) "Distributing agent" includes every person in the
2599 state who acts as an agent of any person outside the State of
2600 Mississippi, by receiving tobacco in interstate commerce, and
2601 storing such tobacco in this state subject to distribution, or
2602 delivery upon order from the person outside the state to
2603 distributors, wholesalers, retailers and dealers.



2604 (n) "Transient vendor" means and includes every person
2605 commonly and generally termed "peddlers" and every person acting
2606 for himself, or as an agent, employee, salesman, or in any
2607 capacity for another, whether as owner, bailee, or other custodian
2608 of tobacco, and going from person to person, dealer to dealer,
2609 house to house, or place to place, and selling or offering for
2610 sale at retail or wholesale tobacco, and every person who does not
2611 keep a regular place of business open at all times in regular
2612 hours, and every person who goes from person to person, dealer to
2613 dealer, house to house, or place to place, and sells or offers for
2614 sale tobacco which he carries with him, and who delivers the same
2615 at the time of, or immediately after the sale, or without
2616 returning to the place of business operations (a permanent place
2617 of business within the state) between the taking of the order and
2618 the delivery of the tobacco, or

2619 All persons who go from person to person, house to house,
2620 place to place, or dealer to dealer, soliciting orders by
2621 exhibiting samples, or taking orders, and thereafter making
2622 delivery of tobacco, or filling the order without carrying or
2623 sending the order to the permanent place of business, and
2624 thereafter making delivery of the tobacco pursuant to the terms of
2625 the order, or

2626 All persons who go from person to person, place to place,
2627 house to house, or dealer to dealer, carrying samples and selling
2628 tobacco from samples, and afterwards making delivery without



2629 taking and sending an order therefor to a permanent place of
2630 business for the filling of the order, and delivery of the
2631 tobacco, or the exchange of tobacco having become damaged or
2632 unsalable, or the purchase by tobacco of advertising space, or

2633 All persons who have in their possession, or under their
2634 control, any tobacco offered, or to be offered for sale or to be
2635 delivered, unless the sale or delivery thereof is to be made in
2636 pursuance of a bona fide order for the tobacco, to be sold or
2637 delivered, the order to be evidenced by an invoice or memorandum.

2638 (o) "Contraband tobacco" means all tobacco found in the
2639 possession of any person whose permit to engage in dealing in
2640 tobacco has been revoked by the commissioner; and any cigarettes
2641 found in the possession of any person to which the proper tax
2642 stamps have not been affixed; and any cigarettes improperly
2643 stamped when found in the possession of any person; and all other
2644 tobacco upon which the excise tax has not been paid.

2645 (p) "Sale" means an exchange for money or goods, giving
2646 away, or distributing any tobacco as defined in this chapter.

2647 (q) "Forty-eight (48) hours" and "seventy-two (72)
2648 hours" means two (2) calendar days and three (3) calendar days,
2649 respectively, excluding Sundays and legal holidays.

2650 (r) "Stamp" or "stamping," or the import of such word,
2651 when used in this chapter, means any manner of stamp or impression
2652 permitted by the commissioner that carries out the purposes of the
2653 chapter in clearly indicating upon the packages of cigarettes



2654 taxed the due payment of the tax and clearly identifying, by
2655 serial number or otherwise, the permittee who affixed the stamp to
2656 the particular package.

2657 (s) "Manufacturer's list price" means the full sales
2658 price at which tobacco is sold or offered for sale by a
2659 manufacturer to the wholesaler or distributor in this state
2660 without any deduction for freight, trade discount, cash discounts,
2661 special discounts or deals, cash rebates, or any other reduction
2662 from the regular selling price. In the event freight charges on
2663 shipments to wholesalers or distributors are not paid by the
2664 manufacturer, then such freight charges required to be paid by the
2665 wholesalers and distributors shall be added to the amount paid to
2666 the manufacturer in order to determine "manufacturer's list
2667 price." In the case of a wholesaler or distributor whose place of
2668 business is located outside this state, the "manufacturer's list
2669 price" for tobacco sold in this state by such wholesaler or
2670 distributor shall in all cases be considered to be the same as
2671 that of a wholesaler or distributor located within this state.

2672 **SECTION 15.** Section 27-69-13, Mississippi Code of 1972, is
2673 amended as follows:

2674 27-69-13. There is hereby imposed, levied and assessed, to
2675 be collected and paid as hereinafter provided in this chapter, an
2676 excise tax on each person or dealer in cigarettes, cigars,
2677 stogies, snuff, chewing tobacco, and smoking tobacco, or



2678 substitutes therefor, upon the sale, use, consumption, handling or
2679 distribution in the State of Mississippi, as follows:

2680 (a) On cigarettes, the rate of tax shall be * * * Five
2681 and nine-tenths Cents (5.9¢) on each cigarette sold with a maximum
2682 length of one hundred twenty (120) millimeters; any cigarette in
2683 excess of this length shall be taxed as if it were two (2) or more
2684 cigarettes. Provided, however, if the federal tax rate on
2685 cigarettes in effect on June 1, 1985, is reduced, then the rate as
2686 provided herein shall be increased by the amount of the federal
2687 tax reduction. Such tax increase shall take effect on the first
2688 day of the month following the effective date of such reduction in
2689 the federal tax rate.

2690 (b) On cigars, cheroots, stogies, snuff, chewing and
2691 smoking tobacco and all other tobacco products except cigarettes,
2692 the rate of tax shall be * * * twenty-five percent (25%) of the
2693 manufacturer's list price.

2694 No stamp evidencing the tax herein levied on cigarettes shall
2695 be of a denomination of less than One Cent (1¢), and whenever the
2696 tax computed at the rates herein prescribed on cigarettes shall be
2697 a specified amount, plus a fractional part of One Cent (1¢), the
2698 package shall be stamped for the next full cent; however, the
2699 additional face value of stamps purchased to comply with taxes
2700 imposed by this section after June 1, 1985, shall be subject to a
2701 four percent (4%) discount or compensation to dealers for their



2702 services rather than the eight percent (8%) discount or
2703 compensation allowed by Section 27-69-31.

2704 Every wholesaler shall purchase stamps as provided in this
2705 chapter, and affix the same to all packages of cigarettes handled
2706 by him as herein provided.

2707 The above tax is levied upon the sale, use, gift, possession
2708 or consumption of tobacco within the State of Mississippi, and the
2709 impact of the tax levied by this chapter is hereby declared to be
2710 on the vendee, user, consumer or possessor of tobacco in this
2711 state; and when said tax is paid by any other person, such payment
2712 shall be considered as an advance payment and shall thereafter be
2713 added to the price of the tobacco and recovered from the ultimate
2714 consumer or user.

2715 **SECTION 16.** Section 27-69-75, Mississippi Code of 1972, is
2716 amended as follows:

2717 27-69-75. All taxes levied by this chapter shall be payable
2718 to the commissioner in cash, or by personal check, cashier's
2719 check, bank exchange, post office money order or express money
2720 order, and shall be deposited by the commissioner in the State
2721 Treasury on the same day collected. No remittance other than cash
2722 shall be a final discharge of liability for the tax herein
2723 assessed and levied, unless and until it has been paid in cash to
2724 the commissioner.

2725 Except as otherwise provided in this section, all tobacco
2726 taxes collected, including tobacco license taxes, shall be



2727 deposited into the State Treasury to the credit of the General
2728 Fund. On or before September 15, 2021, and each succeeding month
2729 thereafter through February 15, 2022, tobacco taxes collected
2730 during the preceding month under the provisions of this chapter
2731 from the increases to tax rates under Section 27-69-13 and as a
2732 result of the amendment to Section 27-69-3, as provided in House
2733 Bill No. , 2021 Regular Session, shall be deposited, without
2734 diversion, into the Budget Stabilization Fund created in Section
2735 17 of this act.

2736 Wholesalers who are entitled to purchase stamps at a
2737 discount, as provided by Section 27-69-31, may have consigned to
2738 them, without advance payment, such stamps, if and when such
2739 wholesaler shall give to the commissioner a good and sufficient
2740 bond executed by some surety company authorized to do business in
2741 this state, conditioned to secure the payment for the stamps so
2742 consigned. The commissioner shall require payment for such stamps
2743 not later than thirty (30) days from the date the stamps were
2744 consigned.

2745 **SECTION 17.** (1) There is hereby created in the State
2746 Treasury a special fund to be designated as the "Budget
2747 Stabilization Fund," which shall consist of funds made available
2748 by the Legislature in any manner and funds from any other source
2749 designated for deposit into such fund. Unexpended amounts
2750 remaining in the fund at the end of a fiscal year shall not lapse
2751 into the State General Fund, and any investment earnings or



2752 interest earned on amounts in the fund shall be deposited to the
2753 credit of the fund. Monies in the fund shall only be appropriated
2754 by the Legislature to further the purposes of Sections 1 through
2755 61 of this act.

2756 (2) Income tax paid during the months of January through
2757 June of Fiscal Year 2022 for calendar year 2021 on amounts up to
2758 Forty-seven Thousand Seven Hundred Dollars (\$47,700.00) for single
2759 individuals, Ninety-five Thousand Four Hundred Dollars
2760 (\$95,400.00) for married individuals, and Forty-six Thousand Six
2761 Hundred Dollars (\$46,600.00) for head of family individuals shall
2762 be deposited into the fund.

2763 **SECTION 18.** Section 27-65-24, Mississippi Code of 1972, is
2764 amended as follows:

2765 27-65-24. (1) There is levied, assessed and shall be
2766 collected a tax on the sale of manufacturing or processing
2767 machinery to be installed and/or used at a refinery in this state
2768 and on the performance of construction activities at or in regard
2769 to a refinery in this state. The tax is in the amount of:

2770 (a) * * * Four percent (4%) on the gross proceeds of
2771 sales for manufacturing or processing machinery without any regard
2772 as to whether or not the machinery retains its identity as
2773 tangible personal property after installation; and

2774 (b) Three and one-half percent (3-1/2%) of one hundred
2775 three and one-half percent (103-1/2%) of the total contract price



2776 or compensation paid for the performance of a construction
2777 activity.

2778 (2) If the owner of the refinery holds a direct pay permit
2779 issued by the Department of Revenue under Section 27-65-93, the
2780 owner shall furnish the permit to the seller or person performing
2781 the construction activity unless the holder of the direct pay
2782 permit is given written instructions or written authority to do
2783 otherwise by the commissioner. After being furnished the direct
2784 pay permit, the seller or person performing the construction
2785 activity shall be relieved of the duty to collect the tax imposed
2786 under subsection (1) of this section and the owner of the refinery
2787 shall pay the tax in the manner required by rule and regulation
2788 promulgated by the commissioner. The commissioner may assign a
2789 distinctive number to the refinery and issue the distinctive
2790 number to the owner. The owner of the refinery may furnish the
2791 distinctive number to persons performing construction activities
2792 in order to allow such persons to purchase component materials and
2793 parts for use in the construction activity without the requirement
2794 of paying sales tax on the purchases.

2795 (3) Any owner of a refinery who makes application for a
2796 distinctive number as provided for in subsection (2), shall be
2797 required to execute and file with the commissioner a good and
2798 valid bond in a surety company authorized to do business in this
2799 state, or with sufficient sureties to be approved by the



2800 commissioner, conditioned that all taxes which may accrue to the
2801 State of Mississippi under this chapter will be paid when due.

2802 (4) As used in this section:

2803 (a) "Refinery" means any facility that manufactures
2804 finished petroleum products from crude oil, unfinished oils,
2805 natural gas liquids, other hydrocarbons, or alcohol. The term
2806 "refinery" does not include terminals, bulk plants or other
2807 locations where finished products are blended.

2808 (b) "Construction activity" means the performance of
2809 any activity involving and/or incidental to constructing,
2810 building, erecting, repairing, grading, excavating, drilling,
2811 exploring, testing or adding to any building, highway, street,
2812 sidewalk, bridge, culvert, sewer, irrigation or water system,
2813 drainage or dredging system, levee or levee system or any part
2814 thereof, railway, reservoir, dam, power plant, electrical system,
2815 air-conditioning system, heating system, transmission line,
2816 pipeline, tower, dock, storage tank, wharf, excavation, grading,
2817 water well, and other improvement or structure or any part
2818 thereof.

2819 (c) "Total contract price or compensation received"
2820 means all compensation received for the performance of
2821 construction activities, including monies received for all charges
2822 related to the contract or construction activities, including, but
2823 not limited to, finance charges and late charges; however, where
2824 the total contract price of a project exceeds the sum of One



2825 Hundred Million Dollars (\$100,000,000.00) that portion of the
2826 compensation received in regard to the project that is
2827 attributable to design or engineering shall not be considered part
2828 of the total contract price or compensation received for
2829 construction activities from the project.

2830 **SECTION 19.** Section 27-70-5, Mississippi Code of 1972, is
2831 amended as follows:

2832 27-70-5. (1) (a) In addition to the tax imposed under
2833 Section 27-69-13, and except as provided by subsection (2) of this
2834 section, there is imposed a tobacco equity tax in the amount of
2835 * * * Three and Nine One-Hundredths Cents(3.09¢) per cigarette on
2836 all cigarettes subject to the tax imposed under Section 27-69-13.

2837 (b) On July 1 of each year, the tax prescribed by
2838 subsection (1) of this section shall increase by the greater of:

2839 (i) Three percent (3%); or

2840 (ii) The percentage increase in the most recent
2841 annual revised Consumer Price Index for all Urban Consumers, as
2842 published by the Federal Bureau of Labor Statistics of the United
2843 States Department of Labor.

2844 (c) The revenue collected from the tax imposed by this
2845 section shall be deposited into the State General Fund.

2846 (d) The cigarettes manufactured by any manufacturer
2847 which is a party to the tobacco settlement agreement shall be
2848 exempt from the imposition of the tobacco equity tax provided for
2849 herein.



2850 (2) The tax imposed by this chapter does not apply to
2851 cigarettes that are sold, purchased or otherwise distributed in
2852 this state for sale outside of this state. A person may not
2853 transport or cause to be transported from this state such
2854 cigarettes for retail sale in another state without first affixing
2855 to the cigarettes the stamp required by the state in which the
2856 cigarettes are to be sold or by paying any other excise tax on the
2857 cigarettes imposed by the state in which the cigarettes are to be
2858 sold; however, a person shall not be required to affix a tax stamp
2859 of another state or pay the excise tax of another state prior to
2860 transporting the cigarettes out of this state if the other state
2861 prohibits that action or if the cigarettes are being sold to a
2862 wholesaler licensed by that state.

2863 (3) The tax imposed by this chapter is in addition to any
2864 other privilege, license, fee, assessment or tax required or
2865 imposed by state law, including, but not limited to, the taxes
2866 levied by Section 27-69-13.

2867 (4) The tax imposed by this chapter is imposed, levied and
2868 assessed on each distributor of cigarettes. The tax shall be due
2869 and payable on or before the fifteenth day of the month next
2870 succeeding the month in which the stamp is required to be affixed
2871 to the cigarettes under the Tobacco Tax Law. The distributor
2872 shall make a return showing the number of such cigarettes, the
2873 brand family, and the manufacturer. The return shall also include
2874 the quantity of cigarettes, by brand family, transported or caused



2875 to be transported outside of Mississippi in the preceding month as
2876 well as the name and address of the recipient of the cigarettes
2877 transported outside of Mississippi.

2878 (5) The distributor is eligible for a credit if cigarettes
2879 for which the distributor had previously paid the tax under this
2880 chapter were returned to the distributor.

2881 **SECTION 20.** Section 27-7-5, Mississippi Code of 1972, is
2882 amended as follows:

2883 **[Until January 1 of the next succeeding year after the date**
2884 **that the Commissioner of Revenue certifies that the reduction in**
2885 **revenue mandated by Section 27-7-21(p) (i) equals or exceeds the**
2886 **remaining revenue produced by the individual income tax, this**
2887 **section shall read as follows:]**

2888 27-7-5. (1) There is hereby assessed and levied, to be
2889 collected and paid as hereinafter provided, for the calendar year
2890 1983 and fiscal years ending during the calendar year 1983 and all
2891 taxable years thereafter, upon the entire net income of every
2892 resident individual, corporation, association, trust or estate, in
2893 excess of the credits provided, a tax at the following rates:

2894 (a) (i) Through calendar year 2017, on the first Five
2895 Thousand Dollars (\$5,000.00) of taxable income, or any part
2896 thereof, the rate shall be three percent (3%);

2897 (ii) For calendar year 2018, on the first One
2898 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2899 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of



2900 taxable income, or any part thereof, the rate shall be three
2901 percent (3%);

2902 (iii) For calendar year 2019, on the first Two
2903 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2904 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2905 taxable income, or any part thereof, the rate shall be three
2906 percent (3%);

2907 (iv) For calendar year 2020, on the first Three
2908 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2909 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2910 taxable income, or any part thereof, the rate shall be three
2911 percent (3%);

2912 (v) For calendar year 2021, on the first Four
2913 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2914 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2915 taxable income, or any part thereof, the rate shall be three
2916 percent (3%);

2917 (vi) For calendar year 2022 and all taxable years
2918 thereafter, there shall be no tax levied on the first Five
2919 Thousand Dollars (\$5,000.00) of taxable income;

2920 (b) On taxable income in excess of Five Thousand
2921 Dollars (\$5,000.00) up to and including Ten Thousand Dollars
2922 (\$10,000.00), or any part thereof, the rate shall be four percent
2923 (4%); and



2924 (c) On all taxable income in excess of Ten Thousand
2925 Dollars (\$10,000.00), the rate shall be five percent (5%).

2926 (2) An S corporation, as defined in Section 27-8-3(1)(g),
2927 shall not be subject to the income tax imposed under this section.

2928 (3) A like tax is hereby imposed to be assessed, collected
2929 and paid annually, except as hereinafter provided, at the rate
2930 specified in this section and as hereinafter provided, upon and
2931 with respect to the entire net income, from all property owned or
2932 sold, and from every business, trade or occupation carried on in
2933 this state by individuals, corporations, partnerships, trusts or
2934 estates, not residents of the State of Mississippi.

2935 (4) In the case of taxpayers having a fiscal year beginning
2936 in a calendar year with a rate in effect that is different than
2937 the rate in effect for the next calendar year and ending in the
2938 next calendar year, the tax due for that taxable year shall be
2939 determined by:

2940 (a) Computing for the full fiscal year the amount of
2941 tax that would be due under the rates in effect for the calendar
2942 year in which the fiscal year begins; and

2943 (b) Computing for the full fiscal year the amount of
2944 tax that would be due under the rates in effect for the calendar
2945 year in which the fiscal year ends; and

2946 (c) Applying to the tax computed under paragraph (a)
2947 the ratio which the number of months falling within the earlier



2948 calendar year bears to the total number of months in the fiscal
2949 year; and

2950 (d) Applying to the tax computed under paragraph (b)
2951 the ratio which the number of months falling within the later
2952 calendar year bears to the total number of months within the
2953 fiscal year; and

2954 (e) Adding to the tax determined under paragraph (c)
2955 the tax determined under paragraph (d) the sum of which shall be
2956 the amount of tax due for the fiscal year.

2957 **[From and after January 1 of the next succeeding year after**
2958 **the date that the Commissioner of Revenue certifies that the**
2959 **reduction in revenue mandated by Section 27-7-21(p) (i) equals or**
2960 **exceeds the remaining revenue produced by the individual income**
2961 **tax, the individual income tax shall stand repealed and this**
2962 **section shall read as follows:]**

2963 27-7-5. (1) There is hereby assessed and levied, to be
2964 collected and paid as hereinafter provided, for the calendar year
2965 1983 and fiscal years ending during the calendar year 1983 and all
2966 taxable years thereafter, upon the entire net income of every
2967 resident * * * corporation * * * or association, * * * in excess
2968 of the credits provided, a tax at the following rates:

2969 (a) (i) Through calendar year 2017, on the first Five
2970 Thousand Dollars (\$5,000.00) of taxable income, or any part
2971 thereof, the rate shall be three percent (3%);



2972 (ii) For calendar year 2018, on the first One
2973 Thousand Dollars (\$1,000.00) of taxable income there shall be no
2974 tax levied, and on the next Four Thousand Dollars (\$4,000.00) of
2975 taxable income, or any part thereof, the rate shall be three
2976 percent (3%);

2977 (iii) For calendar year 2019, on the first Two
2978 Thousand Dollars (\$2,000.00) of taxable income there shall be no
2979 tax levied, and on the next Three Thousand Dollars (\$3,000.00) of
2980 taxable income, or any part thereof, the rate shall be three
2981 percent (3%);

2982 (iv) For calendar year 2020, on the first Three
2983 Thousand Dollars (\$3,000.00) of taxable income there shall be no
2984 tax levied, and on the next Two Thousand Dollars (\$2,000.00) of
2985 taxable income, or any part thereof, the rate shall be three
2986 percent (3%);

2987 (v) For calendar year 2021, on the first Four
2988 Thousand Dollars (\$4,000.00) of taxable income there shall be no
2989 tax levied, and on the next One Thousand Dollars (\$1,000.00) of
2990 taxable income, or any part thereof, the rate shall be three
2991 percent (3%);

2992 (vi) For calendar year 2022 and all taxable years
2993 thereafter, there shall be no tax levied on the first Five
2994 Thousand Dollars (\$5,000.00) of taxable income;

2995 (b) On taxable income in excess of Five Thousand
2996 Dollars (\$5,000.00) up to and including Ten Thousand Dollars



2997 (\$10,000.00), or any part thereof, the rate shall be four percent
2998 (4%); and

2999 (c) On all taxable income in excess of Ten Thousand
3000 Dollars (\$10,000.00), the rate shall be five percent (5%).

3001 (2) An S corporation, as defined in Section 27-8-3(1)(g),
3002 shall not be subject to the income tax imposed under this section.

3003 (3) A like tax is hereby imposed to be assessed, collected
3004 and paid annually, except as hereinafter provided, at the rate
3005 specified in this section and as hereinafter provided, upon and
3006 with respect to the entire net income, from all property owned or
3007 sold, and from every business, trade or occupation carried on in
3008 this state by * * * corporations, * * * not residents of the State
3009 of Mississippi.

3010 (4) In the case of taxpayers having a fiscal year beginning
3011 in a calendar year with a rate in effect that is different than
3012 the rate in effect for the next calendar year and ending in the
3013 next calendar year, the tax due for that taxable year shall be
3014 determined by:

3015 (a) Computing for the full fiscal year the amount of
3016 tax that would be due under the rates in effect for the calendar
3017 year in which the fiscal year begins; and

3018 (b) Computing for the full fiscal year the amount of
3019 tax that would be due under the rates in effect for the calendar
3020 year in which the fiscal year ends; and



3021 (c) Applying to the tax computed under paragraph (a)
3022 the ratio which the number of months falling within the earlier
3023 calendar year bears to the total number of months in the fiscal
3024 year; and

3025 (d) Applying to the tax computed under paragraph (b)
3026 the ratio which the number of months falling within the later
3027 calendar year bears to the total number of months within the
3028 fiscal year; and

3029 (e) Adding to the tax determined under paragraph (c)
3030 the tax determined under paragraph (d) the sum of which shall be
3031 the amount of tax due for the fiscal year.

3032 **SECTION 21.** Section 27-7-3, Mississippi Code of 1972, is
3033 brought forward as follows:

3034 27-7-3. When used in this article:

3035 (a) "Taxpayer" includes any individual, partnership,
3036 corporation, association, trust or estate, subject to a tax
3037 imposed hereunder, or whose income is, in whole or in part,
3038 subject to a tax imposed hereunder.

3039 (b) "Domestic," when applied to any corporation or
3040 association, including partnerships, means created or organized in
3041 the State of Mississippi.

3042 (c) "Foreign," when applied to any corporation or
3043 association, including partnerships, means created or organized
3044 outside the State of Mississippi.



3045 (d) "Fiduciary" means a guardian, trustee, executor,
3046 administrator, receiver, conservator, or any person, whether
3047 individual or corporate, acting in any fiduciary capacity, for any
3048 person, trust, or estate.

3049 (e) "Resident" means a natural person and includes, for
3050 the purpose of determining liability for the tax imposed by this
3051 article upon or with reference to the income of any taxable year,
3052 any person domiciled in the State of Mississippi and any other
3053 person who maintains a legal or actual residence within the state.

3054 (f) "Nonresident," when used in connection with this
3055 article, shall apply to any natural person whose domicile and
3056 place of abode is without the State of Mississippi.

3057 (g) "Foreign country" or "foreign government" means any
3058 jurisdiction other than the one embraced within the United States.
3059 The words "United States" includes the states, the District of
3060 Columbia, and the territorial possessions of the United States.

3061 (h) "State Tax Commission" or "Tax Commission" means
3062 the Department of Revenue. "Commission" or "department" also
3063 means the Department of Revenue except where such words are
3064 specifically given other meanings.

3065 (i) "Commissioner," "Chairman of the Mississippi State
3066 Tax Commission," "Chairman of the State Tax Commission," "chairman
3067 of the commission" or "chairman" means the Commissioner of Revenue
3068 of the Department of Revenue.



3069 (j) "Taxable year" means the calendar year, or fiscal
3070 year ending during such calendar year, upon the basis of which the
3071 net income is computed hereunder. "Fiscal year" means an
3072 accounting period of twelve (12) months, ending on the last day of
3073 any month other than December.

3074 (k) "Paid or accrued" means paid or accrued, or paid or
3075 incurred, and these terms, "paid or incurred" or "paid or
3076 accrued," shall be construed according to the method of accounting
3077 or the basis on which the net income is computed. The term
3078 "received for the purpose of computation of net income" means
3079 received or accrued, and the term "received or accrued" shall be
3080 construed according to the method of accounting or the basis on
3081 which the net income is computed.

3082 (l) "Dividend" means any distribution made by a
3083 corporation, association, trust or estate, to its shareholders or
3084 members, whether in cash, other property, or its own stock.

3085 **SECTION 22.** Section 27-7-27, Mississippi Code of 1972, is
3086 brought forward as follows:

3087 27-7-27. (1) The tax imposed under the income tax laws of
3088 the State of Mississippi shall apply to the income of estates of
3089 any kind or property held in trust except:

3090 (a) That a trust forming part of a pension plan, stock
3091 bonus plan, disability or death benefit plan or profit-sharing
3092 plan of an employer for the exclusive benefit of some or all of
3093 his or its employees, or their beneficiaries, to which



3094 contributions are made by such employer, or employees, or both,
3095 for the purpose of distributing to such employees, or their
3096 beneficiaries, the earnings and principal of the fund accumulated
3097 by the trust in accordance with such plan, shall not be taxable
3098 under the income tax laws of the State of Mississippi provided
3099 that the trust is irrevocable and no part of the trust corpus or
3100 income can be used for purposes other than for the exclusive
3101 benefit of employees, or their beneficiaries; but any amount
3102 actually distributed or made available to any distributee shall be
3103 taxable to him in the year in which so distributed or made
3104 available to the extent that it exceeds amounts paid in by him.

3105 (b) That all trusts of real or personal property, or
3106 real and personal property combined, created under a retirement
3107 plan for which provision has been made under the laws of the
3108 United States of America exempting such trust from federal income
3109 tax, shall be exempt from income taxation by the State of
3110 Mississippi.

3111 (2) Notwithstanding the provisions of subsection (1) of this
3112 section, a taxpayer shall include any Mississippi unrelated
3113 business taxable income in computing its taxable income under this
3114 chapter. As used in this subsection "Mississippi unrelated
3115 business taxable income" includes:

3116 (a) "Unrelated business taxable income" as defined
3117 under the provisions of the Internal Revenue Code, as amended, and



3118 not otherwise inconsistent with other provisions of this chapter,
3119 and

3120 (b) Any income attributable to an ownership interest in
3121 an S corporation.

3122 (3) A trust required to include the activity of a
3123 disregarded entity for federal income tax purposes shall do
3124 likewise for the purpose of computing income for this state.

3125 (4) Except as otherwise provided in this section, the gross
3126 and net income shall be determined in the same manner as is
3127 provided by law for any other taxpayer.

3128 **SECTION 23.** Section 27-7-22.5, Mississippi Code of 1972, is
3129 brought forward as follows:

3130 27-7-22.5. (1) For any manufacturer, distributor, wholesale
3131 or retail merchant who pays to a county, municipality, school
3132 district, levee district or any other taxing authority of the
3133 state or a political subdivision thereof, ad valorem taxes imposed
3134 on commodities, raw materials, works-in-process, products, goods,
3135 wares and merchandise held for resale, a credit against the income
3136 taxes imposed under this chapter shall be allowed for the portion
3137 of the ad valorem taxes so paid in the amounts prescribed in
3138 subsection (2).

3139 (2) The tax credit allowed by this section shall not exceed
3140 the amounts set forth in paragraphs (a) through (g) of this
3141 subsection; and may be claimed for each location where such
3142 commodities, raw material, works-in-process, products, goods,



3143 wares and merchandise are found and upon which the ad valorem
3144 taxes have been paid. Any tax credit claimed under this section
3145 but not used in any taxable year may be carried forward for five
3146 (5) consecutive years from the close of the tax year in which the
3147 credit was earned.

3148 (a) For the 1994 taxable year, the tax credit for each
3149 location of the taxpayer shall not exceed the lesser of Two
3150 Thousand Dollars (\$2,000.00) or the amount of income taxes due the
3151 State of Mississippi that are attributable to such location.

3152 (b) For the 1995 taxable year, the tax credit for each
3153 location of the taxpayer shall not exceed the lesser of Three
3154 Thousand Dollars (\$3,000.00) or the amount of income taxes due the
3155 State of Mississippi that are attributable to such location.

3156 (c) For the 1996 taxable year, the tax credit for each
3157 location of the taxpayer shall not exceed the lesser of Four
3158 Thousand Dollars (\$4,000.00) or the amount of income taxes due the
3159 State of Mississippi that are attributable to such location.

3160 (d) For the 1997 taxable year and each taxable year
3161 thereafter through taxable year 2013, the tax credit for each
3162 location of the taxpayer shall not exceed the lesser of Five
3163 Thousand Dollars (\$5,000.00) or the amount of income taxes due the
3164 State of Mississippi that are attributable to such location.

3165 (e) For the 2014 taxable year, the tax credit for each
3166 location of the taxpayer shall not exceed the lesser of Ten



3167 Thousand Dollars (\$10,000.00) or the amount of income taxes due
3168 the State of Mississippi that are attributable to such location.

3169 (f) For the 2015 taxable year, the tax credit for each
3170 location of the taxpayer shall not exceed the lesser of Fifteen
3171 Thousand Dollars (\$15,000.00) or the amount of income taxes due
3172 the State of Mississippi that are attributable to such location.

3173 (g) For the 2016 taxable year and each taxable year
3174 thereafter, the tax credit of the taxpayer shall be the lesser of
3175 the amount of the ad valorem taxes described in subsection (1)
3176 paid or the amount of income taxes due the State of Mississippi
3177 that are attributable to such location.

3178 (3) Any amount of ad valorem taxes paid by a taxpayer that
3179 is applied toward the tax credit allowed in this section may not
3180 be used as a deduction by the taxpayer for state income tax
3181 purposes. In the case of a taxpayer that is a partnership,
3182 limited liability company or S corporation, the credit may be
3183 applied only to the tax attributable to partnership, limited
3184 liability company or S corporation income derived from the
3185 taxpayer.

3186 **SECTION 24.** Section 27-7-22.15, Mississippi Code of 1972, is
3187 brought forward as follows:

3188 27-7-22.15. (1) As used in this section, the following
3189 words and phrases shall have the meanings ascribed to herein
3190 unless the context clearly indicates otherwise:



3191 (a) "Approved reforestation practices" means the
3192 following practices for establishing a crop of trees suitable for
3193 manufacturing into forest products:

3194 (i) "Pine and hardwood tree planting practices"
3195 including the cost of seedlings, planting by hand or machine, and
3196 site preparation.

3197 (ii) "Mixed-stand regeneration practices" to
3198 establish a mixed-crop of pine and hardwood trees by planting or
3199 direct seeding, or both, including the cost of seedlings,
3200 seed/acorns, planting, seeding and site preparation.

3201 (iii) "Direct seeding practices" to establish a
3202 crop of pine or oak trees by directly applying seed/acorns to the
3203 site including the cost of seed/acorns, seeding and site
3204 preparation.

3205 (iv) "Post-planting site preparation practices" to
3206 reduce or control undesirable competition within the first growing
3207 season of an established crop of trees.

3208 Approved reforestation practices shall not include the
3209 establishment of orchards, Christmas trees or ornamental trees.

3210 (b) "Eligible tree species" means pine and hardwood
3211 commercial tree species suitable for manufacturing into forest
3212 products.

3213 (c) "Cost-share assistance" means partial financial
3214 payment for approved reforestation practices from the state



3215 government as authorized under Sections 49-19-201 through
3216 49-19-227, or the federal government.

3217 (d) "Eligible owner" means a private individual, group
3218 or association, but the term shall not mean private corporations
3219 which manufacture products or provide public utility services of
3220 any type or any subsidiary of such corporations.

3221 (e) "Eligible lands" means nonindustrial private lands
3222 owned by a private individual, group or association, but shall not
3223 mean lands owned by private corporations which manufacture
3224 products or provide public utility services of any type or any
3225 subsidiary of such corporations.

3226 (f) "Reforestation prescription or plan" means a
3227 written description of the approved reforestation practices that
3228 the eligible owner plans to use and includes a legal description
3229 and map of the area to be reforested, a list of the tree seedling
3230 or seed species to be used in the reforestation and the site
3231 preparation practices that will be utilized.

3232 (2) Subject to the limitations provided in subsection (3) of
3233 this section, upon submission to the State Tax Commission of the
3234 written verification provided for in subsection (5) of this
3235 section and such other documentation as the State Tax Commission
3236 may require, any eligible owner who incurs costs for approved
3237 reforestation practices for eligible tree species on eligible
3238 lands shall be allowed a credit, in an amount equal to the lesser
3239 of fifty percent (50%) of the actual costs of the approved



3240 reforestation practices or fifty percent (50%) of the average cost
3241 of approved practices as established by the Mississippi Forestry
3242 Commission under Section 49-19-219, against the taxes imposed
3243 pursuant to this chapter for the tax year in which the costs are
3244 incurred.

3245 (3) The maximum amount of the credit provided for in
3246 subsection (2) of this section that may be utilized in any one (1)
3247 taxable year shall not exceed the lesser of Ten Thousand Dollars
3248 (\$10,000.00) or the amount of income tax imposed upon the eligible
3249 owner for the taxable year reduced by the sum of all other credits
3250 allowable to the eligible owner under this chapter, except credit
3251 for tax payments made by or on behalf of the eligible owner. Any
3252 unused portion of the credit may be carried forward for succeeding
3253 tax years. The maximum dollar amount of the credit provided for
3254 in subsection (2) of this section that an eligible owner may
3255 utilize during his lifetime shall be Seventy-five Thousand Dollars
3256 (\$75,000.00) in the aggregate.

3257 (4) If an eligible owner receives any state or federal cost
3258 share assistance funds to defray the cost of an approved
3259 reforestation practice, the cost of that practice on the same acre
3260 or acres within the same tax year is not eligible for the credit
3261 provided in this section unless the eligible owner's adjusted
3262 gross income is less than the federal earned income credit level.

3263 (5) To be eligible for the tax credit, an eligible owner
3264 must have a reforestation prescription or plan prepared for the



3265 eligible lands by a graduate forester of a college, school or
3266 university accredited by the Society of American Foresters or by a
3267 registered forester under the Foresters Registration Law of 1977.
3268 The forester must verify in writing that the reforestation
3269 practices were completed and that the reforestation prescription
3270 or plan was followed.

3271 **SECTION 25.** Section 27-7-22.21, Mississippi Code of 1972, is
3272 brought forward as follows:

3273 27-7-22.21. (1) As used in this section, the following
3274 words and phrases shall have the following meanings, unless the
3275 context clearly indicates otherwise:

3276 (a) "Eligible land" means nonindustrial private lands
3277 in the state that are adjacent to and along a stream which is
3278 fully nominated to the Mississippi Scenic Streams Stewardship
3279 Program, or nonindustrial private lands in the state which are
3280 considered to be priority sites for conservation under the
3281 Mississippi Natural Heritage Program.

3282 (b) "Eligible owner" means a private individual, group
3283 or association other than a private corporation, or any subsidiary
3284 thereof, which manufactures products or provides public utility
3285 services of any type.

3286 (c) "Interest in land" means any right in real
3287 property, including access thereto or improvements thereon, or
3288 water, including, but not limited to, a fee simple easement, a
3289 conservation easement, provided such interest complies with the



3290 requirements of the United States Internal Revenue Code Section
3291 170(h), partial interest, mineral right, remainder or future
3292 interest, or other interest or right in real property.

3293 (d) "Land" or "lands" means real property, with or
3294 without improvements thereon, rights-of-way, water and riparian
3295 rights, easements, privileges and all other rights or interests of
3296 any land or description in, relating to, or connected with real
3297 property.

3298 (e) "Allowable transaction costs" mean the costs of the
3299 appraisal of the lands or interests in lands, including
3300 conservation easements, that are being donated, of the baseline
3301 survey of the natural features, animals and plants present on the
3302 site, of engineering and surveying fees, of maintenance fees, of
3303 monitoring fees and of legal fees, including the costs of document
3304 preparation, title review and title insurance.

3305 (f) "Specified conservation purposes" mean the
3306 preservation of stream bank habitats and the stability of stream
3307 banks, or the protection of land necessary because of high
3308 biodiversity significance or high protection urgency due to the
3309 presence of exemplary natural communities or species of special
3310 concern, including threatened or endangered species.

3311 (2) For the taxable years beginning on or after January 1,
3312 2003, for any income taxpayer who is an eligible owner, a credit
3313 against the taxes imposed by this chapter shall be allowed in the



3314 amounts provided in this section upon the donation of land or an
3315 interest in land for specified conservation purposes.

3316 (3) The credit provided for in this section shall be fifty
3317 percent (50%) of the allowable transaction costs involved in the
3318 donation for the tax year in which the allowable transaction costs
3319 occur. The aggregate amount of the credit provided in this
3320 section for allowable transaction costs shall not exceed the
3321 lesser of Ten Thousand Dollars (\$10,000.00) or the amount of tax
3322 imposed upon the taxpayer for the taxable year reduced by the sum
3323 of all other credits allowable to such taxpayer under this
3324 chapter, except credit for tax payments made by or on behalf of
3325 the taxpayer. Any unused portion of the credit may be carried
3326 forward for ten (10) succeeding tax years. The maximum dollar
3327 amount of the credit provided for in this section that an eligible
3328 owner may utilize during his lifetime shall be Ten Thousand
3329 Dollars (\$10,000.00) in the aggregate.

3330 (4) To be eligible for the credit provided for in this
3331 section, an eligible owner must demonstrate that the donation
3332 qualifies as a conservation contribution under Section 170(h) of
3333 the United States Internal Revenue Code of 1986, by means of being
3334 a donation in perpetuity, for conservation purposes and made to a
3335 qualified holder or donee. A letter from the donee indicating
3336 acceptance and a completed copy of the appropriate United States
3337 Internal Revenue Service form shall constitute proof of



3338 acceptance. The eligible owner also must submit any other
3339 documentation that the State Tax Commission may require.

3340 **SECTION 26.** Section 27-7-22.22, Mississippi Code of 1972, is
3341 brought forward as follows:

3342 27-7-22.22. (1) A credit is allowed against the taxes
3343 imposed by this chapter to a taxpayer for allowing land owned by
3344 the taxpayer to be used as a natural area preserve, a wildlife
3345 refuge or habitat area, a wildlife management area, or for the
3346 purpose of providing public outdoor recreational opportunities, as
3347 authorized under Section 49-1-29, 49-5-71 or 49-5-155, subject to
3348 the following conditions and limitations:

3349 (a) The land may not be under lease to the Mississippi
3350 Commission on Wildlife, Fisheries and Parks, and the commission
3351 must approve the land as being suitable for the uses described in
3352 this section.

3353 (b) The amount of the tax credit allowed by this
3354 section shall be Five Dollars and Fifty Cents (\$5.50) per acre of
3355 land in each taxable year.

3356 (c) In no event shall the amount of the tax credits
3357 allowed by this section for a taxable year exceed the taxpayer's
3358 liability for those taxes. Any unused credit amount shall be
3359 allowed to be carried forward for five (5) years from the close of
3360 the taxable year in which the land was approved for such a use.
3361 No such credit shall be allowed the taxpayer against prior years'
3362 tax liability.



3363 (2) To claim a credit allowed by this section, the taxpayer
3364 shall provide any information required by the Mississippi
3365 Commission on Wildlife, Fisheries and Parks or the Mississippi
3366 Commissioner of Revenue. Every taxpayer claiming a credit under
3367 this section shall maintain and make available for inspection by
3368 the Mississippi Commission on Wildlife, Fisheries and Parks or the
3369 Mississippi Commissioner of Revenue any records that either entity
3370 considers necessary to determine and verify the amount of the
3371 credit to which the taxpayer is entitled. The burden of proving
3372 eligibility for a credit and the amount of the credit rests upon
3373 the taxpayer, and no credit may be allowed to a taxpayer that
3374 fails to maintain adequate records or to make them available for
3375 inspection.

3376 (3) Upon approval of the Commission on Wildlife, Fisheries
3377 and Parks under subsection (1) (a), a taxpayer seeking to claim any
3378 tax credit provided for under this section must submit an
3379 application to the Mississippi Commissioner of Revenue for
3380 approval of the tax credit. The Mississippi Commissioner of
3381 Revenue shall promulgate the rules and forms on which the
3382 application is to be submitted. The Mississippi Commissioner of
3383 Revenue shall review the application and may approve such
3384 application upon determining that it meets the requirements of
3385 this section within sixty (60) days after receiving the
3386 application.



3387 **SECTION 27.** Section 27-7-22.31, Mississippi Code of 1972, is
3388 brought forward as follows:

3389 27-7-22.31. (1) As used in this section:

3390 (a) "Certified historic structure" means a property
3391 located in Mississippi that has been:

3392 (i) Listed individually on the National Register
3393 of Historic Places; or

3394 (ii) Determined eligible for the National Register
3395 of Historic Places by the Secretary of the United States
3396 Department of the Interior and will be listed within thirty (30)
3397 months of claiming the credit authorized by this section; or

3398 (iii) Property designated a Mississippi Landmark
3399 by the Department of Archives and History pursuant to Section
3400 39-7-3 et seq.

3401 (b) "Eligible property" means property located in
3402 Mississippi and offered or used for residential or business
3403 purposes; however, the term "eligible property" shall not include
3404 a single-family dwelling unless:

3405 (i) A certificate evidencing the eligible credit
3406 has been issued to the taxpayer by the department prior to July 1,
3407 2016, that applies to such dwelling; or

3408 (ii) The dwelling is designated as a National
3409 Historic Landmark under the National Historic Landmarks Program.



3410 (c) "Structure in a certified historic district" means
3411 a structure (and its structural components) located in Mississippi
3412 which:

3413 (i) Is listed in the National Register of Historic
3414 Places; or

3415 (ii) Has been determined eligible for the National
3416 Register of Historic Places by the Secretary of the United States
3417 Department of the Interior and will be listed within thirty (30)
3418 months of claiming the credit authorized by this section; or

3419 (iii) Is located in a registered historic district
3420 listed on the National Register of Historic Places or located in a
3421 potential district that has been determined eligible for the
3422 National Register of Historic Places by the Secretary of the
3423 United States Department of the Interior and will be listed within
3424 thirty (30) months of claiming the credit authorized by this
3425 section, and is certified by the Secretary of the United States
3426 Department of the Interior as being of historic significance to
3427 the district; or

3428 (iv) Is certified by the Mississippi Department of
3429 Archives and History as contributing to the historic significance
3430 of:

3431 1. A certified historic district listed on
3432 the National Register of Historic Places; or

3433 2. A potential district that has been
3434 determined eligible for the National Register of Historic Places



3435 by the Secretary of the United States Department of the Interior
3436 and will be listed within thirty (30) months of claiming the
3437 credit authorized by this section; or

3438 3. A local district that has been certified
3439 by the United States Department of the Interior.

3440 (d) "Department" means the Department of Archives and
3441 History.

3442 (2) Any taxpayer incurring costs and expenses for the
3443 rehabilitation of eligible property, which is a certified historic
3444 structure or a structure in a certified historic district, shall
3445 be entitled to a credit against the taxes imposed pursuant to this
3446 chapter in an amount equal to twenty-five percent (25%) of the
3447 total costs and expenses of rehabilitation incurred after January
3448 1, 2006, which shall include, but not be limited to, qualified
3449 rehabilitation expenditures as defined under Section 47(c)(2)(A)
3450 of the Internal Revenue Code of 1986, as amended, and the related
3451 regulations thereunder:

3452 (a) If the costs and expenses associated with
3453 rehabilitation exceed:

3454 (i) Five Thousand Dollars (\$5,000.00) in the case
3455 of an owner-occupied dwelling; or

3456 (ii) Fifty percent (50%) of the total basis in the
3457 property in the case of all other properties; and



3458 (b) The rehabilitation is consistent with the standards
3459 of the Secretary of the United States Department of the Interior
3460 as determined by the department.

3461 (3) Any taxpayer eligible for the credit authorized by this
3462 section may claim the credit in phases if:

3463 (a) There is a written set of architectural plans and
3464 specifications for all phases of the rehabilitation (written plans
3465 outlining and describing all phases of the rehabilitation shall be
3466 accepted as written plans and specifications);

3467 (b) The written set of architectural plans and
3468 specifications are completed before the physical work on the
3469 rehabilitation begins; and

3470 (c) It can reasonably be expected that all phases of
3471 the rehabilitation will be completed.

3472 (4) (a) (i) If the amount of the tax credit established by
3473 this section exceeds the total state income tax liability for the
3474 year in which the rehabilitated property is placed in service, the
3475 amount that exceeds the total state income tax liability may be
3476 carried forward for the ten (10) succeeding tax years.

3477 (ii) The taxpayer may elect to claim a refund in
3478 the amount of seventy-five percent (75%) of the excess credit in
3479 lieu of the ten-year carryforward. The election must be made in
3480 the year in which the rehabilitated property is placed in service.
3481 Refunds will be paid in equal installments over a two-year period
3482 and shall be made from current collections.



3483 (iii) Refund requests shall be submitted to the
3484 Department of Revenue on forms prescribed by the department.
3485 Refunds shall be made from current tax collections.

3486 (b) Not-for-profit entities, including, but not limited
3487 to, nonprofit corporations organized under Section 79-11-101 et
3488 seq. shall be ineligible for the credit authorized by this
3489 section. Credits granted to a partnership, a limited liability
3490 company taxed as a partnership or multiple owners of property
3491 shall be passed through to the partners, members or owners on a
3492 pro rata basis or pursuant to an executed agreement among the
3493 partners, members or owners documenting an alternative
3494 distribution method. Partners, members or other owners of a
3495 pass-through entity are not eligible to elect a refund of excess
3496 credit in lieu of a carryforward of the credit. However, a
3497 partnership or limited liability company taxed as a partnership
3498 may elect to claim a refund of excess credit at the entity level
3499 on a form prescribed by the Department of Revenue. Additionally,
3500 excess tax credits that are attributable to rehabilitated property
3501 that was placed in service by a pass-through entity prior to
3502 January 1, 2011, and that have previously been allocated to and
3503 are held by another pass-through entity prior to January 1, 2011,
3504 may be refunded to such other pass-through entity.

3505 (5) (a) To claim the credit authorized pursuant to this
3506 section, the taxpayer shall apply to the department which shall
3507 determine the amount of eligible rehabilitation costs and expenses



3508 and whether the rehabilitation is consistent with the standards of
3509 the Secretary of the United States Department of the Interior.
3510 The department shall issue a certificate evidencing the eligible
3511 credit if the taxpayer is found to be eligible for the tax credit.
3512 The taxpayer shall attach the certificate to all income tax
3513 returns on which the credit is claimed. The department shall not
3514 issue certificates evidencing the eligible credit which, when
3515 combined with certificates of eligible credits issued prior to
3516 July 1, 2016, will result in credits being awarded in excess of
3517 Twelve Million Dollars (\$12,000,000.00) in any one (1) state
3518 fiscal year.

3519 (b) The aggregate amount of tax credits that may be
3520 awarded under this section shall not exceed One Hundred Eighty
3521 Million Dollars (\$180,000,000.00). A taxpayer who was issued a
3522 certificate evidencing the eligible credit by the department prior
3523 to July 1, 2020, but who was unable to be awarded the credit due
3524 to the limit on the aggregate amount of credits authorized under
3525 this section prior to July 1, 2020:

3526 (i) May be awarded the credit so long as the award
3527 does not cause the aggregate amount of tax credits awarded to
3528 exceed the amount authorized in this paragraph; and

3529 (ii) Shall be given priority for tax credits
3530 awarded after July 1, 2020.

3531 (6) (a) The credit received by a taxpayer pursuant to this
3532 section is subject to recapture if:



3533 (i) The property is one that has been determined
3534 eligible for the National Register of Historic Places but is not
3535 listed on the National Register of Historic Places within thirty
3536 (30) months of claiming the credit authorized by this section;

3537 (ii) The potential district in which the property
3538 is located is not listed on the National Register of Historic
3539 Places within thirty (30) months of claiming the credit authorized
3540 by this section; or

3541 (iii) The rehabilitation of the property for which
3542 the credit was granted is abandoned.

3543 (b) The taxpayer shall notify the department and the
3544 Department of Revenue if any of the situations that subject the
3545 credit to recapture occur.

3546 (7) (a) The board of trustees of the department shall
3547 establish fees to be charged for the services performed by the
3548 department under this section and shall publish the fee schedule.
3549 The fees contained in the schedule shall be in amounts reasonably
3550 calculated to recover the costs incurred by the department for the
3551 administration of this section. Any taxpayer desiring to
3552 participate in the tax credits authorized by this section shall
3553 pay the appropriate fee as contained in the fee schedule to the
3554 department, which shall be used by the department, without
3555 appropriation, to offset the administrative costs of the
3556 department associated with its duties under this section.



3557 (b) There is hereby created within the State Treasury a
3558 special fund into which shall be deposited all the fees collected
3559 by the department pursuant to this section. Money deposited into
3560 the fund shall not lapse at the end of any fiscal year and
3561 investment earnings on the proceeds in such special fund shall be
3562 deposited into such fund. Money from the fund shall be disbursed
3563 upon warrants issued by the State Fiscal Officer upon requisitions
3564 signed by the executive director of the department to assist the
3565 department in carrying out its duties under this section.

3566 (8) This section shall only apply to taxpayers:

3567 (a) Who have been issued a certificate evidencing the
3568 eligible credit before December 31, 2030; or

3569 (b) Who, before December 31, 2030, have received a
3570 determination in writing from the Mississippi Department of
3571 Archives and History, in accordance with the department's Historic
3572 Preservation Certificate Application, Part 2, that the
3573 rehabilitation is consistent with the historic character of the
3574 property and that the property meets the United States Secretary
3575 of the Interior's Standards for Rehabilitation, or will meet the
3576 standards if certain specified conditions are met, and, who are
3577 issued a certificate evidencing the eligible credit on or after
3578 December 31, 2030.

3579 **SECTION 28.** Section 27-7-22.32, Mississippi Code of 1972, is
3580 brought forward as follows:



3581 **[Through December 31, 2023, this section shall read as**
3582 **follows:]**

3583 27-7-22.32. (1) (a) There shall be allowed as a credit
3584 against the tax imposed by this chapter the amount of the
3585 qualified adoption expenses paid or incurred, not to exceed Two
3586 Thousand Five Hundred Dollars (\$2,500.00), for each dependent
3587 child legally adopted by a taxpayer under the laws of this state
3588 during calendar year 2006 or during any calendar year thereafter
3589 through calendar year 2017, and not to exceed Five Thousand
3590 Dollars (\$5,000.00) for each dependent child legally adopted by a
3591 taxpayer under the laws of this state during any calendar year
3592 thereafter. A taxpayer claiming a credit under this paragraph (a)
3593 may not claim a credit under paragraph (b) of this subsection for
3594 the adoption of the same child.

3595 (b) There shall be allowed as a credit against the tax
3596 imposed by this chapter the amount of Five Thousand Dollars
3597 (\$5,000.00) for each dependent child legally adopted by a taxpayer
3598 under the laws of this state through the Mississippi Department of
3599 Child Protection Services during calendar year 2018 or during any
3600 calendar year thereafter. A taxpayer claiming a credit under this
3601 paragraph (b) may not claim a credit under paragraph (a) of this
3602 subsection for the adoption of the same child.

3603 (2) The tax credit under this section may be claimed for the
3604 taxable year in which the adoption becomes final under the laws of
3605 this state. Any tax credit claimed under this section but not



3606 used in any taxable year may be carried forward for the five (5)
3607 succeeding tax years. A tax credit is allowed under this section
3608 for any child for which an exemption is claimed during the same
3609 taxable year under Section 27-7-21(e). For the purposes of this
3610 section, the term "qualified adoption expenses" means and has the
3611 same definition as that term has in 26 USCS 36C.

3612 **[From and after January 1, 2024, this section shall read as**
3613 **follows:]**

3614 27-7-22.32. There shall be allowed as a credit against the
3615 tax imposed by this chapter the amount of the qualified adoption
3616 expenses paid or incurred, not to exceed Two Thousand Five Hundred
3617 Dollars (\$2,500.00), for each dependent child legally adopted by a
3618 taxpayer under the laws of this state during calendar year 2006 or
3619 during any calendar year thereafter. The tax credit under this
3620 section may be claimed for the taxable year in which the adoption
3621 becomes final under the laws of this state. Any tax credit
3622 claimed under this section but not used in any taxable year may be
3623 carried forward for the three (3) succeeding tax years. A tax
3624 credit is allowed under this section for any child for which an
3625 exemption is claimed during the same taxable year under Section
3626 27-7-21(e). For the purposes of this section, the term "qualified
3627 adoption expenses" means and has the same definition as that term
3628 has in 26 USCS 36C.

3629 **SECTION 29.** Section 27-7-22.33, Mississippi Code of 1972, is
3630 brought forward as follows:



3631 27-7-22.33. (1) A taxpayer shall be allowed a credit
3632 against the income taxes imposed under this chapter in an amount
3633 equal to twenty-five percent (25%) of the premium costs paid
3634 during the taxable year for a qualified long-term care insurance
3635 policy as defined in Section 7702B of the Internal Revenue Code
3636 that offers coverage to either the individual, the individual's
3637 spouse, the individual's parent or parent-in-law, or the
3638 individual's dependent as defined in Section 152 of the Internal
3639 Revenue Code.

3640 (2) No taxpayer shall be entitled to the credit with respect
3641 to the same expended amounts for qualified long-term care
3642 insurance which are claimed by another taxpayer.

3643 (3) The credit allowed by this section shall not exceed Five
3644 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
3645 whichever is less, for each qualified long-term care insurance
3646 policy. Any unused tax credit shall not be allowed to be carried
3647 forward to apply to the taxpayer's succeeding year's tax
3648 liability.

3649 (4) No credit shall be allowed under this section with
3650 respect to any premium for qualified long-term care insurance
3651 either deducted or subtracted by the taxpayer in arriving at his
3652 net taxable income under this section or with respect to any
3653 premiums for qualified long-term care insurance which were
3654 excluded from his net taxable income.



3655 **SECTION 30.** Section 27-7-22.37, Mississippi Code of 1972, is
3656 brought forward as follows:

3657 27-7-22.37. (1) There shall be allowed as a credit against
3658 the tax imposed by Section 27-7-5 the amount of the qualified
3659 prekindergarten program support contributions paid to approved
3660 providers, lead partners or collaboratives, not to exceed One
3661 Million Dollars (\$1,000,000.00), by any individual, corporation or
3662 other entity having taxable income under the laws of this state
3663 during calendar year 2013 or during any calendar year thereafter.
3664 In order to qualify for a tax credit, such contributions may
3665 support the local match requirement of approved providers, lead
3666 partners or collaboratives as is necessary to match
3667 state-appropriated funds, and any such providers, lead partners or
3668 collaboratives shall be approved by the State Department of
3669 Education.

3670 (2) Any unused portion of the credit may be carried forward
3671 for three (3) tax years.

3672 (3) Any prekindergarten program support contribution shall
3673 be verified by submission to the Mississippi Department of Revenue
3674 of a copy of the receipt provided to the donor taxpayer by the
3675 prekindergarten program recipient or such other written
3676 verification as may be required by the Department of Revenue.

3677 (4) The maximum amount of donations accepted by the
3678 Department of Revenue in calendar year 2014 shall not exceed Eight
3679 Million Dollars (\$8,000,000.00), in calendar year 2015 shall not



3680 exceed Fifteen Million Dollars (\$15,000,000.00), and in calendar
3681 year 2016 and calendar years thereafter shall not exceed
3682 Thirty-two Million Dollars (\$32,000,000.00), or what is
3683 appropriated by the Legislature to fund Chapter 493, Laws of 2013
3684 each year.

3685 (5) The Mississippi Department of Revenue shall promulgate
3686 rules necessary to effectuate the purposes of Chapter 493, Laws of
3687 2013. Such rules shall include a means of informing the public of
3688 the existence of the prekindergarten support program and the
3689 application process for provider, lead partner and collaborative
3690 candidates.

3691 **SECTION 31.** Section 27-7-22.39, Mississippi Code of 1972, is
3692 brought forward as follows:

3693 27-7-22.39. (1) As used in this section:

3694 (a) "Low-income residents" means persons whose
3695 household income is less than one hundred fifty percent (150%) of
3696 the federal poverty level.

3697 (b) "Qualifying charitable organization" means a
3698 charitable organization that is exempt from federal income
3699 taxation under Section 501(c)(3) of the Internal Revenue Code or
3700 is a designated community action agency that receives community
3701 services block grant program monies pursuant to 42 USC 9901. The
3702 organization must spend at least fifty percent (50%) of its budget
3703 on services to residents of this state who receive temporary
3704 assistance for needy families benefits or low-income residents of



3705 this state and their households or to children who have a chronic
3706 illness or physical, intellectual, developmental or emotional
3707 disability who are residents of this state. A charitable
3708 organization that is exempt from federal income tax under Section
3709 501(c)(3) of the Internal Revenue Code and that meets all other
3710 requirements of this paragraph except that it does not spend at
3711 least fifty percent (50%) of its overall budget in Mississippi may
3712 be a qualifying charitable organization if it spends at least
3713 fifty percent (50%) of its Mississippi budget on services to
3714 qualified individuals in Mississippi and it certifies to the
3715 department that one hundred percent (100%) of the voluntary cash
3716 contributions from the taxpayer will be spent on services to
3717 qualified individuals in Mississippi. Taxpayers choosing to make
3718 donations through an umbrella charitable organization that
3719 collects donations on behalf of member charities shall designate
3720 that the donation be directed to a member charitable organization
3721 that would qualify under this section on a stand-alone basis.
3722 Qualifying charitable organization does not include any entity
3723 that provides, pays for or provides coverage of abortions or that
3724 financially supports any other entity that provides, pays for or
3725 provides coverage of abortions.

3726 (c) "Qualifying foster care charitable organization"
3727 means a qualifying charitable organization that each operating
3728 year provides services to at least one hundred (100) qualified
3729 individuals in this state and spends at least fifty percent (50%)



3730 of its budget on services to qualified individuals in this state.
3731 A charitable organization that is exempt from federal income tax
3732 under Section 501(c)(3) of the Internal Revenue Code and that
3733 meets all other requirements of this paragraph except that it does
3734 not spend at least fifty percent (50%) of its overall budget in
3735 Mississippi may be a qualifying foster care charitable
3736 organization if it spends at least fifty percent (50%) of its
3737 Mississippi budget on services to qualified individuals in
3738 Mississippi and it certifies to the department that one hundred
3739 percent (100%) of the voluntary cash contributions from the
3740 taxpayer will be spent on services to qualified individuals in
3741 Mississippi. For the purposes of this paragraph, "qualified
3742 individual" means a child in a foster care placement program
3743 established by the Department of Child Protection Services, a
3744 child placed under the Safe Families for Children model, or a
3745 child at significant risk of entering a foster care placement
3746 program established by the Department of Child Protection
3747 Services.

3748 (d) "Services" means:

3749 (i) Cash assistance, medical care, child care,
3750 food, clothing, shelter, and job-placement services or any other
3751 assistance that is reasonably necessary to meet immediate basic
3752 needs and that is provided and used in this state;

3753 (ii) Job-training or education services or funding
3754 for parents, foster parents or guardians; or



3755 (iii) Job-training or education services or
3756 funding provided as part of a foster care independent living
3757 program.

3758 (2) Except as provided in subsections (3) and (4) of this
3759 section, a credit is allowed against the taxes imposed by this
3760 chapter for voluntary cash contributions by the taxpayer during
3761 the taxable year to a qualifying charitable organization, other
3762 than a qualifying foster care charitable organization, not to
3763 exceed:

3764 (a) The lesser of Four Hundred Dollars (\$400.00) or the
3765 amount of the contribution in any taxable year for a single
3766 individual or a head of household.

3767 (b) The lesser of Eight Hundred Dollars (\$800.00) or
3768 the amount of the contribution in any taxable year for a married
3769 couple filing a joint return.

3770 (3) A separate credit is allowed against the taxes imposed
3771 by this chapter for voluntary cash contributions during the
3772 taxable year to a qualifying foster care charitable organization.
3773 A contribution to a qualifying foster care charitable organization
3774 does not qualify for, and shall not be included in, any credit
3775 amount under subsection (2) of this section. If the voluntary
3776 cash contribution by the taxpayer is to a qualifying foster care
3777 charitable organization, the credit shall not exceed:



3778 (a) The lesser of Five Hundred Dollars (\$500.00) or the
3779 amount of the contribution in any taxable year for a single
3780 individual or a head of household.

3781 (b) The lesser of One Thousand Dollars (\$1,000.00) or
3782 the amount of the contribution in any taxable year for a married
3783 couple filing a joint return.

3784 (4) Subsections (2) and (3) of this section provide separate
3785 credits against taxes imposed by this chapter depending on the
3786 recipients of the contributions. A taxpayer, including a married
3787 couple filing a joint return, in the same taxable year, may either
3788 or both:

3789 (a) Contribute to a qualifying charitable organization,
3790 other than a qualifying foster care charitable organization, and
3791 claim a credit under subsection (2) of this section.

3792 (b) Contribute to a qualifying foster care charitable
3793 organization and claim a credit under subsection (3) of this
3794 section.

3795 (5) A husband and wife who file separate returns for a
3796 taxable year in which they could have filed a joint return may
3797 each claim only one-half (1/2) of the tax credit that would have
3798 been allowed for a joint return.

3799 (6) If the allowable tax credit exceeds the taxes otherwise
3800 due under this chapter on the claimant's income, or if there are
3801 no taxes due under this chapter, the taxpayer may carry forward
3802 the amount of the claim not used to offset the taxes under this



3803 chapter for not more than five (5) consecutive taxable years'
3804 income tax liability.

3805 (7) The credit allowed by this section is in lieu of a
3806 deduction pursuant to Section 170 of the Internal Revenue Code and
3807 taken for state tax purposes.

3808 (8) Taxpayers taking a credit authorized by this section
3809 shall provide the name of the qualifying charitable organization
3810 and the amount of the contribution to the department on forms
3811 provided by the department.

3812 (9) A qualifying charitable organization shall provide the
3813 department with a written certification that it meets all criteria
3814 to be considered a qualifying charitable organization. The
3815 organization shall also notify the department of any changes that
3816 may affect the qualifications under this section.

3817 (10) The charitable organization's written certification
3818 must be signed by an officer of the organization under penalty of
3819 perjury. The written certification shall include the following:

3820 (a) Verification of the organization's status under
3821 Section 501(c)(3) of the Internal Revenue Code or verification
3822 that the organization is a designated community action agency that
3823 receives community services block grant program monies pursuant to
3824 42 USC 9901.

3825 (b) Financial data indicating the organization's budget
3826 for the organization's prior operating year and the amount of that
3827 budget spent on services to residents of this state who either:



3828 (i) Receive temporary assistance for needy
3829 families benefits;
3830 (ii) Are low-income residents of this state;
3831 (iii) Are children who have a chronic illness or
3832 physical, intellectual, developmental or emotional disability; or
3833 (iv) Are children in a foster care placement
3834 program established by the Department of Child Protection
3835 Services, children placed under the Safe Families for Children
3836 model or children at significant risk of entering a foster care
3837 placement program established by the Department of Child
3838 Protection Services.

3839 (c) A statement that the organization plans to continue
3840 spending at least fifty percent (50%) of its budget on services to
3841 residents of this state who receive temporary assistance for needy
3842 families benefits, who are low-income residents of this state, who
3843 are children who have a chronic illness or physical, intellectual,
3844 developmental or emotional disability or who are children in a
3845 foster care placement program established by the Department of
3846 Child Protection Services, children placed under the Safe Families
3847 for Children model or children at significant risk of entering a
3848 foster care placement program established by the Department of
3849 Child Protection Services. A charitable organization that is
3850 exempt from federal income tax under Section 501(c)(3) of the
3851 Internal Revenue Code and that meets all other requirements for a
3852 qualifying charitable organization or qualifying foster care



3853 charitable organization except that it does not spend at least
3854 fifty percent (50%) of its overall budget in Mississippi shall
3855 submit a statement that it spends at least fifty percent (50%) of
3856 its Mississippi budget on services to qualified individuals in
3857 Mississippi and that one hundred percent (100%) of the voluntary
3858 cash contributions it receives from Mississippi taxpayers will be
3859 spent on services to qualified individuals in Mississippi.

3860 (d) In the case of a foster care charitable
3861 organization, a statement that each operating year it provides
3862 services to at least one hundred (100) qualified individuals in
3863 this state.

3864 (e) A statement that the organization does not provide,
3865 pay for or provide coverage of abortions and does not financially
3866 support any other entity that provides, pays for or provides
3867 coverage of abortions.

3868 (f) Any other information that the department requires
3869 to administer this section.

3870 (11) The department shall review each written certification
3871 and determine whether the organization meets all the criteria to
3872 be considered a qualifying charitable organization and notify the
3873 organization of its determination. The department may also
3874 periodically request recertification from the organization. The
3875 department shall compile and make available to the public a list
3876 of the qualifying charitable organizations.



3877 (12) The aggregate amount of tax credits that may be awarded
3878 under this section in any calendar year shall not exceed Three
3879 Million Dollars (\$3,000,000.00). However, for calendar year 2021,
3880 and for each calendar year thereafter, the aggregate amount of tax
3881 credits that may be awarded under this section in any calendar
3882 year shall not exceed One Million Dollars (\$1,000,000.00). In
3883 addition, any tax credits not awarded under this section before
3884 June 1, 2020, may be allocated during calendar year 2020 under
3885 Section 27-7-22.41 for contributions by taxpayers to eligible
3886 charitable organizations described in Section
3887 27-7-22.41(1)(b)(ii) as provided under such section,
3888 notwithstanding any limitation on the percentage of tax credits
3889 that may be allocated for such contributions.

3890 (13) A taxpayer shall apply for credits with the department
3891 on forms prescribed by the department. In the application the
3892 taxpayer shall certify to the department the dollar amount of the
3893 contributions made or to be made during the calendar year. Within
3894 thirty (30) days after the receipt of an application, the
3895 department shall allocate credits based on the dollar amount of
3896 contributions as certified in the application. However, if the
3897 department cannot allocate the full amount of credits certified in
3898 the application due to the limit on the aggregate amount of
3899 credits that may be awarded under this section in a calendar year,
3900 the department shall so notify the applicant within thirty (30)
3901 days with the amount of credits, if any, that may be allocated to



3902 the applicant in the calendar year. Once the department has
3903 allocated credits to a taxpayer, if the contribution for which a
3904 credit is allocated has not been made as of the date of the
3905 allocation, then the contribution must be made not later than
3906 sixty (60) days from the date of the allocation. If the
3907 contribution is not made within such time period, the allocation
3908 shall be cancelled and returned to the department for
3909 reallocation. Upon final documentation of the contributions, if
3910 the actual dollar amount of the contributions is lower than the
3911 amount estimated, the department shall adjust the tax credit
3912 allowed under this section.

3913 (14) This section shall be repealed from and after January
3914 1, 2025.

3915 **SECTION 32.** Section 27-7-22.41, Mississippi Code of 1972, is
3916 brought forward as follows:

3917 27-7-22.41. (1) For the purposes of this section, the
3918 following words and phrases shall have the meanings ascribed in
3919 this section unless the context clearly indicates otherwise:

3920 (a) "Department" means the Department of Revenue.

3921 (b) "Eligible charitable organization" means an
3922 organization that is exempt from federal income taxation under
3923 Section 501(c)(3) of the Internal Revenue Code and is:

3924 (i) Licensed by or under contract or agreement
3925 with the Department of Child Protection Services and provides
3926 services for:



3927 1. The prevention and diversion of children
3928 from custody with the Department of Child Protection Services,

3929 2. The safety, care and well-being of
3930 children in custody with the Department of Child Protection
3931 Services, or

3932 3. The express purpose of creating permanency
3933 for children through adoption; or

3934 (ii) Certified by the department as a job
3935 training, workforce development or educational services charitable
3936 organization and provides services to:

3937 1. Children in a foster care placement
3938 program established by the Department of Child Protection
3939 Services, children placed under the Safe Families for Children
3940 model, or children at significant risk of entering a foster care
3941 placement program established by the Department of Child
3942 Protection Services,

3943 2. Children who have a chronic illness or
3944 physical, intellectual, developmental or emotional disability, or

3945 3. Children eligible for free or reduced
3946 price meals programs under Section 37-11-7, or selected for
3947 participation in the Promise Neighborhoods Program sponsored by
3948 the U.S. Department of Education.

3949 (2) (a) The tax credit authorized in this section shall be
3950 available only to a taxpayer who is a business enterprise engaged
3951 in commercial, industrial or professional activities and operating



3952 as a corporation, limited liability company, partnership or sole
3953 proprietorship. Except as otherwise provided in this section, a
3954 credit is allowed against the taxes imposed by Sections 27-7-5,
3955 27-15-103, 27-15-109 and 27-15-123, for voluntary cash
3956 contributions made by a taxpayer during the taxable year to an
3957 eligible charitable organization. The amount of credit that may
3958 be utilized by a taxpayer in a taxable year shall be limited to an
3959 amount not to exceed fifty percent (50%) of the total tax
3960 liability of the taxpayer for the taxes imposed by such sections
3961 of law. Any tax credit claimed under this section but not used in
3962 any taxable year may be carried forward for five (5) consecutive
3963 years from the close of the tax year in which the credits were
3964 earned.

3965 (b) A contribution to an eligible charitable
3966 organization for which a credit is claimed under this section does
3967 not qualify for and shall not be included in any credit that may
3968 be claimed under Section 27-7-22.39.

3969 (c) A contribution for which a credit is claimed under
3970 this section may not be used as a deduction by the taxpayer for
3971 state income tax purposes.

3972 (3) Taxpayers taking a credit authorized by this section
3973 shall provide the name of the eligible charitable organization and
3974 the amount of the contribution to the department on forms provided
3975 by the department.



3976 (4) An eligible charitable organization shall provide the
3977 department with a written certification that it meets all criteria
3978 to be considered an eligible charitable organization. The
3979 organization shall also notify the department of any changes that
3980 may affect eligibility under this section.

3981 (5) The eligible charitable organization's written
3982 certification must be signed by an officer of the organization
3983 under penalty of perjury. The written certification shall include
3984 the following:

3985 (a) Verification of the organization's status under
3986 Section 501(c) (3) of the Internal Revenue Code;

3987 (b) A statement that the organization does not provide,
3988 pay for or provide coverage of abortions and does not financially
3989 support any other entity that provides, pays for or provides
3990 coverage of abortions;

3991 (c) Any other information that the department requires
3992 to administer this section.

3993 (6) The department shall review each written certification
3994 and determine whether the organization meets all the criteria to
3995 be considered an eligible charitable organization and notify the
3996 organization of its determination. The department may also
3997 periodically request recertification from the organization. The
3998 department shall compile and make available to the public a list
3999 of eligible charitable organizations.



4000 (7) Tax credits authorized by this section that are earned
4001 by a partnership, limited liability company, S corporation or
4002 other similar pass-through entity, shall be allocated among all
4003 partners, members or shareholders, respectively, either in
4004 proportion to their ownership interest in such entity or as the
4005 partners, members or shareholders mutually agree as provided in an
4006 executed document.

4007 (8) (a) A taxpayer shall apply for credits with the
4008 department on forms prescribed by the department. In the
4009 application the taxpayer shall certify to the department the
4010 dollar amount of the contributions made or to be made during the
4011 calendar year. Within thirty (30) days after the receipt of an
4012 application, the department shall allocate credits based on the
4013 dollar amount of contributions as certified in the application.
4014 However, if the department cannot allocate the full amount of
4015 credits certified in the application due to the limit on the
4016 aggregate amount of credits that may be awarded under this section
4017 in a calendar year, the department shall so notify the applicant
4018 within thirty (30) days with the amount of credits, if any, that
4019 may be allocated to the applicant in the calendar year. Once the
4020 department has allocated credits to a taxpayer, if the
4021 contribution for which a credit is allocated has not been made as
4022 of the date of the allocation, then the contribution must be made
4023 not later than sixty (60) days from the date of the allocation.
4024 If the contribution is not made within such time period, the



4025 allocation shall be cancelled and returned to the department for
4026 reallocation. Upon final documentation of the contributions, if
4027 the actual dollar amount of the contributions is lower than the
4028 amount estimated, the department shall adjust the tax credit
4029 allowed under this section.

4030 (b) A taxpayer who applied for a tax credit under this
4031 section during calendar year 2020, but who was unable to be
4032 awarded the credit due to the limit on the aggregate amount of
4033 credits authorized for calendar year 2020, shall be given priority
4034 for tax credits authorized to be allocated to taxpayers under this
4035 section by Section 27-7-22.39.

4036 (9) The aggregate amount of tax credits that may be
4037 allocated by the department under this section during a calendar
4038 year shall not exceed Five Million Dollars (\$5,000,000.00), and
4039 not more than fifty percent (50%) of tax credits allocated during
4040 a calendar year may be allocated for contributions to eligible
4041 charitable organizations described in subsection (1)(b)(ii) of
4042 this section. However, for calendar year 2021, and for each
4043 calendar year thereafter, the aggregate amount of tax credits that
4044 may be allocated by the department under this section during a
4045 calendar year shall not exceed Ten Million Dollars
4046 (\$10,000,000.00). For calendar year 2021, and for each calendar
4047 year thereafter, fifty percent (50%) of the tax credits allocated
4048 during a calendar year shall be allocated for contributions to
4049 eligible charitable organizations described in subsection



4050 (1)(b)(i) of this section and fifty percent (50%) of the tax
4051 credits allocated during a calendar year shall be allocated for
4052 contributions to eligible charitable organizations described in
4053 subsection (1)(b)(ii) of this section. For calendar year 2021,
4054 and for each calendar year thereafter, for credits allocated
4055 during a calendar year for contributions to eligible charitable
4056 organizations described in subsection (1)(b)(i) of this section,
4057 no more than twenty-five percent (25%) of such credits may be
4058 allocated for contributions to a single eligible charitable
4059 organization. For calendar year 2021, and for each calendar year
4060 thereafter, for credits allocated during a calendar year for
4061 contributions to eligible charitable organizations described in
4062 subsection (1)(b)(ii) of this section, no more than five percent
4063 (5%) of such credits may be allocated for contributions to a
4064 single eligible charitable organization.

4065 **SECTION 33.** Section 27-7-207, Mississippi Code of 1972, is
4066 brought forward as follows:

4067 27-7-207. (1) Subject to the limitations provided for in
4068 this section, through calendar year 2023 a taxpayer shall be
4069 allowed a credit against the tax imposed by Chapter 7, Title 27,
4070 in an amount equal to twenty-five percent (25%) of a qualified
4071 contribution to an endowed fund at a qualified community
4072 foundation, subject to the following:

4073 (a) The minimum amount of a qualified contribution
4074 shall be One Thousand Dollars (\$1,000.00).



4075 (b) The maximum amount of a qualified contribution
4076 shall be Two Hundred Thousand Dollars (\$200,000.00).

4077 (c) The total qualified contributions from any
4078 qualified taxpayer eligible for the tax credit authorized under
4079 this section shall be Two Hundred Thousand Dollars (\$200,000.00)
4080 per year.

4081 (2) Except as otherwise provided in this subsection, the
4082 aggregate amount of tax credits authorized under this article
4083 shall not exceed Five Hundred Thousand Dollars (\$500,000.00) in
4084 any one (1) calendar year. The credits shall be awarded on a
4085 first-come, first-served basis. If the tax credits authorized for
4086 used in any calendar year are not utilized, the amount not
4087 utilized may be awarded or carried forward in up to five (5)
4088 subsequent calendar years from the year in which such credits are
4089 made available.

4090 (3) If the amount allowable as a credit exceeds the tax
4091 imposed by Chapter 7, Title 27, the amount of such excess may be
4092 carried forward for not more than five (5) subsequent taxable
4093 years.

4094 (4) From and after January 1, 2024, no additional credits
4095 shall be authorized under this section; however, any tax credits
4096 authorized prior to January 1, 2024, and not used, may be carried
4097 forward for not more than five (5) taxable years subsequent to
4098 calendar year 2023.



4099 **SECTION 34.** Section 27-7-312, Mississippi Code of 1972, is
4100 brought forward as follows:

4101 27-7-312. (1) Of the revenue collected under the provisions
4102 of this article from the new direct jobs of a qualified business
4103 or industry as defined in Section 57-62-5 of the Mississippi
4104 Advantage Jobs Act, an amount equal to the estimated amount of the
4105 quarterly incentive payment for which such qualified business or
4106 industry is eligible shall be deposited into the Mississippi
4107 Advantage Jobs Incentive Payment Fund created pursuant to Section
4108 57-62-1 et seq., on or before the twentieth day of the month
4109 following the close of each calendar quarter.

4110 (2) Of the revenue collected under the provisions of this
4111 article from the qualified jobs of a qualified business or
4112 industry as defined in Section 57-99-1, an amount equal to the
4113 estimated amount of the quarterly incentive payment for which such
4114 qualified business or industry is eligible shall be deposited into
4115 the MMEIA Withholding Rebate Fund created pursuant to Section
4116 57-99-5, on or before the twentieth day of the month following the
4117 close of each calendar quarter.

4118 (3) Of the revenue collected under the provisions of this
4119 article from the qualified jobs of a qualified business or
4120 industry as defined in Section 57-100-1, an amount equal to the
4121 estimated amount of the quarterly incentive payment for which such
4122 qualified business or industry is eligible shall be deposited into
4123 the Existing Industry Withholding Rebate Fund created pursuant to



4124 Section 57-100-5, on or before the twentieth day of the month
4125 following the close of each calendar quarter.

4126 (4) Of the revenue collected under the provisions of this
4127 article from the qualified jobs of a qualified business or
4128 industry as defined in Section 57-99-21, an amount equal to the
4129 estimated amount of the quarterly incentive payment for which such
4130 qualified business or industry is eligible shall be deposited into
4131 the MMEIA Rebate Fund created pursuant to Section 57-99-25, on or
4132 before the twentieth day of the month following the close of each
4133 calendar quarter.

4134 **SECTION 35.** Section 57-62-5, Mississippi Code of 1972, is
4135 brought forward as follows:

4136 **[For businesses or industries that received or applied for**
4137 **incentive payments prior to July 1, 2005, this section shall read**
4138 **as follows:]**

4139 57-62-5. As used in this chapter, the following words and
4140 phrases shall have the meanings ascribed in this section unless
4141 the context clearly indicates otherwise:

4142 (a) "Qualified business or industry" means any
4143 corporation, limited liability company, partnership, sole
4144 proprietorship, business trust or other legal entity and subunits
4145 or affiliates thereof, pursuant to rules and regulations of the
4146 MDA, which provides an average annual salary, excluding benefits
4147 which are not subject to Mississippi income taxes, of at least one
4148 hundred twenty-five percent (125%) of the most recently published



4149 state average annual wage or the most recently published average
4150 annual wage of the county in which the qualified business or
4151 industry is located as determined by the Mississippi Department of
4152 Employment Security, whichever is the lesser. An establishment
4153 shall not be considered to be a qualified business or industry
4154 unless it offers, or will offer within one hundred eighty (180)
4155 days of the date it receives the first incentive payment pursuant
4156 to the provisions of this chapter, a basic health benefits plan to
4157 the individuals it employs in new direct jobs in this state which
4158 is approved by the MDA. Qualified business or industry does not
4159 include retail business or gaming business;

4160 (b) "New direct job" means full-time employment in this
4161 state in a qualified business or industry that has qualified to
4162 receive an incentive payment pursuant to this chapter, which
4163 employment did not exist in this state before the date of approval
4164 by the MDA of the application of the qualified business or
4165 industry pursuant to the provisions of this chapter. "New direct
4166 job" shall include full-time employment in this state of employees
4167 who are employed by an entity other than the establishment that
4168 has qualified to receive an incentive payment and who are leased
4169 to the qualified business or industry, if such employment did not
4170 exist in this state before the date of approval by the MDA of the
4171 application of the establishment;

4172 (c) "Full-time job" means a job of at least thirty-five
4173 (35) hours per week;



4174 (d) "Estimated direct state benefits" means the tax
4175 revenues projected by the MDA to accrue to the state as a result
4176 of the qualified business or industry;

4177 (e) "Estimated direct state costs" means the costs
4178 projected by the MDA to accrue to the state as a result of the
4179 qualified business or industry;

4180 (f) "Estimated net direct state benefits" means the
4181 estimated direct state benefits less the estimated direct state
4182 costs;

4183 (g) "Net benefit rate" means the estimated net direct
4184 state benefits computed as a percentage of gross payroll, provided
4185 that:

4186 (i) Except as otherwise provided in this paragraph
4187 (g), the net benefit rate may be variable and shall not exceed
4188 four percent (4%) of the gross payroll; and shall be set in the
4189 sole discretion of the MDA;

4190 (ii) In no event shall incentive payments,
4191 cumulatively, exceed the estimated net direct state benefits;

4192 (h) "Gross payroll" means wages for new direct jobs of
4193 the qualified business or industry; and

4194 (i) "MDA" means the Mississippi Development Authority.

4195 **[For businesses or industries that received or applied for**
4196 **incentive payments from and after July 1, 2005, but prior to July**
4197 **1, 2010, this section shall read as follows:]**



4198 57-62-5. As used in this chapter, the following words and
4199 phrases shall have the meanings ascribed in this section unless
4200 the context clearly indicates otherwise:

4201 (a) "Qualified business or industry" means any
4202 corporation, limited liability company, partnership, sole
4203 proprietorship, business trust or other legal entity and subunits
4204 or affiliates thereof, pursuant to rules and regulations of the
4205 MDA, which:

4206 (i) Is a data/information processing enterprise
4207 meeting minimum criteria established by the MDA that provides an
4208 average annual salary, excluding benefits which are not subject to
4209 Mississippi income taxes, of at least one hundred percent (100%)
4210 of the most recently published state average annual wage or the
4211 most recently published average annual wage of the county in which
4212 the qualified business or industry is located as determined by the
4213 Mississippi Department of Employment Security, whichever is the
4214 lesser, and creates not less than two hundred (200) new direct
4215 jobs if the enterprise is located in a Tier One or Tier Two area
4216 (as such areas are designated in accordance with Section
4217 57-73-21), or which creates not less than one hundred (100) new
4218 jobs if the enterprise is located in a Tier Three area (as such
4219 areas are designated in accordance with Section 57-73-21);

4220 (ii) Is a manufacturing or distribution enterprise
4221 meeting minimum criteria established by the MDA that provides an
4222 average annual salary, excluding benefits which are not subject to



4223 Mississippi income taxes, of at least one hundred ten percent
4224 (110%) of the most recently published state average annual wage or
4225 the most recently published average annual wage of the county in
4226 which the qualified business or industry is located as determined
4227 by the Mississippi Department of Employment Security, whichever is
4228 the lesser, invests not less than Twenty Million Dollars
4229 (\$20,000,000.00) in land, buildings and equipment, and creates not
4230 less than fifty (50) new direct jobs if the enterprise is located
4231 in a Tier One or Tier Two area (as such areas are designated in
4232 accordance with Section 57-73-21), or which creates not less than
4233 twenty (20) new jobs if the enterprise is located in a Tier Three
4234 area (as such areas are designated in accordance with Section
4235 57-73-21);

4236 (iii) Is a corporation, limited liability company,
4237 partnership, sole proprietorship, business trust or other legal
4238 entity and subunits or affiliates thereof, pursuant to rules and
4239 regulations of the MDA, which provides an average annual salary,
4240 excluding benefits which are not subject to Mississippi income
4241 taxes, of at least one hundred twenty-five percent (125%) of the
4242 most recently published state average annual wage or the most
4243 recently published average annual wage of the county in which the
4244 qualified business or industry is located as determined by the
4245 Mississippi Department of Employment Security, whichever is the
4246 lesser, and creates not less than twenty-five (25) new direct jobs
4247 if the enterprise is located in a Tier One or Tier Two area (as



4248 such areas are designated in accordance with Section 57-73-21), or
4249 which creates not less than ten (10) new jobs if the enterprise is
4250 located in a Tier Three area (as such areas are designated in
4251 accordance with Section 57-73-21). An establishment shall not be
4252 considered to be a qualified business or industry unless it
4253 offers, or will offer within one hundred eighty (180) days of the
4254 date it receives the first incentive payment pursuant to the
4255 provisions of this chapter, a basic health benefits plan to the
4256 individuals it employs in new direct jobs in this state which is
4257 approved by the MDA. Qualified business or industry does not
4258 include retail business or gaming business; or

4259 (iv) Is a research and development or a technology
4260 intensive enterprise meeting minimum criteria established by the
4261 MDA that provides an average annual salary, excluding benefits
4262 which are not subject to Mississippi income taxes, of at least one
4263 hundred fifty percent (150%) of the most recently published state
4264 average annual wage or the most recently published average annual
4265 wage of the county in which the qualified business or industry is
4266 located as determined by the Mississippi Department of Employment
4267 Security, whichever is the lesser, and creates not less than ten
4268 (10) new direct jobs.

4269 An establishment shall not be considered to be a qualified
4270 business or industry unless it offers, or will offer within one
4271 hundred eighty (180) days of the date it receives the first
4272 incentive payment pursuant to the provisions of this chapter, a



4273 basic health benefits plan to the individuals it employs in new
4274 direct jobs in this state which is approved by the MDA. Qualified
4275 business or industry does not include retail business or gaming
4276 business.

4277 (b) "New direct job" means full-time employment in this
4278 state in a qualified business or industry that has qualified to
4279 receive an incentive payment pursuant to this chapter, which
4280 employment did not exist in this state before the date of approval
4281 by the MDA of the application of the qualified business or
4282 industry pursuant to the provisions of this chapter. "New direct
4283 job" shall include full-time employment in this state of employees
4284 who are employed by an entity other than the establishment that
4285 has qualified to receive an incentive payment and who are leased
4286 to the qualified business or industry, if such employment did not
4287 exist in this state before the date of approval by the MDA of the
4288 application of the establishment.

4289 (c) "Full-time job" or "full-time employment" means a
4290 job of at least thirty-five (35) hours per week.

4291 (d) "Estimated direct state benefits" means the tax
4292 revenues projected by the MDA to accrue to the state as a result
4293 of the qualified business or industry.

4294 (e) "Estimated direct state costs" means the costs
4295 projected by the MDA to accrue to the state as a result of the
4296 qualified business or industry.



4297 (f) "Estimated net direct state benefits" means the
4298 estimated direct state benefits less the estimated direct state
4299 costs.

4300 (g) "Net benefit rate" means the estimated net direct
4301 state benefits computed as a percentage of gross payroll, provided
4302 that:

4303 (i) Except as otherwise provided in this paragraph
4304 (g), the net benefit rate may be variable and shall not exceed
4305 four percent (4%) of the gross payroll; and shall be set in the
4306 sole discretion of the MDA;

4307 (ii) In no event shall incentive payments,
4308 cumulatively, exceed the estimated net direct state benefits.

4309 (h) "Gross payroll" means wages for new direct jobs of
4310 the qualified business or industry.

4311 (i) "MDA" means the Mississippi Development Authority.

4312 **[For businesses or industries that apply for incentive**
4313 **payments from and after July 1, 2010, this section shall read as**
4314 **follows:]**

4315 57-62-5. As used in this chapter, the following words and
4316 phrases shall have the meanings ascribed in this section unless
4317 the context clearly indicates otherwise:

4318 (a) "Qualified business or industry" means any
4319 corporation, limited liability company, partnership, sole
4320 proprietorship, business trust or other legal entity and subunits



4321 or affiliates thereof, pursuant to rules and regulations of the
4322 MDA, which:

4323 (i) Is a data/information processing enterprise
4324 meeting minimum criteria established by the MDA that provides an
4325 average annual salary, excluding benefits which are not subject to
4326 Mississippi income taxes, of at least one hundred percent (100%)
4327 of the most recently published state average annual wage or the
4328 most recently published average annual wage of the county in which
4329 the qualified business or industry is located as determined by the
4330 Mississippi Department of Employment Security, whichever is the
4331 lesser, and creates not less than two hundred (200) new direct
4332 jobs;

4333 (ii) Is a corporation, limited liability company,
4334 partnership, sole proprietorship, business trust or other legal
4335 entity and subunits or affiliates thereof, pursuant to rules and
4336 regulations of the MDA, which provides an average annual salary,
4337 excluding benefits which are not subject to Mississippi income
4338 taxes, of at least one hundred ten percent (110%) of the most
4339 recently published state average annual wage or the most recently
4340 published average annual wage of the county in which the qualified
4341 business or industry is located as determined by the Mississippi
4342 Department of Employment Security, whichever is the lesser, and
4343 creates not less than twenty-five (25) new direct jobs; or

4344 (iii) Is a corporation, limited liability company,
4345 partnership, sole proprietorship, business trust or other legal



4346 entity and subunits or affiliates thereof, pursuant to rules and
4347 regulations of the MDA, which is a manufacturer that:

4348 1. Provides an average annual salary,
4349 excluding benefits which are not subject to Mississippi income
4350 taxes, of at least one hundred ten percent (110%) of the most
4351 recently published state average annual wage or the most recently
4352 published average annual wage of the county in which the qualified
4353 business or industry is located as determined by the Mississippi
4354 Department of Employment Security, whichever is the lesser;

4355 2. Has a minimum of five thousand (5,000)
4356 existing employees as of the last day of the previous calendar
4357 year; and

4358 3. MDA determines will create not less than
4359 three thousand (3,000) new direct jobs within forty-eight (48)
4360 months of the date the MDA determines that the applicant is
4361 qualified to receive incentive payments.

4362 An establishment shall not be considered to be a qualified
4363 business or industry unless it offers, or will offer within one
4364 hundred eighty (180) days of the date it receives the first
4365 incentive payment pursuant to the provisions of this chapter, a
4366 basic health benefits plan to the individuals it employs in new
4367 direct jobs in this state which is approved by the MDA. Qualified
4368 business or industry does not include retail business or gaming
4369 business.



4370 (b) "New direct job" means full-time employment in this
4371 state in a qualified business or industry that has qualified to
4372 receive an incentive payment pursuant to this chapter, which
4373 employment did not exist in this state before the date of approval
4374 by the MDA of the application of the qualified business or
4375 industry pursuant to the provisions of this chapter. "New direct
4376 job" shall include full-time employment in this state of employees
4377 who are employed by an entity other than the establishment that
4378 has qualified to receive an incentive payment and who are leased
4379 to the qualified business or industry, if such employment did not
4380 exist in this state before the date of approval by the MDA of the
4381 application of the establishment.

4382 (c) "Full-time job" or "full-time employment" means a
4383 job of at least thirty-five (35) hours per week.

4384 (d) "Gross payroll" means wages for new direct jobs of
4385 the qualified business or industry.

4386 (e) "MDA" means the Mississippi Development Authority.

4387 **SECTION 36.** Section 57-62-9, Mississippi Code of 1972, is
4388 brought forward as follows:

4389 **[For businesses or industries that received or applied for**
4390 **incentive payments prior to July 1, 2005, this section shall read**
4391 **as follows:]**

4392 57-62-9. (1) Except as otherwise provided in this section,
4393 a qualified business or industry that meets the qualifications
4394 specified in this chapter may receive quarterly incentive payments



4395 for a period not to exceed ten (10) years from the Department of
4396 Revenue pursuant to the provisions of this chapter in an amount
4397 which shall be equal to the net benefit rate multiplied by the
4398 actual gross payroll of new direct jobs for a calendar quarter as
4399 verified by the Mississippi Department of Employment Security, but
4400 not to exceed the amount of money previously paid into the fund by
4401 the employer. A qualified business or industry that is a project
4402 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4403 which the ten-year period will begin. Such date may not be later
4404 than sixty (60) months after the date the business or industry
4405 applied for incentive payments.

4406 (2) (a) A qualified business or industry that is a project
4407 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4408 receive incentive payments for an additional period not to exceed
4409 five (5) years beyond the expiration date of the initial ten-year
4410 period if:

4411 (i) The qualified business or industry creates at
4412 least three thousand (3,000) new direct jobs within five (5) years
4413 after the date the business or industry commences commercial
4414 production;

4415 (ii) Within five (5) years after the date the
4416 business or industry commences commercial production, the average
4417 annual wage of the jobs is at least one hundred fifty percent
4418 (150%) of the most recently published state average annual wage or
4419 the most recently published average annual wage of the county in



4420 which the qualified business or industry is located as determined
4421 by the Mississippi Department of Employment Security, whichever is
4422 the lesser. The criteria for the average annual wage requirement
4423 shall be based upon the state average annual wage or the average
4424 annual wage of the county whichever is appropriate, at the time of
4425 creation of the minimum number of jobs, and the threshold
4426 established at that time will remain constant for the duration of
4427 the additional period; and

4428 (iii) The qualified business or industry meets and
4429 maintains the job and wage requirements of subparagraphs (i) and
4430 (ii) of this paragraph (a) for four (4) consecutive calendar
4431 quarters.

4432 (b) A qualified business or industry that is a project
4433 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4434 incentive payments for the additional period provided in paragraph
4435 (a) of this subsection (2) may apply to the MDA to receive
4436 incentive payments for an additional period not to exceed ten (10)
4437 years beyond the expiration date of the additional period provided
4438 in paragraph (a) of this subsection (2) if:

4439 (i) The qualified business or industry creates at
4440 least four thousand (4,000) new direct jobs after qualifying for
4441 the additional incentive period provided in paragraph (a) of this
4442 subsection (2) but before the expiration of the additional period.
4443 For purposes of determining whether the business or industry meets
4444 the minimum jobs requirement of this subparagraph (i), the number



4445 of jobs the business or industry created in order to meet the
4446 minimum jobs requirement of paragraph (a) of this subsection (2)
4447 shall be subtracted from the minimum jobs requirement of this
4448 subparagraph (i);

4449 (ii) The average annual wage of the jobs is at
4450 least one hundred fifty percent (150%) of the most recently
4451 published state average annual wage or the most recently published
4452 average annual wage of the county in which the qualified business
4453 or industry is located as determined by the Mississippi Department
4454 of Employment Security, whichever is the lesser. The criteria for
4455 the average annual wage requirement shall be based upon the state
4456 average annual wage or the average annual wage of the county
4457 whichever is appropriate, at the time of creation of the minimum
4458 number of jobs, and the threshold established at that time will
4459 remain constant for the duration of the additional period; and

4460 (iii) The qualified business or industry meets and
4461 maintains the job and wage requirements of subparagraphs (i) and
4462 (ii) of this paragraph (b) for four (4) consecutive calendar
4463 quarters.

4464 (3) In order to receive incentive payments, an establishment
4465 shall apply to the MDA. The application shall be on a form
4466 prescribed by the MDA and shall contain such information as may be
4467 required by the MDA to determine if the applicant is qualified.

4468 (4) In order to qualify to receive such payments, the
4469 establishment applying shall be required to:



4470 (a) Be engaged in a qualified business or industry;

4471 (b) Provide an average salary, excluding benefits which
4472 are not subject to Mississippi income taxes, of at least one
4473 hundred twenty-five percent (125%) of the most recently published
4474 state average annual wage or the most recently published average
4475 annual wage of the county in which the qualified business or
4476 industry is located as determined by the Mississippi Department of
4477 Employment Security, whichever is the lesser. The criteria for
4478 this requirement shall be based upon the state average annual wage
4479 or the average annual wage of the county whichever is appropriate,
4480 at the time of application, and the threshold established upon
4481 application will remain constant for the duration of the project;

4482 (c) The business or industry must create and maintain a
4483 minimum of ten (10) full-time jobs in counties that have an
4484 average unemployment rate over the previous twelve-month period
4485 which is at least one hundred fifty percent (150%) of the most
4486 recently published state unemployment rate, as determined by the
4487 Mississippi Department of Employment Security or in Tier Three
4488 counties as determined under Section 57-73-21. In all other
4489 counties, the business or industry must create and maintain a
4490 minimum of twenty-five (25) full-time jobs. The criteria for this
4491 requirement shall be based on the designation of the county at the
4492 time of the application. The threshold established upon the
4493 application will remain constant for the duration of the project.
4494 The business or industry must meet its job creation commitment



4495 within twenty-four (24) months of the application approval.
4496 However, if the qualified business or industry is applying for
4497 incentive payments for an additional period under subsection (2)
4498 of this section, the business or industry must comply with the
4499 applicable job and wage requirements of subsection (2) of this
4500 section.

4501 (5) The MDA shall determine if the applicant is qualified to
4502 receive incentive payments. If the applicant is determined to be
4503 qualified by the MDA, the MDA shall conduct a cost/benefit
4504 analysis to determine the estimated net direct state benefits and
4505 the net benefit rate applicable for a period not to exceed ten
4506 (10) years and to estimate the amount of gross payroll for the
4507 period. If the applicant is determined to be qualified to receive
4508 incentive payments for an additional period under subsection (2)
4509 of this section, the MDA shall conduct a cost/benefit analysis to
4510 determine the estimated net direct state benefits and the net
4511 benefit rate applicable for the appropriate additional period and
4512 to estimate the amount of gross payroll for the additional period.
4513 In conducting such cost/benefit analysis, the MDA shall consider
4514 quantitative factors, such as the anticipated level of new tax
4515 revenues to the state along with the cost to the state of the
4516 qualified business or industry, and such other criteria as deemed
4517 appropriate by the MDA, including the adequacy of retirement
4518 benefits that the business or industry provides to individuals it
4519 employs in new direct jobs in this state. In no event shall



4520 incentive payments, cumulatively, exceed the estimated net direct
4521 state benefits. Once the qualified business or industry is
4522 approved by the MDA, an agreement shall be deemed to exist between
4523 the qualified business or industry and the State of Mississippi,
4524 requiring the continued incentive payment to be made as long as
4525 the qualified business or industry retains its eligibility.

4526 (6) Upon approval of such an application, the MDA shall
4527 notify the Department of Revenue and shall provide it with a copy
4528 of the approved application and the estimated net direct state
4529 benefits. The Department of Revenue may require the qualified
4530 business or industry to submit such additional information as may
4531 be necessary to administer the provisions of this chapter. The
4532 qualified business or industry shall report to the Department of
4533 Revenue periodically to show its continued eligibility for
4534 incentive payments. The qualified business or industry may be
4535 audited by the Department of Revenue to verify such eligibility.
4536 In addition, the State Auditor may conduct performance and
4537 compliance audits under this chapter according to Section
4538 7-7-211(o) and may bill the oversight agency.

4539 (7) If the qualified business or industry is located in an
4540 area that has been declared by the Governor to be a disaster area
4541 and as a result of the disaster the business or industry is unable
4542 to create or maintain the full-time jobs required by this section:



4543 (a) The Commissioner of Revenue may extend the period
4544 of time that the business or industry may receive incentive
4545 payments for a period of time not to exceed two (2) years;

4546 (b) The Commissioner of Revenue may waive the
4547 requirement that a certain number of jobs be maintained for a
4548 period of time not to exceed twenty-four (24) months; and

4549 (c) The MDA may extend the period of time within which
4550 the jobs must be created for a period of time not to exceed
4551 twenty-four (24) months.

4552 **[For businesses or industries that received or applied for**
4553 **incentive payments from and after July 1, 2005, but prior to July**
4554 **1, 2010, this section shall read as follows:]**

4555 57-62-9. (1) (a) Except as otherwise provided in this
4556 section, a qualified business or industry that meets the
4557 qualifications specified in this chapter may receive quarterly
4558 incentive payments for a period not to exceed ten (10) years from
4559 the Department of Revenue pursuant to the provisions of this
4560 chapter in an amount which shall be equal to the net benefit rate
4561 multiplied by the actual gross payroll of new direct jobs for a
4562 calendar quarter as verified by the Mississippi Department of
4563 Employment Security, but not to exceed:

4564 (i) Ninety percent (90%) of the amount of money
4565 previously paid into the fund by the employer if the employer
4566 provides an average annual salary, excluding benefits which are
4567 not subject to Mississippi income taxes, of at least one hundred



4568 seventy-five percent (175%) of the most recently published state
4569 average annual wage or the most recently published average annual
4570 wage of the county in which the qualified business or industry is
4571 located as determined by the Mississippi Department of Employment
4572 Security, whichever is the lesser;

4573 (ii) Eighty percent (80%) of the amount of money
4574 previously paid into the fund by the employer if the employer
4575 provides an average annual salary, excluding benefits which are
4576 not subject to Mississippi income taxes, of at least one hundred
4577 twenty-five percent (125%) but less than one hundred seventy-five
4578 percent (175%) of the most recently published state average annual
4579 wage or the most recently published average annual wage of the
4580 county in which the qualified business or industry is located as
4581 determined by the Mississippi Department of Employment Security,
4582 whichever is the lesser; or

4583 (iii) Seventy percent (70%) of the amount of money
4584 previously paid into the fund by the employer if the employer
4585 provides an average annual salary, excluding benefits which are
4586 not subject to Mississippi income taxes, of less than one hundred
4587 twenty-five percent (125%) of the most recently published state
4588 average annual wage or the most recently published average annual
4589 wage of the county in which the qualified business or industry is
4590 located as determined by the Mississippi Department of Employment
4591 Security, whichever is the lesser.



4592 (b) A qualified business or industry that is a project
4593 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4594 which the ten-year period will begin. Such date may not be later
4595 than sixty (60) months after the date the business or industry
4596 applied for incentive payments.

4597 (2) (a) A qualified business or industry that is a project
4598 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4599 receive incentive payments for an additional period not to exceed
4600 five (5) years beyond the expiration date of the initial ten-year
4601 period if:

4602 (i) The qualified business or industry creates at
4603 least three thousand (3,000) new direct jobs within five (5) years
4604 after the date the business or industry commences commercial
4605 production;

4606 (ii) Within five (5) years after the date the
4607 business or industry commences commercial production, the average
4608 annual wage of the jobs is at least one hundred fifty percent
4609 (150%) of the most recently published state average annual wage or
4610 the most recently published average annual wage of the county in
4611 which the qualified business or industry is located as determined
4612 by the Mississippi Department of Employment Security, whichever is
4613 the lesser. The criteria for the average annual wage requirement
4614 shall be based upon the state average annual wage or the average
4615 annual wage of the county whichever is appropriate, at the time of
4616 creation of the minimum number of jobs, and the threshold



4617 established at that time will remain constant for the duration of
4618 the additional period; and

4619 (iii) The qualified business or industry meets and
4620 maintains the job and wage requirements of subparagraphs (i) and
4621 (ii) of this paragraph (a) for four (4) consecutive calendar
4622 quarters.

4623 (b) A qualified business or industry that is a project
4624 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4625 incentive payments for the additional period provided in paragraph
4626 (a) of this subsection (2) may apply to the MDA to receive
4627 incentive payments for an additional period not to exceed ten (10)
4628 years beyond the expiration date of the additional period provided
4629 in paragraph (a) of this subsection (2) if:

4630 (i) The qualified business or industry creates at
4631 least four thousand (4,000) new direct jobs after qualifying for
4632 the additional incentive period provided in paragraph (a) of this
4633 subsection (2) but before the expiration of the additional period.
4634 For purposes of determining whether the business or industry meets
4635 the minimum jobs requirement of this subparagraph (i), the number
4636 of jobs the business or industry created in order to meet the
4637 minimum jobs requirement of paragraph (a) of this subsection (2)
4638 shall be subtracted from the minimum jobs requirement of this
4639 subparagraph (i);

4640 (ii) The average annual wage of the jobs is at
4641 least one hundred fifty percent (150%) of the most recently



4642 published state average annual wage or the most recently published
4643 average annual wage of the county in which the qualified business
4644 or industry is located as determined by the Mississippi Department
4645 of Employment Security, whichever is the lesser. The criteria for
4646 the average annual wage requirement shall be based upon the state
4647 average annual wage or the average annual wage of the county
4648 whichever is appropriate, at the time of creation of the minimum
4649 number of jobs, and the threshold established at that time will
4650 remain constant for the duration of the additional period; and

4651 (iii) The qualified business or industry meets and
4652 maintains the job and wage requirements of subparagraphs (i) and
4653 (ii) of this paragraph (b) for four (4) consecutive calendar
4654 quarters.

4655 (3) In order to receive incentive payments, an establishment
4656 shall apply to the MDA. The application shall be on a form
4657 prescribed by the MDA and shall contain such information as may be
4658 required by the MDA to determine if the applicant is qualified.

4659 (4) (a) In order to qualify to receive such payments, the
4660 establishment applying shall be required to meet the definition of
4661 the term "qualified business or industry";

4662 (b) The criteria for the average annual salary
4663 requirement shall be based upon the state average annual wage or
4664 the average annual wage of the county whichever is appropriate, at
4665 the time of application, and the threshold established upon
4666 application will remain constant for the duration of the project;



4667 (c) The business or industry must meet its job creation
4668 commitment within twenty-four (24) months of the application
4669 approval. However, if the qualified business or industry is
4670 applying for incentive payments for an additional period under
4671 subsection (2) of this section, the business or industry must
4672 comply with the applicable job and wage requirements of subsection
4673 (2) of this section.

4674 (5) (a) The MDA shall determine if the applicant is
4675 qualified to receive incentive payments.

4676 (b) If the applicant is determined to be qualified to
4677 receive incentive payments for an additional period under
4678 subsection (2) of this section, the MDA shall conduct a
4679 cost/benefit analysis to determine the estimated net direct state
4680 benefits and the net benefit rate applicable for the appropriate
4681 additional period and to estimate the amount of gross payroll for
4682 the additional period. In conducting such cost/benefit analysis,
4683 the MDA shall consider quantitative factors, such as the
4684 anticipated level of new tax revenues to the state along with the
4685 cost to the state of the qualified business or industry, and such
4686 other criteria as deemed appropriate by the MDA, including the
4687 adequacy of retirement benefits that the business or industry
4688 provides to individuals it employs in new direct jobs in this
4689 state. In no event shall incentive payments, cumulatively, exceed
4690 the estimated net direct state benefits. Once the qualified
4691 business or industry is approved by the MDA, an agreement shall be



4692 deemed to exist between the qualified business or industry and the
4693 State of Mississippi, requiring the continued incentive payment to
4694 be made as long as the qualified business or industry retains its
4695 eligibility.

4696 (6) Upon approval of such an application, the MDA shall
4697 notify the Department of Revenue and shall provide it with a copy
4698 of the approved application and the estimated net direct state
4699 benefits. The Department of Revenue may require the qualified
4700 business or industry to submit such additional information as may
4701 be necessary to administer the provisions of this chapter. The
4702 qualified business or industry shall report to the Department of
4703 Revenue periodically to show its continued eligibility for
4704 incentive payments. The qualified business or industry may be
4705 audited by the Department of Revenue to verify such eligibility.
4706 In addition, the State Auditor may conduct performance and
4707 compliance audits under this chapter according to Section
4708 7-7-211(o) and may bill the oversight agency.

4709 (7) If the qualified business or industry is located in an
4710 area that has been declared by the Governor to be a disaster area
4711 and as a result of the disaster the business or industry is unable
4712 to create or maintain the full-time jobs required by this section:

4713 (a) The Commissioner of Revenue may extend the period
4714 of time that the business or industry may receive incentive
4715 payments for a period of time not to exceed two (2) years;



4716 (b) The Commissioner of Revenue may waive the
4717 requirement that a certain number of jobs be maintained for a
4718 period of time not to exceed twenty-four (24) months; and

4719 (c) The MDA may extend the period of time within which
4720 the jobs must be created for a period of time not to exceed
4721 twenty-four (24) months.

4722 **[For businesses or industries that apply for incentive**
4723 **payments from and after July 1, 2010, this section shall read as**
4724 **follows:]**

4725 57-62-9. (1) (a) Except as otherwise provided in this
4726 section, a qualified business or industry that meets the
4727 qualifications specified in this chapter may receive quarterly
4728 incentive payments for a period not to exceed ten (10) years from
4729 the Department of Revenue pursuant to the provisions of this
4730 chapter in an amount which shall be equal to ninety percent (90%)
4731 of the amount of actual income tax withheld for employees with new
4732 direct jobs, but in no event more than four percent (4%) of the
4733 total annual salary paid for new direct jobs during such period,
4734 excluding benefits which are not subject to Mississippi income
4735 taxes.

4736 (b) A qualified business or industry that is a project
4737 as defined in Section 57-75-5(f)(iv)1 may elect the date upon
4738 which the ten-year period will begin. Such date may not be later
4739 than sixty (60) months after the date the business or industry
4740 applied for incentive payments.



4741 (c) A qualified business or industry as defined in
4742 Section 57-62-5(a)(iii) may elect the date upon which the ten-year
4743 period will begin and may elect to begin receiving incentive
4744 payments as early as the second quarter after that date.
4745 Incentive payments will be calculated on all jobs above the
4746 existing number of jobs as of the date the MDA determines that the
4747 applicant is qualified to receive incentive payments. In the
4748 event that the qualified business or industry falls below the
4749 number of existing jobs at the time of determination that the
4750 applicant is qualified to receive the incentive payment, the
4751 incentive payment shall cease until the qualified business or
4752 industry once again exceeds that number. If after forty-eight
4753 (48) months, the qualified business or industry has failed to
4754 create at least three thousand (3,000) new direct jobs, incentive
4755 payments shall cease and the qualified business or industry shall
4756 not be qualified to receive further incentive payments.

4757 (2) (a) A qualified business or industry that is a project
4758 as defined in Section 57-75-5(f)(iv)1 may apply to the MDA to
4759 receive incentive payments for an additional period not to exceed
4760 five (5) years beyond the expiration date of the initial ten-year
4761 period if:

4762 (i) The qualified business or industry creates at
4763 least three thousand (3,000) new direct jobs within five (5) years
4764 after the date the business or industry commences commercial
4765 production;



4766 (ii) Within five (5) years after the date the
4767 business or industry commences commercial production, the average
4768 annual wage of the jobs is at least one hundred fifty percent
4769 (150%) of the most recently published state average annual wage or
4770 the most recently published average annual wage of the county in
4771 which the qualified business or industry is located as determined
4772 by the Mississippi Department of Employment Security, whichever is
4773 the lesser. The criteria for the average annual wage requirement
4774 shall be based upon the state average annual wage or the average
4775 annual wage of the county whichever is appropriate, at the time of
4776 creation of the minimum number of jobs, and the threshold
4777 established at that time will remain constant for the duration of
4778 the additional period; and

4779 (iii) The qualified business or industry meets and
4780 maintains the job and wage requirements of subparagraphs (i) and
4781 (ii) of this paragraph (a) for four (4) consecutive calendar
4782 quarters.

4783 (b) A qualified business or industry that is a project
4784 as defined in Section 57-75-5(f)(iv)1 and qualified to receive
4785 incentive payments for the additional period provided in paragraph
4786 (a) of this subsection (2) may apply to the MDA to receive
4787 incentive payments for an additional period not to exceed ten (10)
4788 years beyond the expiration date of the additional period provided
4789 in paragraph (a) of this subsection (2) if:



4790 (i) The qualified business or industry creates at
4791 least four thousand (4,000) new direct jobs after qualifying for
4792 the additional incentive period provided in paragraph (a) of this
4793 subsection (2) but before the expiration of the additional period.
4794 For purposes of determining whether the business or industry meets
4795 the minimum jobs requirement of this subparagraph (i), the number
4796 of jobs the business or industry created in order to meet the
4797 minimum jobs requirement of paragraph (a) of this subsection (2)
4798 shall be subtracted from the minimum jobs requirement of this
4799 subparagraph (i);

4800 (ii) The average annual wage of the jobs is at
4801 least one hundred fifty percent (150%) of the most recently
4802 published state average annual wage or the most recently published
4803 average annual wage of the county in which the qualified business
4804 or industry is located as determined by the Mississippi Department
4805 of Employment Security, whichever is the lesser. The criteria for
4806 the average annual wage requirement shall be based upon the state
4807 average annual wage or the average annual wage of the county
4808 whichever is appropriate, at the time of creation of the minimum
4809 number of jobs, and the threshold established at that time will
4810 remain constant for the duration of the additional period; and

4811 (iii) The qualified business or industry meets and
4812 maintains the job and wage requirements of subparagraphs (i) and
4813 (ii) of this paragraph (b) for four (4) consecutive calendar
4814 quarters.



4815 (3) In order to receive incentive payments, an establishment
4816 shall apply to the MDA. The application shall be on a form
4817 prescribed by the MDA and shall contain such information as may be
4818 required by the MDA to determine if the applicant is qualified.

4819 (4) (a) In order to qualify to receive such payments, the
4820 establishment applying shall be required to meet the definition of
4821 the term "qualified business or industry";

4822 (b) The criteria for the average annual salary
4823 requirement shall be based upon the state average annual wage or
4824 the average annual wage of the county whichever is appropriate, at
4825 the time of application, and the threshold established upon
4826 application will remain constant for the duration of the project;

4827 (c) Except as otherwise provided for a qualified
4828 business or industry as defined in Section 57-62-5(a)(iii), the
4829 business or industry must meet its job creation commitment within
4830 twenty-four (24) months of the application approval. However, if
4831 the qualified business or industry is applying for incentive
4832 payments for an additional period under subsection (2) of this
4833 section, the business or industry must comply with the applicable
4834 job and wage requirements of subsection (2) of this section.

4835 (5) (a) The MDA shall determine if the applicant is
4836 qualified to receive incentive payments.

4837 (b) If the applicant is determined to be qualified to
4838 receive incentive payments for an additional period under
4839 subsection (2) of this section, the MDA shall conduct an analysis



4840 to estimate the amount of gross payroll for the appropriate
4841 additional period. Incentive payments, cumulatively, shall not
4842 exceed ninety percent (90%) of the amount of actual income tax
4843 withheld for employees with new direct jobs, but in no event more
4844 than four percent (4%) of the total annual salary paid for new
4845 direct jobs during the additional period, excluding benefits which
4846 are not subject to Mississippi income taxes. Once the qualified
4847 business or industry is approved by the MDA, an agreement shall be
4848 deemed to exist between the qualified business or industry and the
4849 State of Mississippi, requiring the continued incentive payment to
4850 be made as long as the qualified business or industry retains its
4851 eligibility.

4852 (6) Upon approval of such an application, the MDA shall
4853 notify the Department of Revenue and shall provide it with a copy
4854 of the approved application and the minimum job and salary
4855 requirements. The Department of Revenue may require the qualified
4856 business or industry to submit such additional information as may
4857 be necessary to administer the provisions of this chapter. The
4858 qualified business or industry shall report to the Department of
4859 Revenue periodically to show its continued eligibility for
4860 incentive payments. The qualified business or industry may be
4861 audited by the Department of Revenue to verify such eligibility.
4862 In addition, the State Auditor may conduct performance and
4863 compliance audits under this chapter according to Section
4864 7-7-211(o) and may bill the oversight agency.



4865 (7) If the qualified business or industry is located in an
4866 area that has been declared by the Governor to be a disaster area
4867 and as a result of the disaster the business or industry is unable
4868 to create or maintain the full-time jobs required by this section:

4869 (a) The Commissioner of Revenue may extend the period
4870 of time that the business or industry may receive incentive
4871 payments for a period of time not to exceed two (2) years;

4872 (b) The Commissioner of Revenue may waive the
4873 requirement that a certain number of jobs be maintained for a
4874 period of time not to exceed twenty-four (24) months; and

4875 (c) The MDA may extend the period of time within which
4876 the jobs must be created for a period of time not to exceed
4877 twenty-four (24) months.

4878 **SECTION 37.** Section 57-62-11, Mississippi Code of 1972, is
4879 brought forward as follows:

4880 57-62-11. (1) There is created in the State Treasury a
4881 special fund to be known as the Mississippi Advantage Jobs
4882 Incentive Payment Fund, into which shall be deposited withholding
4883 tax revenue required to be deposited into such fund pursuant to
4884 Section 27-7-312. The money in the fund shall be used for the
4885 purpose of making the incentive payments authorized under this
4886 chapter.

4887 (2) The Mississippi Advantage Jobs Incentive Payment Fund
4888 shall be administered by the Department of Revenue, and monies in
4889 the fund, less three percent (3%) to be retained by the Department



4890 of Revenue to pay the reasonable and necessary expenses of the
4891 Department of Revenue in administering its duties under this
4892 chapter, shall be expended pursuant to the approved application.
4893 Amounts in the fund at the end of any fiscal year that are not
4894 necessary to make future incentive payments shall be paid into the
4895 General Fund.

4896 (3) The liability of the State of Mississippi to make the
4897 incentive payments authorized under this chapter shall be limited
4898 to the balance contained in the fund.

4899 **SECTION 38.** Section 57-62-13, Mississippi Code of 1972, is
4900 brought forward as follows:

4901 57-62-13. (1) As soon as practicable after the end of a
4902 calendar quarter for which a qualified business or industry has
4903 qualified to receive an incentive payment, the qualified business
4904 or industry shall file a claim for the payment with the Department
4905 of Revenue and shall specify the actual number of new direct jobs
4906 created and maintained by the business or industry for the
4907 calendar quarter and the gross payroll thereof. The Department of
4908 Revenue shall verify the actual number of new direct jobs created
4909 and maintained by the business or industry and compliance with the
4910 average annual wage requirements for such business or industry
4911 under this chapter. If the qualified business or industry files a
4912 claim for an incentive payment during an additional incentive
4913 period provided under Section 57-62-9(2), the Department of
4914 Revenue shall verify the actual number of new direct jobs created



4915 and maintained by the business or industry and compliance with the
4916 average annual wage requirements for such business or industry
4917 under this chapter. If the Department of Revenue is not able to
4918 provide such verification utilizing all available resources, the
4919 Department of Revenue may request such additional information from
4920 the business or industry as may be necessary.

4921 (2) (a) Except as otherwise provided in this chapter, the
4922 business or industry must meet the salary and job requirements of
4923 this chapter for four (4) consecutive calendar quarters prior to
4924 payment of the first incentive payment. Except as otherwise
4925 provided in Section 57-62-9, if the business or industry does not
4926 maintain the salary or job requirements of this chapter at any
4927 other time during the ten-year period after the date the first
4928 payment was made, the incentive payments shall not be made and
4929 shall not be resumed until such time as the actual verified number
4930 of new direct jobs created and maintained by the business or
4931 industry equals or exceeds the requirements of this chapter for
4932 one (1) calendar quarter.

4933 (b) If the business or industry is qualified to receive
4934 incentive payments for an additional period provided under Section
4935 57-62-9(2), the business or industry must meet the wage and job
4936 requirements of Section 57-62-9(2), for four (4) consecutive
4937 calendar quarters prior to payment of the first incentive payment.
4938 If the business or industry does not maintain the wage or job
4939 requirements of Section 57-62-9(2), at any other time during the



4940 appropriate additional period after the date the first payment was
4941 made, the incentive payments shall not be made and shall not be
4942 resumed until such time as the actual verified number of new
4943 direct jobs created and maintained by the business or industry
4944 equals or exceeds the amounts specified in Section 57-62-9(2), for
4945 one (1) calendar quarter.

4946 (3) An establishment that has qualified pursuant to this
4947 chapter may receive payments only in accordance with the provision
4948 under which it initially applied and was approved. If an
4949 establishment that is receiving incentive payments expands, it may
4950 apply for additional incentive payments based on the new gross
4951 payroll for new direct jobs anticipated from the expansion only,
4952 pursuant to this chapter.

4953 (4) As soon as practicable after verification of the
4954 qualified business or industry meeting the requirements of this
4955 chapter and all rules and regulations, the Department of Finance
4956 and Administration, upon requisition of the Department of Revenue,
4957 shall issue a warrant drawn on the Mississippi Advantage Jobs
4958 Incentive Payment Fund to the establishment in the amount of the
4959 incentive payment as determined pursuant to subsection (1) of this
4960 section for the calendar quarter.

4961 **SECTION 39.** Section 57-89-3, Mississippi Code of 1972, is
4962 brought forward as follows:



4963 57-89-3. As used in this chapter, the following terms shall
4964 have the meanings ascribed in this section unless the context
4965 clearly indicates otherwise:

4966 (a) "Base investment" means the actual investment made
4967 and expended in Mississippi by a motion picture production company
4968 in connection with the production of a state-certified production
4969 in the state. The term "base investment" includes amounts
4970 expended in Mississippi by a motion picture production company as
4971 per diem and housing allowances in connection with the production
4972 of a state-certified production in the state. The term "base
4973 investment" shall not include payroll. However, in the case of a
4974 motion picture production company, or its owner, principal,
4975 member, production partner, independent contractor director or
4976 producer, or subsidiary company that (i) is designated and
4977 pre-qualified by the Mississippi Development Authority as
4978 Mississippi-based or a Mississippi resident; (ii) has filed income
4979 taxes in the State of Mississippi during each of the previous
4980 three (3) years; and (iii) has engaged in activities related to
4981 the production of at least two (2) motion pictures in Mississippi
4982 during the past ten (10) years, base investment may include
4983 payroll and fringes paid for any employee who is not a resident
4984 and whose wages are subject to the Mississippi Income Tax
4985 Withholding Law of 1968, if so requested by the motion picture
4986 production company. A motion picture production company must
4987 submit such a request to the Mississippi Development Authority at



4988 the time the company submits an application for approval as a
4989 state-certified production. In addition, if base investment
4990 includes payroll and fringes, and the payroll and fringes paid for
4991 an employee exceeds Five Million Dollars (\$5,000,000.00), then
4992 only the first Five Million Dollars (\$5,000,000.00) of such
4993 payroll and fringes may be included in base investment.

4994 (b) "Employee" means an individual directly involved in
4995 the physical production and/or post-production of a motion picture
4996 produced in the state and who is employed by a:

4997 (i) Motion picture production company that is
4998 directly involved in the physical production and/or
4999 post-production of a motion picture in the state;

5000 (ii) Personal service corporation retained by a
5001 motion picture production company to provide persons used directly
5002 in the physical production and/or post-production of a motion
5003 picture in the state; or

5004 (iii) Payroll service or loan-out company that is
5005 retained by a motion picture production company to provide
5006 employees who work directly in the physical production and/or
5007 post-production of a motion picture in the state.

5008 (c) "Fringes" means costs paid by a motion picture
5009 production company on or after September 1, 2013, for employee
5010 benefits that are not subject to state income tax. Fringes may
5011 include, but are not limited to, payments by an employer for
5012 unemployment insurance, Federal Insurance Contribution Act (FICA),



5013 workers' compensation insurance, pension and welfare benefits and
5014 health insurance premiums.

5015 (d) "Motion picture" means a nationally distributed
5016 feature-length film, video, DVD, television program or series,
5017 commercial, or computer or video game made in Mississippi, in
5018 whole or in part, for theatrical or DVD release or television
5019 viewing or as a television pilot or viewing through streaming
5020 video or internet delivery, or for playing on a video game
5021 console, personal computer or handheld device. The term "motion
5022 picture" shall not include the production of television coverage
5023 of news and athletic events, or a film, video, DVD, television
5024 program, series, or commercial that contains any material or
5025 performance defined in Section 97-29-103.

5026 (e) "Motion picture production company" means a company
5027 engaged in the business of producing nationally distributed motion
5028 pictures, videos, DVDs, television programs or series,
5029 commercials, or computer or video games intended for a theatrical
5030 release, for television viewing or for playing on a video game
5031 console, personal computer or handheld device. The term "motion
5032 picture production company" includes a company engaged in the
5033 business of making such productions through the use of animation,
5034 interactive media, preproduction and post-production 3D
5035 applications, video game cinematics, virtual production, visual
5036 effects, and motion capture within the fields of feature film,
5037 television, commercials and games. The term "motion picture



5038 production company" shall not mean or include any company owned,
5039 affiliated, or controlled, in whole or in part, by any company or
5040 person which is in default on a loan made by the state or a loan
5041 guaranteed by the state, or any company or person who has ever
5042 declared bankruptcy under which an obligation of the company or
5043 person to pay or repay public funds or monies was discharged as a
5044 part of such bankruptcy.

5045 (f) "Payroll" means salary, wages or other compensation
5046 including related benefits paid to employees upon which
5047 Mississippi income tax is due and has been withheld.

5048 (g) "Resident" or "resident of Mississippi" means a
5049 natural person, and for the purpose of determining eligibility for
5050 the rebate provided by Section 57-89-7, any person domiciled in
5051 the State of Mississippi and any other person who maintains a
5052 permanent place of abode within the state and spends in the
5053 aggregate more than six (6) months of each year within the state.

5054 (h) "State" means the State of Mississippi.

5055 (i) "State-certified production" means a motion picture
5056 approved by the Mississippi Development Authority produced by a
5057 motion picture production company in the state. An application
5058 for approval as a state-certified production must be submitted to
5059 the Mississippi Development Authority before production of the
5060 project begins.

5061 **SECTION 40.** Section 57-89-7, Mississippi Code of 1972, is
5062 brought forward as follows:



5063 57-89-7. (1) (a) A motion picture production company that
5064 expends at least Fifty Thousand Dollars (\$50,000.00) in base
5065 investment, payroll and/or fringes, in the state shall be entitled
5066 to a rebate of a portion of the base investment made by the motion
5067 picture production company. Subject to the provisions of this
5068 section, the amount of the rebate shall be equal to twenty-five
5069 percent (25%) of the base investment made by the motion picture
5070 production company.

5071 (b) In addition to the rebates authorized under
5072 paragraphs (a), (c) and (d) of this subsection, a motion picture
5073 production company may receive a rebate equal to twenty-five
5074 percent (25%) of payroll and fringes paid for any employee who is
5075 not a resident and whose wages are subject to the Mississippi
5076 Income Tax Withholding Law of 1968. However, if the payroll and
5077 fringes paid for an employee exceeds Five Million Dollars
5078 (\$5,000,000.00), then the rebate is authorized only for the first
5079 Five Million Dollars (\$5,000,000.00) of such payroll and fringes.

5080 (c) In addition to the rebates authorized under
5081 paragraphs (a), (b) and (d) of this subsection, a motion picture
5082 production company may receive a rebate equal to thirty percent
5083 (30%) of payroll and fringes paid for any employee who is a
5084 resident and whose wages are subject to the Mississippi Income Tax
5085 Withholding Law of 1968. However, if the payroll and fringes paid
5086 for an employee exceeds Five Million Dollars (\$5,000,000.00), then



5087 the rebate is authorized only for the first Five Million Dollars
5088 (\$5,000,000.00) of such payroll and fringes.

5089 (d) In addition to the rebates authorized in paragraphs
5090 (a), (b) and (c) of this subsection, a motion picture production
5091 company may receive an additional rebate equal to five percent
5092 (5%) of the payroll and fringes paid for any employee who is an
5093 honorably discharged veteran of the United States Armed Forces and
5094 whose wages are subject to the Mississippi Income Tax Withholding
5095 Law of 1968.

5096 (e) If a motion picture has physical production
5097 activities and/or post-production activities both inside and
5098 outside the state, then the motion picture production company
5099 shall be required to provide an itemized accounting for each
5100 employee regarding such activities inside and outside the state
5101 for the purposes of proration of eligible payroll based on the
5102 percentage of activities performed in the state.

5103 (f) The total amount of rebates authorized for a motion
5104 picture project shall not exceed Ten Million Dollars
5105 (\$10,000,000.00) in the aggregate.

5106 (g) The total amount of rebates authorized in any
5107 fiscal year shall not exceed Twenty Million Dollars
5108 (\$20,000,000.00) in the aggregate.

5109 (2) A motion picture production company desiring a rebate
5110 under this section must submit a rebate request to the Department
5111 of Revenue upon completion of the project. The request must



5112 include a detailed accounting of the base investment made by the
5113 motion picture production company and any other information
5114 required by the Department of Revenue. Rebates made by the
5115 Department of Revenue under this section shall be made from
5116 current income tax collections. The Department of Revenue shall
5117 not approve any application for a rebate under subsection (1)(b)
5118 of this section after July 1, 2017.

5119 (3) The Department of Revenue shall have all powers
5120 necessary to implement and administer the provisions of this
5121 section, and the Department of Revenue shall promulgate rules and
5122 regulations, in accordance with the Mississippi Administrative
5123 Procedures Law, necessary for the implementation of this section.

5124 (4) The State Auditor may conduct performance and compliance
5125 audits under this chapter according to Section 7-7-211(o) and may
5126 bill the oversight agency.

5127 **SECTION 41.** Section 57-99-1, Mississippi Code of 1972, is
5128 brought forward as follows:

5129 57-99-1. As used in Sections 57-99-1 through 57-99-9, the
5130 following words and phrases shall have the meanings ascribed in
5131 this section unless the context clearly indicates otherwise:

5132 (a) "Qualified business or industry" means any company
5133 and affiliates thereof, pursuant to rules and regulations of the
5134 MDA, which is:

5135 (i) A project that has been certified by the MMEIA
5136 as a project defined in Section 57-75-5(f)(xxi) and creates at



5137 least one thousand five hundred (1,500) jobs within sixty (60)
5138 months of the beginning of the project;

5139 (ii) A project that has been certified by the
5140 MMEIA as a project defined in Section 57-75-5(f)(xxii) and creates
5141 at least five hundred (500) jobs within seventy-two (72) months of
5142 the beginning of the project;

5143 (iii) A project:

5144 1. That has been certified by the MMEIA as a
5145 project defined in Section 57-75-5(f)(xxviii);

5146 2. Creates at least twenty-five (25) jobs
5147 within sixty (60) months of the beginning of the project; and

5148 3. In which the average annual wages and
5149 taxable benefits of the jobs created by such project are at least
5150 one hundred ten percent (110%) of the most recently published
5151 average annual wage of the state or the most recently published
5152 average annual wage of the county in which the project is located,
5153 as determined by the Mississippi Department of Employment
5154 Security, whichever is the lesser; or

5155 (iv) A project:

5156 1. That has been certified by the MMEIA as a
5157 project defined in Section 57-75-5(f)(xxix);

5158 2. That creates at least twenty-five (25)
5159 jobs within sixty (60) months following the date required by the
5160 MMEIA and prescribed by written agreement between the MMEIA and



5161 the enterprise establishing the project described in item 1 of
5162 this subparagraph (iv); and

5163 3. In which the average annual wages of the
5164 jobs created by such project are at least one hundred ten percent
5165 (110%) of the most recently published average annual wage of the
5166 state, as determined by the Mississippi Department of Employment
5167 Security.

5168 (b) "Qualified job" means full-time employment in this
5169 state within the project site of a qualified business or industry
5170 that has qualified to receive an incentive payment pursuant to
5171 Sections 57-99-1 through 57-99-9, which employment did not exist
5172 in this state before the date of approval by the MDA of the
5173 application of the qualified business or industry pursuant to the
5174 provisions of Sections 57-99-1 through 57-99-9. "Qualified job"
5175 also shall include full-time employment in this state of employees
5176 who are employed by an entity other than the establishment that
5177 has qualified to receive an incentive payment such as employees
5178 who are leased to and managed by the qualified business or
5179 industry, if such employment did not exist in this state before
5180 the date of approval by the MDA of the application of the
5181 establishment; provided, however, that in order for a qualified
5182 business or industry to receive incentive payments for such
5183 employees, the actual employer of the employees must agree to such
5184 payments being made to the qualified business or industry.



5185 (c) "Full-time employment" means a job of at least
5186 thirty-five (35) hours per week.

5187 (d) "Rebate amount" means the amount of Mississippi
5188 income taxes withheld from employees in qualified jobs that is
5189 available for rebate to the qualified business or industry,
5190 provided that:

5191 (i) Except as otherwise provided in this paragraph
5192 (d), the rebate amount shall be three and one-half percent
5193 (3-1/2%) of the wages and taxable benefits for qualified jobs; and

5194 (ii) In no event shall incentive payments exceed
5195 the actual Mississippi income taxes withheld from employees in
5196 qualified jobs that are available for rebate to the qualified
5197 business or industry.

5198 (e) "MDA" means the Mississippi Development Authority.

5199 (f) "MMEIA" means the Mississippi Major Economic Impact
5200 Authority.

5201 **SECTION 42.** Section 57-99-3, Mississippi Code of 1972, is
5202 brought forward as follows:

5203 57-99-3. (1) Except as otherwise provided in this section,
5204 a qualified business or industry that meets the qualifications
5205 specified in Sections 57-99-1 through 57-99-9 may receive
5206 quarterly incentive payments for a period not to exceed
5207 twenty-five (25) years from the Department of Revenue pursuant to
5208 the provisions of Sections 57-99-1 through 57-99-9 in an amount
5209 which shall be equal to the lesser of three and one-half percent



5210 (3-1/2%) of the wages and taxable benefits for qualified jobs or
5211 the actual amount of Mississippi income tax withheld by the
5212 employer for the qualified jobs. A qualified business or industry
5213 may elect the date upon which the incentive rebate period will
5214 begin. Such date may not be later than sixty (60) months after
5215 the date the business or industry applied for incentive payments;
5216 however, in the case of a qualified business or industry described
5217 in Section 57-99-1(a)(ii), such date may not be later than
5218 seventy-two (72) months after the date the business or industry
5219 applied for incentive payments, or for a qualified business or
5220 industry described in Section 57-99-1(a)(iv), such date may not be
5221 later than the date that is sixty (60) months after the earlier
5222 of:

5223 (a) The date the qualified business or industry applied
5224 for incentive payments; or

5225 (b) The start of commercial production as defined in a
5226 definitive agreement between such qualified business or industry
5227 and the MDA.

5228 (2) In order to receive incentive payments, an establishment
5229 shall apply to the MDA. The application shall be on a form
5230 prescribed by the MDA and shall contain such information as may be
5231 required by the MDA to determine if the applicant is qualified.

5232 (3) In order to qualify to receive such payments, the
5233 establishment applying shall be required to:

5234 (a) Be engaged in a qualified business or industry; and



5235 (b) The business or industry must create and maintain
5236 the minimum number of qualified jobs as set forth in Section
5237 57-99-1. Establishments that are approved as a qualified business
5238 or industry under Sections 57-99-1 through 57-99-9 may not receive
5239 incentive payments under Section 57-62-1 et seq.

5240 (4) Upon approval of such an application, the MDA shall
5241 notify the Department of Revenue and shall provide it with a copy
5242 of the approved application. The Department of Revenue may
5243 require the qualified business or industry to submit such
5244 additional information as may be necessary to administer the
5245 provisions of Sections 57-99-1 through 57-99-9. The qualified
5246 business or industry shall report to the Department of Revenue
5247 periodically to show its continued eligibility for incentive
5248 payments. The qualified business or industry may be audited by
5249 the Department of Revenue to verify such eligibility.

5250 **SECTION 43.** Section 57-99-5, Mississippi Code of 1972, is
5251 brought forward as follows:

5252 57-99-5. (1) There is created in the State Treasury a
5253 special fund to be known as the "MMEIA Withholding Rebate Fund,"
5254 into which shall be deposited withholding tax revenue required to
5255 be deposited into such fund pursuant to Section 27-7-312. The
5256 money in the fund shall be used for the purpose of making the
5257 incentive payments authorized under Sections 57-99-1 through
5258 57-99-9.



5259 (2) The liability of the State of Mississippi to make the
5260 incentive payments authorized under Sections 57-99-1 through
5261 57-99-9 shall be limited to the balance contained in the fund.

5262 **SECTION 44.** Section 57-99-7, Mississippi Code of 1972, is
5263 brought forward as follows:

5264 57-99-7. (1) As soon as practicable after the end of a
5265 calendar quarter for which a qualified business or industry has
5266 qualified to receive an incentive payment, the qualified business
5267 or industry shall file a claim for the payment with the State Tax
5268 Commission and shall specify the actual number of qualified jobs
5269 created and maintained by the business or industry for the
5270 calendar quarter and the wages and taxable benefits thereof. The
5271 State Tax Commission shall verify the actual number of qualified
5272 jobs created and maintained by the business or industry. If the
5273 State Tax Commission is not able to provide such verification
5274 utilizing all available resources, the State Tax Commission may
5275 request such additional information from the business or industry
5276 as may be necessary.

5277 (2) (a) The business or industry must meet the job
5278 requirements of Sections 57-99-1 through 57-99-9 for four (4)
5279 consecutive calendar quarters prior to payment of the first
5280 incentive payment. If the business or industry does not maintain
5281 the job requirements of Sections 57-99-1 through 57-99-9 at any
5282 other time during the twenty-five-year period after the date the
5283 first payment was made, the incentive payments shall not be made



5284 and shall not be resumed until such time as the actual verified
5285 number of qualified jobs created and maintained by the business or
5286 industry equals or exceeds the requirements of Sections 57-99-1
5287 through 57-99-9 for one (1) calendar quarter.

5288 (3) An establishment that has qualified pursuant to Sections
5289 57-99-1 through 57-99-9 may receive payments only in accordance
5290 with the provision under which it initially applied and was
5291 approved. If an establishment that is receiving incentive
5292 payments expands, it may apply for additional incentive payments
5293 based on the wages and taxable benefits for qualified jobs
5294 anticipated from the expansion only, pursuant to Sections 57-99-1
5295 through 57-99-9.

5296 (4) As soon as practicable after verification of the
5297 qualified business or industry meeting the requirements of
5298 Sections 57-99-1 through 57-99-9 and all rules and regulations,
5299 the Department of Finance and Administration, upon requisition of
5300 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5301 Withholding Rebate Fund to the establishment in the amount of the
5302 rebate as determined pursuant to subsection (1) of this section
5303 for the calendar quarter.

5304 **SECTION 45.** Section 57-99-21, Mississippi Code of 1972, is
5305 brought forward as follows:

5306 57-99-21. As used in Sections 57-99-21 through 57-99-29, the
5307 following words and phrases shall have the meanings ascribed in
5308 this section unless the context clearly indicates otherwise:



5309 (a) "Qualified business or industry" means any
5310 enterprise which is a project that has been certified by the
5311 Mississippi Major Economic Impact Authority (MMEIA) as a project
5312 defined in Section 57-75-5(f) (xxiv).

5313 (b) "Qualified job" means full-time employment at the
5314 location of the manufacturing plant in this state of a qualified
5315 business or industry that has qualified to receive an incentive
5316 payment pursuant to Sections 57-99-21 through 57-99-29, which
5317 employment existed in this state at the location of the
5318 manufacturing plant on July 1, 2009.

5319 (c) "Full-time employment" means a job of at least
5320 thirty-five (35) hours per week.

5321 (d) "Rebate amount" means the amount of Mississippi
5322 income taxes withheld from employees in qualified jobs that is
5323 available for rebate to the qualified business or industry,
5324 provided that:

5325 (i) Except as otherwise provided in this paragraph
5326 (d), the rebate amount shall be one percent (1%) of the wages and
5327 taxable benefits for qualified jobs;

5328 (ii) In no event shall incentive payments exceed
5329 the actual Mississippi income taxes withheld from employees in
5330 qualified jobs that are available for rebate to the qualified
5331 business or industry; and



5332 (iii) In no event shall the aggregate amount of
5333 incentive payments authorized under Sections 57-99-21 through
5334 57-99-29 exceed Six Million Dollars (\$6,000,000.00).

5335 (e) "MDA" means the Mississippi Development Authority.

5336 **SECTION 46.** Section 57-99-23, Mississippi Code of 1972, is
5337 brought forward as follows:

5338 57-99-23. (1) Except as otherwise provided in this section,
5339 a qualified business or industry that meets the qualifications
5340 specified in Sections 57-99-21 through 57-99-29 may receive
5341 quarterly incentive payments for a period not to exceed ten (10)
5342 years from the State Tax Commission pursuant to the provisions of
5343 Sections 57-99-21 through 57-99-29 in an amount which shall be
5344 equal to the lesser of one percent (1%) of the wages and taxable
5345 benefits for qualified jobs or the actual amount of Mississippi
5346 income tax withheld by the employer for the qualified jobs.

5347 (2) In order to receive incentive payments, an establishment
5348 shall apply to the MDA by not later than July 1, 2010. The
5349 application shall be on a form prescribed by the MDA and shall
5350 contain such information as may be required by the MDA to
5351 determine if the applicant is qualified.

5352 (3) In order to qualify to receive such payments, the
5353 establishment applying shall be required to:

5354 (a) Be engaged in a qualified business or industry; and

5355 (b) The business or industry must maintain a minimum of
5356 one thousand two hundred (1,200) qualified jobs.



5357 (4) Upon approval of such an application, the MDA shall
5358 notify the State Tax Commission and shall provide it with a copy
5359 of the approved application. The State Tax Commission may require
5360 the qualified business or industry to submit such additional
5361 information as may be necessary to administer the provisions of
5362 Sections 57-99-21 through 57-99-29. The qualified business or
5363 industry shall report to the State Tax Commission periodically to
5364 show its continued eligibility for incentive payments. The
5365 qualified business or industry may be audited by the State Tax
5366 Commission to verify such eligibility.

5367 **SECTION 47.** Section 57-99-25, Mississippi Code of 1972, is
5368 brought forward as follows:

5369 57-99-25. (1) There is created in the State Treasury a
5370 special fund to be known as the "MMEIA Rebate Fund" into which
5371 shall be deposited withholding tax revenue required to be
5372 deposited into such fund pursuant to Section 27-7-312. The money
5373 in the fund shall be used for the purpose of making the incentive
5374 payments authorized under Sections 57-99-21 through 57-99-29.

5375 (2) The liability of the State of Mississippi to make the
5376 incentive payments authorized under Sections 57-99-21 through
5377 57-99-29 shall be limited to the balance contained in the fund.

5378 **SECTION 48.** Section 57-99-27, Mississippi Code of 1972, is
5379 brought forward as follows:

5380 57-99-27. (1) As soon as practicable after the end of a
5381 calendar quarter for which a qualified business or industry has



5382 qualified to receive an incentive payment, the qualified business
5383 or industry shall file a claim for the payment with the State Tax
5384 Commission and shall specify the actual number of qualified jobs
5385 created and maintained by the business or industry for the
5386 calendar quarter and the wages and taxable benefits thereof. The
5387 State Tax Commission shall verify the actual number of qualified
5388 jobs maintained by the business or industry. If the State Tax
5389 Commission is not able to provide such verification utilizing all
5390 available resources, the State Tax Commission may request such
5391 additional information from the business or industry as may be
5392 necessary.

5393 (2) If the business or industry does not maintain the job
5394 requirements of Sections 57-99-21 through 57-99-29 at any other
5395 time during the ten-year period after the date the first payment
5396 was made, the incentive payments shall not be made and shall not
5397 be resumed until such time as the actual verified number of
5398 qualified jobs created and maintained by the business or industry
5399 equals or exceeds the requirements of Sections 57-99-21 through
5400 57-99-29 for one (1) calendar quarter.

5401 (3) An establishment that has qualified pursuant to Sections
5402 57-99-21 through 57-99-29 may receive payments only in accordance
5403 with the provision under which it initially applied and was
5404 approved.

5405 (4) As soon as practicable after verification of the
5406 qualified business or industry meeting the requirements of



5407 Sections 57-99-21 through 57-99-29 and all rules and regulations,
5408 the Department of Finance and Administration, upon requisition of
5409 the State Tax Commission, shall issue a warrant drawn on the MMEIA
5410 Withholding Rebate Fund to the establishment in the amount of the
5411 rebate as determined pursuant to subsection (1) of this section
5412 for the calendar quarter.

5413 **SECTION 49.** Section 37-148-3, Mississippi Code of 1972, is
5414 brought forward as follows:

5415 37-148-3. As used in this act, the following words and
5416 phrases have the meanings ascribed in this section unless the
5417 context clearly indicates otherwise:

5418 (a) "College" means the state institutions of higher
5419 learning in Mississippi which are accredited by the Southern
5420 Association of Colleges and Schools.

5421 (b) "Investor" means a natural person, partnership,
5422 limited liability company, association, corporation, business
5423 trust or other business entity, not formed for the specific
5424 purpose of acquiring the rebate offered, which is subject to
5425 Mississippi income tax or franchise tax.

5426 (c) "Qualified research" means the systematic
5427 investigative process that is undertaken for the purpose of
5428 discovering information. The term "qualified research" does not
5429 include research conducted outside the State of Mississippi or
5430 research to the extent funded by any grant, contract or otherwise
5431 by another person or governmental entity.



5432 (d) "Research agreement" means a written contract,
5433 grant or cooperative agreement entered into between a person and a
5434 college or research corporation for the performance of qualified
5435 research; however, all qualified research costs generating a
5436 rebate must be spent by the college or research corporation on
5437 qualified research undertaken according to a research agreement.

5438 (e) "Research corporation" means any research
5439 corporation formed under Section 37-147-15 if the corporation is
5440 wholly owned by a college and all income and profits of the
5441 corporation inure to the benefit of the college.

5442 (f) "Qualified research costs" means costs paid or
5443 incurred by an investor to a college or research corporation for
5444 qualified research undertaken according to a research agreement.

5445 (g) "State" means the State of Mississippi or a
5446 governmental entity of the State of Mississippi.

5447 (h) "IHL" means the Board of Trustees of State
5448 Institutions of Higher Learning in Mississippi.

5449 (i) "SMART Business" means Strengthening Mississippi
5450 Academic Research Through Business.

5451 **SECTION 50.** Section 37-148-5, Mississippi Code of 1972, is
5452 brought forward as follows:

5453 37-148-5. (1) (a) Subject to the provisions of this
5454 chapter, an investor incurring qualified research costs subject to
5455 a research agreement is eligible for a rebate equal to twenty-five
5456 percent (25%) of the investor's qualified research costs.



5457 (b) An investor incurring research costs may not claim
5458 a rebate pursuant to this chapter greater than One Million Dollars
5459 (\$1,000,000.00) in any fiscal year.

5460 (c) The total amount of rebates issued under this
5461 chapter by the state in any fiscal year may not exceed Five
5462 Million Dollars (\$5,000,000.00).

5463 (2) Investors desiring to apply for the rebate authorized by
5464 this chapter shall submit an application to IHL which must
5465 contain, at a minimum, the following:

5466 (a) A description of the qualified research to be
5467 conducted by the college or research corporation;

5468 (b) A proposed budget;

5469 (c) An estimated date for completion of the qualified
5470 research; and

5471 (d) Such additional information as may be requested by
5472 IHL.

5473 (3) IHL shall review each application to determine if the
5474 investor has satisfied all of the requirements of this section.

5475 (4) Within sixty (60) days of receiving an application, IHL
5476 shall issue or refuse to issue a SMART Business certificate. The
5477 SMART Business certificate must include the amount of the rebate
5478 the investor is eligible to claim, subject to subsection (1) of
5479 this section. IHL must notify the Department of Revenue when a
5480 SMART Business certificate is issued.



5481 (5) To claim a rebate, the investor must submit a rebate
5482 allocation claim to the Department of Revenue. The rebate
5483 allocation claim must include, at a minimum, the SMART Business
5484 certificate issued by IHL and proof of payment to the college or
5485 research corporation for qualified research conducted according to
5486 the research agreement.

5487 (6) The Department of Revenue may request an audit from the
5488 investor submitting a rebate allocation claim, at the investor's
5489 expense, to verify the investor has satisfied the requirements of
5490 this chapter.

5491 (7) The Department of Revenue shall issue rebates available
5492 under this section from current income tax collections.

5493 (8) Rebates must be allocated to investors by the Department
5494 of Revenue in the order that SMART Business certificates are
5495 issued by IHL.

5496 **SECTION 51.** Section 57-105-1, Mississippi Code of 1972, is
5497 brought forward as follows:

5498 57-105-1. (1) As used in this section:

5499 (a) "Adjusted purchase price" means the investment in
5500 the qualified community development entity for the qualified
5501 equity investment, substantially all of the proceeds of which are
5502 used to make qualified low-income community investments in
5503 Mississippi.

5504 For the purposes of calculating the amount of qualified
5505 low-income community investments held by a qualified community



5506 development entity, an investment will be considered held by a
5507 qualified community development entity even if the investment has
5508 been sold or repaid; provided that the qualified community
5509 development entity reinvests an amount equal to the capital
5510 returned to or recovered by the qualified community development
5511 entity from the original investment, exclusive of any profits
5512 realized, in another qualified low-income community investment in
5513 Mississippi, including any federal Indian reservation located
5514 within the geographical boundary of Mississippi within twelve (12)
5515 months of the receipt of such capital. A qualified community
5516 development entity will not be required to reinvest capital
5517 returned from the qualified low-income community investments after
5518 the sixth anniversary of the issuance of the qualified equity
5519 investment, the proceeds of which were used to make the qualified
5520 low-income community investment, and the qualified low-income
5521 community investment will be considered held by the qualified
5522 community development entity through the seventh anniversary of
5523 the qualified equity investment's issuance.

5524 (b) "Applicable percentage" means:

5525 (i) For any equity investment issued prior to July
5526 1, 2008, four percent (4%) for each of the second through seventh
5527 credit allowance dates for purposes of the taxes imposed by
5528 Section 27-7-5 and one and one-third percent (1-1/3%) for each of
5529 the second through seventh credit allowance dates for purposes of
5530 the taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123.



5531 (ii) For any equity investment issued from and
5532 after July 1, 2008, eight percent (8%) for each of the first
5533 through third credit allowance dates for purposes of the taxes
5534 imposed by Section 27-7-5 or the taxes imposed by Sections
5535 27-15-103, 27-15-109 and 27-15-123.

5536 (c) "Credit allowance date" means, with respect to any
5537 qualified equity investment:

5538 (i) The later of:

5539 1. The date upon which the qualified equity
5540 investment is initially made; or

5541 2. The date upon which the Mississippi
5542 Development Authority issues a certificate under subsection (4) of
5543 this section; and

5544 (ii) 1. For equity investments issued prior to
5545 July 1, 2008, each of the subsequent six (6) anniversary dates of
5546 the date upon which the investment is initially made; or

5547 2. For equity investments issued from and
5548 after July 1, 2008, each of the subsequent two (2) anniversary
5549 dates of the date determined as provided for in subparagraph (i)
5550 of this paragraph.

5551 (d) "Qualified community development entity" shall have
5552 the meaning ascribed to such term in Section 45D of the Internal
5553 Revenue Code of 1986, as amended, if the entity has entered into
5554 an Allocation Agreement with the Community Development Financial
5555 Institutions Fund of the United States Department of the Treasury



5556 with respect to credits authorized by Section 45D of the Internal
5557 Revenue Code of 1986, as amended.

5558 (e) "Qualified active low-income community business"
5559 shall have the meaning ascribed to such term in Section 45D of the
5560 Internal Revenue Code of 1986, as amended.

5561 (f) "Qualified equity investment" shall have the
5562 meaning ascribed to such term in Section 45D of the Internal
5563 Revenue Code of 1986, as amended. The investment does not have to
5564 be designated as a qualified equity investment by the Community
5565 Development Financial Institutions Fund of the United States
5566 Treasury to be considered a qualified equity investment under this
5567 section but otherwise must meet the definition under the Internal
5568 Revenue Code. In addition to meeting the definition in Section
5569 45D of the Internal Revenue Code such investment must also:

5570 (i) Have been acquired after January 1, 2007, at
5571 its original issuance solely in exchange for cash; and

5572 (ii) Have been allocated by the Mississippi
5573 Development Authority.

5574 For the purposes of this section, such investment shall be
5575 deemed a qualified equity investment on the later of the date such
5576 qualified equity investment is made or the date on which the
5577 Mississippi Development Authority issues a certificate under
5578 subsection (4) of this section allocating credits based on such
5579 investment.



5580 (g) "Qualified low-income community investment" shall
5581 have the meaning ascribed to such term in Section 45D of the
5582 Internal Revenue Code of 1986, as amended; provided, however, that
5583 the maximum amount of qualified low-income community investments
5584 issued for a single qualified active low-income community
5585 business, on an aggregate basis with all of its affiliates, that
5586 may be included for purposes of allocating any credits under this
5587 section shall not exceed Ten Million Dollars (\$10,000,000.00), in
5588 the aggregate, whether issued by one (1) or several qualified
5589 community development entities.

5590 (2) A taxpayer that holds a qualified equity investment on
5591 the credit allowance date shall be entitled to a credit applicable
5592 against the taxes imposed by Sections 27-7-5, 27-15-103, 27-15-109
5593 and 27-15-123 during the taxable year that includes the credit
5594 allowance date. The amount of the credit shall be equal to the
5595 applicable percentage of the adjusted purchase price paid to the
5596 qualified community development entity for the qualified equity
5597 investment. The amount of the credit that may be utilized in any
5598 one (1) tax year shall be limited to an amount not greater than
5599 the total tax liability of the taxpayer for the taxes imposed by
5600 the above-referenced sections. The credit shall not be refundable
5601 or transferable. Any unused portion of the credit may be carried
5602 forward for seven (7) taxable years beyond the credit allowance
5603 date on which the credit was earned. The maximum aggregate amount
5604 of qualified equity investments that may be allocated by the



5605 Mississippi Development Authority may not exceed an amount that
5606 would result in taxpayers claiming in any one (1) state fiscal
5607 year credits in excess of Fifteen Million Dollars
5608 (\$15,000,000.00), exclusive of credits that might be carried
5609 forward from previous taxable years; however, a maximum of
5610 one-third (1/3) of this amount may be allocated as credits for
5611 taxes imposed by Sections 27-15-103, 27-15-109 and 27-15-123. Any
5612 taxpayer claiming a credit under this section against the taxes
5613 imposed by Sections 27-7-5, 27-15-103, 27-15-109 and 27-15-123
5614 shall not be required to pay any additional tax under Section
5615 27-15-123 as a result of claiming such credit. The Mississippi
5616 Development Authority shall allocate credits within this limit as
5617 provided for in subsection (4) of this section.

5618 (3) Tax credits authorized by this section that are earned
5619 by a partnership, limited liability company, S corporation or
5620 other similar pass-through entity, shall be allocated among all
5621 partners, members or shareholders, respectively, either in
5622 proportion to their ownership interest in such entity or as the
5623 partners, members or shareholders mutually agree as provided in an
5624 executed document. Such allocation shall be made each taxable
5625 year of such pass-through entity which contains a credit allowance
5626 date.

5627 (4) The qualified community development entity shall apply
5628 for credits with the Mississippi Development Authority on forms
5629 prescribed by the Mississippi Development Authority. The



5630 qualified community development entity must pay an application fee
5631 of One Thousand Dollars (\$1,000.00) to the Mississippi Development
5632 Authority at the time the application is submitted. In the
5633 application the qualified community development entity shall
5634 certify to the Mississippi Development Authority the dollar amount
5635 of the qualified equity investments made or to be made in this
5636 state, including in any federal Indian reservation located within
5637 the state's geographical boundary, during the first twelve-month
5638 period following the initial credit allowance date. The
5639 Mississippi Development Authority shall allocate credits based on
5640 the dollar amount of qualified equity investments as certified in
5641 the application. Once the Mississippi Development Authority has
5642 allocated credits to a qualified community development entity, if
5643 the corresponding qualified equity investment has not been issued
5644 as of the date of such allocation, then the corresponding
5645 qualified equity investment must be issued not later than one
5646 hundred twenty (120) days from the date of such allocation. If
5647 the qualified equity investment is not issued within such time
5648 period, the allocation shall be cancelled and returned to the
5649 Mississippi Development Authority for reallocation. Upon final
5650 documentation of the qualified low-income community investments,
5651 if the actual dollar amount of the investments is lower than the
5652 amount estimated, the Mississippi Development Authority shall
5653 adjust the tax credit allowed under this section. The Department



5654 of Revenue may recapture all of the credit allowed under this
5655 section if:

5656 (a) Any amount of federal tax credits available with
5657 respect to a qualified equity investment that is eligible for a
5658 tax credit under this section is recaptured under Section 45D of
5659 the Internal Revenue Code of 1986, as amended; or

5660 (b) The qualified community development entity redeems
5661 or makes any principal repayment with respect to a qualified
5662 equity investment prior to the seventh anniversary of the issuance
5663 of the qualified equity investment; or

5664 (c) The qualified community development entity fails to
5665 maintain at least eighty-five percent (85%) of the proceeds of the
5666 qualified equity investment in qualified low-income community
5667 investments in Mississippi at any time prior to the seventh
5668 anniversary of the issuance of the qualified equity investment.

5669 Any credits that are subject to recapture under this
5670 subsection shall be recaptured from the taxpayer that actually
5671 claimed the credit.

5672 The Mississippi Development Authority shall not allocate any
5673 credits under this section after July 1, 2021.

5674 (5) Each qualified community development entity that
5675 receives qualified equity investments to make qualified low-income
5676 community investments in Mississippi must annually report to the
5677 Mississippi Development Authority the North American Industry
5678 Classification System Code, the county, the dollars invested, the



5679 number of jobs assisted and the number of jobs assisted with wages
5680 over one hundred percent (100%) of the federal poverty level for a
5681 family of four (4) of each qualified low-income community
5682 investment.

5683 (6) The Mississippi Development Authority shall file an
5684 annual report on all qualified low-income community investments
5685 with the Governor, the Clerk of the House of Representatives, the
5686 Secretary of the Senate and the Secretary of State describing the
5687 North American Industry Classification System Code, the county,
5688 the dollars invested, the number of jobs assisted and the number
5689 of jobs assisted with wages over one hundred percent (100%) of the
5690 federal poverty level for a family of four (4) of each qualified
5691 low-income community investment. The annual report will be posted
5692 on the Mississippi Development Authority's internet website.

5693 (7) (a) The purpose of this subsection is to authorize the
5694 creation and establishment of public benefit corporations for
5695 financing arrangements regarding public property and facilities.

5696 (b) As used in this subsection:

5697 (i) "New Markets Tax Credit transaction" means any
5698 financing transaction which utilizes either this section or
5699 Section 45D of the Internal Revenue Code of 1986, as amended.

5700 (ii) "Public benefit corporation" means a
5701 nonprofit corporation formed or designated by a public entity to
5702 carry out the purposes of this subsection.



5703 (iii) "Public entity or public entities" includes
5704 utility districts, regional solid waste authorities, regional
5705 utility authorities, community hospitals, regional airport
5706 authorities, municipal airport authorities, community and junior
5707 colleges, educational building corporations established by or on
5708 behalf of the state institutions of higher learning, school
5709 districts, planning and development districts, county economic
5710 development districts, urban renewal agencies, any other regional
5711 or local economic development authority, agency or governmental
5712 entity, and any other regional or local industrial development
5713 authority, agency or governmental entity.

5714 (iv) "Public property or facilities" means any
5715 property or facilities owned or leased by a public entity or
5716 public benefit corporation.

5717 (c) Notwithstanding any other provision of law to the
5718 contrary, public entities are authorized pursuant to this
5719 subsection to create one or more public benefit corporations or
5720 designate an existing corporation as a public benefit corporation
5721 for the purpose of entering into financing agreements and engaging
5722 in New Markets Tax Credit transactions, which shall include,
5723 without limitation, arrangements to plan, acquire, renovate,
5724 construct, lease, sublease, manage, operate and/or improve new or
5725 existing public property or facilities located within the
5726 boundaries or service area of the public entity. Any financing
5727 arrangement authorized under this subsection shall further any



5728 purpose of the public entity and may include a term of up to fifty
5729 (50) years.

5730 (d) Notwithstanding any other provision of law to the
5731 contrary and in order to facilitate the acquisition, renovation,
5732 construction, leasing, subleasing, management, operating and/or
5733 improvement of new or existing public property or facilities to
5734 further any purpose of a public entity, public entities are
5735 authorized to enter into financing arrangements in order to
5736 transfer public property or facilities to and/or from public
5737 benefit corporations, including, without limitation, sales,
5738 sale-leasebacks, leases and lease-leasebacks, provided such
5739 transfer is related to any New Markets Tax Credit transaction
5740 furthering any purpose of the public entity. Any such transfer
5741 under this paragraph (d) and the public property or facilities
5742 transferred in connection therewith shall be exempted from any
5743 limitation or requirements with respect to leasing, acquiring,
5744 and/or constructing public property or facilities.

5745 (e) With respect to a New Markets Tax Credit
5746 transaction, public entities and public benefit corporations are
5747 authorized to enter into financing arrangements with any
5748 governmental, nonprofit or for-profit entity in order to leverage
5749 funds not otherwise available to public entities for the
5750 acquisition, construction and/or renovation of properties
5751 transferred to such public benefit corporations. The use of any
5752 funds loaned by or contributed by a public benefit corporation or



5753 borrowed by or otherwise made available to a public benefit
5754 corporation in such financing arrangement shall be dedicated
5755 solely to (i) the development of new properties or facilities
5756 and/or the renovation of existing properties or facilities or
5757 operation of properties or facilities, and/or (ii) the payment of
5758 costs and expenditures related to any such financing arrangements,
5759 including, but not limited to, funding any reserves required in
5760 connection therewith, the repayment of any indebtedness incurred
5761 in connection therewith, and the payment of fees and expenses
5762 incurred in connection with the closing, administration,
5763 accounting and/or compliance with respect to the New Markets Tax
5764 Credit transaction.

5765 (f) A public benefit corporation created pursuant to
5766 this subsection shall not be a political subdivision of the state
5767 but shall be a nonprofit corporation organized and governed under
5768 the provisions of the laws of this state and shall be a special
5769 purpose corporation established to facilitate New Markets Tax
5770 Credit transactions consistent with the requirements of this
5771 section.

5772 (g) Neither this subsection nor anything herein
5773 contained is or shall be construed as a restriction or limitation
5774 upon any powers which the public entity or public benefit
5775 corporation might otherwise have under any laws of this state, and
5776 this subsection is cumulative to any such powers. This subsection
5777 does and shall be construed to provide a complete additional and



5778 alternative method for the doing of the things authorized thereby
5779 and shall be regarded as supplemental and additional to powers
5780 conferred by other laws.

5781 (8) The Mississippi Development Authority shall promulgate
5782 rules and regulations to implement the provisions of this section.

5783 **SECTION 52.** Section 27-25-503, Mississippi Code of 1972, is
5784 brought forward as follows:

5785 27-25-503. (1) (a) Except as otherwise provided in this
5786 section, there is levied, to be collected as provided in this
5787 article, annual privilege taxes upon every person engaging or
5788 continuing within this state in the business of producing, or
5789 severing oil from the soil or water for sale, transport, storage,
5790 profit or for commercial use. The amount of the tax shall be
5791 measured by the value of the oil produced, and shall be levied and
5792 assessed at the rate of six percent (6%) of the value of the oil
5793 at the point of production.

5794 (b) The tax shall be levied and assessed at the rate of
5795 three percent (3%) of the value of the oil at the point of
5796 production on oil produced by an enhanced oil recovery method in
5797 which carbon dioxide is used; provided, that such carbon dioxide
5798 is transported by pipeline to the oil well site and on oil
5799 produced by any other enhanced oil recovery method approved and
5800 permitted by the State Oil and Gas Board on or after April 1,
5801 1994, pursuant to Section 53-3-101 et seq.



5802 (c) (i) The tax shall be levied and assessed at the
5803 rate of one and three-tenths percent (1.3%) of the value of the
5804 oil at the point of production on oil produced from a horizontally
5805 drilled well or from any horizontally drilled recompletion well
5806 from which production commences from and after July 1, 2013, for a
5807 period of thirty (30) months beginning on the date of first sale
5808 of production or until payout of the well cost is achieved,
5809 whichever first occurs. Thereafter, the tax shall be levied and
5810 assessed as provided for in paragraph (a) of this subsection.

5811 (ii) Payout of a horizontally drilled well or
5812 horizontally drilled recompletion well shall be deemed to have
5813 occurred the first day of the next month after gross revenues,
5814 less royalties and severance taxes, equal to the cost to drill and
5815 complete the well.

5816 (iii) Each operator must apply by letter to the
5817 State Oil and Gas Board for the reduced rate provided in this
5818 paragraph (c), and shall provide the board with the status of
5819 payout on a semiannual basis of any horizontally drilled well or
5820 horizontally drilled recompletion well by signed affidavit
5821 executed by a company representative.

5822 (iv) This paragraph (c) shall be repealed from and
5823 after July 1, 2023; however, any horizontally drilled well or
5824 horizontally drilled recompletion well from which production
5825 commences before July 1, 2023, shall be taxed as provided for in



5826 this paragraph (c) notwithstanding that the repeal of this
5827 paragraph (c) has become effective.

5828 (2) The tax is levied upon the entire production in this
5829 state regardless of the place of sale or to whom sold, or by whom
5830 used, or the fact that the delivery may be made to points outside
5831 the state, and the tax shall accrue at the time the oil is severed
5832 from the soil, or water, and in its natural, unrefined or
5833 unmanufactured state.

5834 (3) (a) Oil produced from a discovery well for which
5835 drilling or re-entry commenced on or after April 1, 1994, but
5836 before July 1, 1999, shall be exempt from the taxes levied under
5837 this section for a period of five (5) years beginning on the date
5838 of first sale of production from such well, provided that the
5839 average monthly sales price of such oil does not exceed
5840 Twenty-five Dollars (\$25.00) per barrel. The exemption for oil
5841 produced from a discovery well as described in this paragraph (a)
5842 shall be repealed from and after July 1, 2003, provided that any
5843 such production for which a permit was granted by the board before
5844 July 1, 2003, shall be exempt for an entire period of five (5)
5845 years, notwithstanding that the repeal of this provision has
5846 become effective. Oil produced from development wells or
5847 replacement wells drilled in connection with discovery wells for
5848 which drilling commenced on or after January 1, 1994, but before
5849 July 1, 1999, shall be assessed at the rate of three percent (3%)
5850 of the value of the oil at the point of production for a period of



5851 three (3) years. The reduced rate of assessment of oil produced
5852 from development wells or replacement wells as described in this
5853 paragraph (a) shall be repealed from and after January 1, 2003,
5854 provided that any such production for which drilling commenced
5855 before January 1, 2003, shall be assessed at the reduced rate for
5856 an entire period of three (3) years, notwithstanding that the
5857 repeal of this provision has become effective.

5858 (b) Oil produced from a discovery well for which
5859 drilling or re-entry commenced on or after July 1, 1999, shall be
5860 assessed at the rate of three percent (3%) of the value of the oil
5861 at the point of production for a period of five (5) years
5862 beginning on the date of first sale of production from such well,
5863 provided that the average monthly sales price of such oil does not
5864 exceed Twenty Dollars (\$20.00) per barrel. The reduced rate of
5865 assessment of oil produced from a discovery well as described in
5866 this paragraph (b) shall be repealed from and after July 1, 2003,
5867 provided that any such production for which a permit was granted
5868 by the board before July 1, 2003, shall be assessed at the reduced
5869 rate for an entire period of five (5) years, notwithstanding that
5870 the repeal of this provision has become effective. Oil produced
5871 from development wells or replacement wells drilled in connection
5872 with discovery wells for which drilling commenced on or after July
5873 1, 1999, shall be assessed at the rate of three percent (3%) of
5874 the value of the oil at the point of production for a period of
5875 three (3) years. The reduced rate of assessment of oil produced



5876 from development wells or replacement wells as described in this
5877 paragraph (b) shall be repealed from and after January 1, 2003,
5878 provided that any such production for which drilling commenced
5879 before July 1, 2003, shall be assessed at the reduced rate for an
5880 entire period of three (3) years, notwithstanding that the repeal
5881 of this provision has become effective.

5882 (4) (a) Oil produced from a development well for which
5883 drilling commenced on or after April 1, 1994, but before July 1,
5884 1999, and for which three-dimensional seismic was utilized in
5885 connection with the drilling of such well shall be assessed at the
5886 rate of three percent (3%) of the value of the oil at the point of
5887 production for a period of five (5) years, provided that the
5888 average monthly sales price of such oil does not exceed
5889 Twenty-five Dollars (\$25.00) per barrel. The reduced rate of
5890 assessment of oil produced from a development well as described in
5891 this paragraph (a) and for which three-dimensional seismic was
5892 utilized shall be repealed from and after July 1, 2003, provided
5893 that any such production for which a permit was granted by the
5894 board before July 1, 2003, shall be assessed at the reduced rate
5895 for an entire period of five (5) years, notwithstanding that the
5896 repeal of this provision has become effective.

5897 (b) Oil produced from a development well for which
5898 drilling commenced on or after July 1, 1999, and for which
5899 three-dimensional seismic was utilized in connection with the
5900 drilling of such well shall be assessed at the rate of three



5901 percent (3%) of the value of the oil at the point of production
5902 for a period of five (5) years, provided that the average monthly
5903 sales price of such oil does not exceed Twenty Dollars (\$20.00)
5904 per barrel. The reduced rate of assessment of oil produced from a
5905 development well as described in this paragraph (b) and for which
5906 three-dimensional seismic was utilized shall be repealed from and
5907 after July 1, 2003, provided that any such production for which a
5908 permit was granted by the board before July 1, 2003, shall be
5909 assessed at the reduced rate for an entire period of five (5)
5910 years, notwithstanding that the repeal of this provision has
5911 become effective.

5912 (5) (a) Oil produced before July 1, 1999, from a two-year
5913 inactive well as defined in Section 27-25-501 shall be exempt from
5914 the taxes levied under this section for a period of three (3)
5915 years beginning on the date of first sale of production from such
5916 well, provided that the average monthly sales price of such oil
5917 does not exceed Twenty-five Dollars (\$25.00) per barrel. The
5918 exemption for oil produced from an inactive well shall be repealed
5919 from and after July 1, 2003, provided that any such production
5920 which began before July 1, 2003, shall be exempt for an entire
5921 period of three (3) years, notwithstanding that the repeal of this
5922 provision has become effective.

5923 (b) Oil produced on or after July 1, 1999, from a
5924 two-year inactive well as defined in Section 27-25-501 shall be
5925 exempt from the taxes levied under this section for a period of



5926 three (3) years beginning on the date of first sale of production
5927 from such well, provided that the average monthly sales price of
5928 such oil does not exceed Twenty Dollars (\$20.00) per barrel. The
5929 exemption for oil produced from an inactive well shall be repealed
5930 from and after July 1, 2003, provided that any such production
5931 which began before July 1, 2003, shall be exempt for an entire
5932 period of three (3) years, notwithstanding that the repeal of this
5933 provision has become effective.

5934 (6) [Repealed]

5935 (7) The State Oil and Gas Board shall have the exclusive
5936 authority to determine the qualification of wells defined in
5937 paragraphs (n) through (t) of Section 27-25-501.

5938 **SECTION 53.** Section 27-25-505, Mississippi Code of 1972, is
5939 brought forward as follows:

5940 **[With regard to any county which is exempt from the**
5941 **provisions of Section 19-2-3, this section shall read as follows:]**

5942 27-25-505. (1) All taxes levied in this article and
5943 collected by the Department of Revenue shall be paid into the
5944 State Treasury on the same day collected.

5945 (2) Except as otherwise provided in this section, the
5946 commissioner shall apportion all the tax collections made pursuant
5947 to this article to the state and to the county in which the oil
5948 was produced, in accordance with the following schedule and so
5949 certify such apportionment to the State Treasurer at the end of
5950 each month:



5951 On the first Six Hundred Thousand Dollars (\$600,000.00) or
5952 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
5953 the state and thirty-three and one-third percent (33-1/3%) to the
5954 county.

5955 Above and exceeding Six Hundred Thousand Dollars
5956 (\$600,000.00), or any part thereof, ninety percent (90%) to the
5957 state and ten percent (10%) to the county through June 30, 1989;
5958 eighty-five percent (85%) to the state and fifteen percent (15%)
5959 to the county from July 1, 1989, through June 30, 1990; eighty
5960 percent (80%) to the state and twenty percent (20%) to the county
5961 from July 1, 1990, through June 30, 2015; seventy-nine percent
5962 (79%) to the state and twenty-one percent (21%) to the county from
5963 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
5964 to the state and twenty-two percent (22%) to the county from July
5965 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
5966 state and twenty-three percent (23%) to the county from July 1,
5967 2017, through June 30, 2018; seventy-six percent (76%) to the
5968 state and twenty-four percent (24%) to the county from July 1,
5969 2018, through June 30, 2019; and seventy-four percent (74%) to the
5970 state and twenty-six percent (26%) to the county for each fiscal
5971 year thereafter.

5972 (3) The state's share of all oil severance taxes collected
5973 pursuant to this article shall be deposited as provided for in
5974 Section 27-25-506.



5975 (4) The commissioner shall apportion all the tax collections
5976 made pursuant to Section 27-25-503(1)(c) to the county in which
5977 the oil was produced.

5978 (5) The State Treasurer shall remit the county's share of
5979 taxes collected pursuant to this article on or before the
5980 twentieth day of the month next succeeding the month in which the
5981 collections were made, for division among the municipalities and
5982 taxing districts of the county. He shall accompany his remittance
5983 with a report to the county receiving the funds prepared by the
5984 commissioner showing from whom the tax was collected. Upon
5985 receipt of the funds, the board of supervisors of the county shall
5986 allocate the funds to the municipalities and to the various
5987 maintenance and bond and interest funds of the county, school
5988 districts, supervisors districts and road districts, as provided
5989 in this subsection.

5990 (6) Except as provided in subsection (8) of this section,
5991 when there are any oil producing properties within the corporate
5992 limits of any municipality, then the municipality shall
5993 participate in the division of the tax returned to the county in
5994 which the municipality is located, in the proportion which the tax
5995 on production of oil from any properties located within the
5996 municipal corporate limits bears to the tax on the total
5997 production of oil in the county. In no event, however, shall the
5998 amount allocated to municipalities exceed one-third (1/3) of the
5999 tax produced in the municipality and returned to the county. Any



6000 amount received by any municipality as a result of the allocation
6001 provided for in this subsection shall be used only for such
6002 purposes as are authorized by law.

6003 (7) Except as provided in subsection (8) of this section,
6004 the balance remaining of any amount of tax returned to the county
6005 after the allocation to municipalities shall be divided among the
6006 various maintenance and bond interest funds of the county, school
6007 districts, supervisors districts and road districts, in the
6008 discretion of the board of supervisors, and the board shall make
6009 the division in consideration of the needs of the various taxing
6010 districts. The funds so allocated shall be used only for purposes
6011 as are authorized by law.

6012 (8) Any amount above and exceeding Six Hundred Thousand
6013 Dollars (\$600,000.00) that is remitted to the county that is more
6014 than twenty percent (20%) of the taxes above and exceeding Six
6015 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
6016 in the county, shall be utilized by the county for infrastructure
6017 repairs.

6018 **[With regard to any county which is required to operate on a**
6019 **countywide system of road administration as described in Section**
6020 **19-2-3, this section shall read as follows:]**

6021 27-25-505. (1) All taxes levied in this article and
6022 collected by the Department of Revenue shall be paid into the
6023 State Treasury on the same day collected.



6024 (2) Except as otherwise provided in this section, the
6025 commissioner shall apportion all the tax collections made pursuant
6026 to this article to the state and to the county in which the oil
6027 was produced, in accordance with the following schedule and so
6028 certify such apportionment to the State Treasurer at the end of
6029 each month:

6030 On the first Six Hundred Thousand Dollars (\$600,000.00) or
6031 any part thereof, sixty-six and two-thirds percent (66-2/3%) to
6032 the state and thirty-three and one-third percent (33-1/3%) to the
6033 county.

6034 Above and exceeding Six Hundred Thousand Dollars
6035 (\$600,000.00), or any part thereof, ninety percent (90%) to the
6036 state and ten percent (10%) to the county through June 30, 1989;
6037 eighty-five percent (85%) to the state and fifteen percent (15%)
6038 to the county from July 1, 1989, through June 30, 1990; eighty
6039 percent (80%) to the state and twenty percent (20%) to the county
6040 from July 1, 1990, through June 30, 2015; seventy-nine percent
6041 (79%) to the state and twenty-one percent (21%) to the county from
6042 July 1, 2015, through June 30, 2016; seventy-eight percent (78%)
6043 to the state and twenty-two percent (22%) to the county from July
6044 1, 2016, through June 30, 2017; seventy-seven percent (77%) to the
6045 state and twenty-three percent (23%) to the county from July 1,
6046 2017, through June 30, 2018; seventy-six percent (76%) to the
6047 state and twenty-four percent (24%) to the county from July 1,
6048 2018, through June 30, 2019; and seventy-four percent (74%) to the



6049 state and twenty-six percent (26%) to the county for each fiscal
6050 year thereafter.

6051 (3) The state's share of all oil severance taxes collected
6052 pursuant to this article shall be deposited as provided for in
6053 Section 27-25-506.

6054 (4) The commissioner shall apportion all the tax collections
6055 made pursuant to the tax levied in Section 27-25-503(1)(c) to the
6056 county in which the oil was produced.

6057 (5) The State Treasurer shall remit the county's share of
6058 the taxes collected pursuant to this article on or before the
6059 twentieth day of the month next succeeding the month in which the
6060 collections were made, for division among the municipalities and
6061 taxing districts of the county. He shall accompany his remittance
6062 with a report to the county receiving the funds prepared by the
6063 commissioner showing from whom the tax was collected. Upon
6064 receipt of the funds, the board of supervisors of the county shall
6065 allocate the funds to the municipalities and to the various
6066 maintenance and bond and interest funds of the county and school
6067 districts, as provided in this subsection.

6068 (6) Except as provided in subsection (8) of this section,
6069 when there are any oil producing properties within the corporate
6070 limits of any municipality, then the municipality shall
6071 participate in the division of the tax returned to the county in
6072 which the municipality is located, in the proportion which the tax
6073 on production of oil from any properties located within the



6074 municipal corporate limits bears to the tax on the total
6075 production of oil in the county. In no event, however, shall the
6076 amount allocated to municipalities exceed one-third (1/3) of the
6077 tax produced in the municipality and returned to the county. Any
6078 amount received by any municipality as a result of the allocation
6079 provided in this subsection shall be used only for such purposes
6080 as are authorized by law.

6081 (7) Except as provided in subsection (8) of this section,
6082 the balance remaining of any amount of tax returned to the county
6083 after the allocation to municipalities shall be divided among the
6084 various maintenance and bond interest funds of the county and
6085 school districts, in the discretion of the board of supervisors,
6086 and the board shall make the division in consideration of the
6087 needs of the various taxing districts. The funds so allocated
6088 shall be used only for purposes as are authorized by law.

6089 (8) Any amount above and exceeding Six Hundred Thousand
6090 Dollars (\$600,000.00) that is remitted to the county that is more
6091 than twenty percent (20%) of the taxes above and exceeding Six
6092 Hundred Thousand Dollars (\$600,000.00) collected on oil produced
6093 in the county, shall be utilized by the county for infrastructure
6094 repairs.

6095 **SECTION 54.** Section 27-25-703, Mississippi Code of 1972, is
6096 brought forward as follows:

6097 27-25-703. (1) (a) Except as otherwise provided in this
6098 section, there is hereby levied, to be collected as provided in



6099 this article, annual privilege taxes upon every person engaging or
6100 continuing within this state in the business of producing, or
6101 severing gas from below the soil or water for sale, transport,
6102 storage, profit or for commercial use. The amount of the tax
6103 shall be measured by the value of the gas produced and shall be
6104 levied and assessed at a rate of six percent (6%) of the value of
6105 the gas at the point of production, except as otherwise provided
6106 in subsection (4) of this section.

6107 (b) (i) The tax shall be levied and assessed at the
6108 rate of one and three-tenths percent (1.3%) of the value of the
6109 gas at the point of production on gas produced from a horizontally
6110 drilled well or from any horizontally drilled recompletion well
6111 from which production commences from and after July 1, 2013, for a
6112 period of thirty (30) months beginning on the date of first sale
6113 of production or until payout of the well cost is achieved,
6114 whichever first occurs. Thereafter, the tax shall be levied and
6115 assessed as provided for in paragraph (a) of this subsection.

6116 (ii) Payout of a horizontally drilled well or
6117 horizontally drilled recompletion well shall be deemed to have
6118 occurred the first day of the next month after gross revenues,
6119 less royalties and severance taxes, equal to the cost to drill and
6120 complete the well.

6121 (iii) Each operator must apply by letter to the
6122 State Oil and Gas Board for the reduced rate provided in this
6123 paragraph (b), and shall provide the board with the status of



6124 payout on a semiannual basis of any horizontally drilled well or
6125 horizontally drilled recompletion well by signed affidavit
6126 executed by a company representative.

6127 (iv) This paragraph (b) shall be repealed from and
6128 after July 1, 2023; however, any horizontally drilled well or
6129 horizontally drilled recompletion well from which production
6130 commences before July 1, 2023, shall be taxed as provided for in
6131 this paragraph (b) notwithstanding that the repeal of this
6132 paragraph (b) has become effective.

6133 (2) The tax is levied upon the entire production in this
6134 state, regardless of the place of sale or to whom sold or by whom
6135 used, or the fact that the delivery may be made to points outside
6136 the state, but not levied upon that gas, lawfully injected into
6137 the earth for cycling, repressuring, lifting or enhancing the
6138 recovery of oil, nor upon gas lawfully vented or flared in
6139 connection with the production of oil, nor upon gas condensed into
6140 liquids on which the oil severance tax of six percent (6%) is
6141 paid; however, if any gas so injected into the earth is sold for
6142 such purposes, then the gas so sold shall not be excluded in
6143 computing the tax. The tax shall accrue at the time the gas is
6144 produced or severed from the soil or water, and in its natural,
6145 unrefined or unmanufactured state.

6146 (3) Natural gas and condensate produced from any wells for
6147 which drilling is commenced after March 15, 1987, and before July
6148 1, 1990, shall be exempt from the tax levied under this section



6149 for a period of two (2) years beginning on the date of first sale
6150 of production from such wells.

6151 (4) (a) Any well which begins commercial production of
6152 occluded natural gas from coal seams on or after March 20, 1990,
6153 and before July 1, 1993, shall be taxed at the rate of three and
6154 one-half percent (3-1/2%) of the gross value of the occluded
6155 natural gas from coal seams at the point of production for a
6156 period of five (5) years after such well begins production.

6157 (b) Any well which begins commercial production of
6158 occluded natural gas from coal seams on or after July 1, 2004, and
6159 before July 1, 2007, shall be taxed at the rate of three percent
6160 (3%) of the gross value of the occluded natural gas from coal
6161 seams at the point of production for a period of five (5) years
6162 beginning on the date of the first sale of production from such
6163 well.

6164 (5) (a) Natural gas produced from discovery wells for which
6165 drilling or re-entry commenced on or after April 1, 1994, but
6166 before July 1, 1999, shall be exempt from the tax levied under
6167 this section for a period of five (5) years beginning on the
6168 earlier of one (1) year from completion of the well or the date of
6169 first sale from such well, provided that the average monthly sales
6170 price of such gas does not exceed Three Dollars and Fifty Cents
6171 (\$3.50) per one thousand (1,000) cubic feet. The exemption for
6172 natural gas produced from discovery wells as described in this
6173 paragraph (a) shall be repealed from and after July 1, 2003,



6174 provided that any such production for which a permit was granted
6175 by the board before July 1, 2003, shall be exempt for an entire
6176 period of five (5) years, notwithstanding that the repeal of this
6177 provision has become effective. Natural gas produced from
6178 development wells or replacement wells drilled in connection with
6179 discovery wells for which drilling commenced on or after January
6180 1, 1994, shall be assessed at a rate of three percent (3%) of the
6181 value thereof at the point of production for a period of three (3)
6182 years. The reduced rate of assessment of natural gas produced
6183 from development wells or replacement wells as described in this
6184 paragraph (a) shall be repealed from and after January 1, 2003,
6185 provided that any such production for which drilling commenced
6186 before January 1, 2003, shall be assessed at the reduced rate for
6187 an entire period of three (3) years, notwithstanding that the
6188 repeal of this provision has become effective.

6189 (b) Natural gas produced from discovery wells for which
6190 drilling or re-entry commenced on or after July 1, 1999, shall be
6191 assessed at a rate of three percent (3%) of the value thereof at
6192 the point of production for a period of five (5) years beginning
6193 on the earlier of one (1) year from completion of the well or the
6194 date of first sale from such well, provided that the average
6195 monthly sales price of such gas does not exceed Two Dollars and
6196 Fifty Cents (\$2.50) per one thousand (1,000) cubic feet. The
6197 reduced rate of assessment of natural gas produced from discovery
6198 wells as described in this paragraph (b) shall be repealed from



6199 and after July 1, 2003, provided that any such production for
6200 which a permit was granted by the board before July 1, 2003, shall
6201 be assessed at the reduced rate for an entire period of five (5)
6202 years, notwithstanding that the repeal of this provision has
6203 become effective. Natural gas produced from development wells or
6204 replacement wells drilled in connection with discovery wells for
6205 which drilling commenced on or after July 1, 1999, shall be
6206 assessed at a rate of three percent (3%) of the value thereof at
6207 the point of production for a period of three (3) years. The
6208 reduced rate of assessment of natural gas produced from
6209 development wells or replacement wells as described in this
6210 paragraph (b) shall be repealed from and after January 1, 2003,
6211 provided that any such production for which drilling commenced
6212 before January 1, 2003, shall be assessed at the reduced rate for
6213 an entire period of three (3) years, notwithstanding that the
6214 repeal of this provision has become effective.

6215 (6) (a) Gas produced from a development well for which
6216 drilling commenced on or after April 1, 1994, but before July 1,
6217 1999, and for which three-dimensional seismic was utilized in
6218 connection with the drilling of such well, shall be assessed at a
6219 rate of three percent (3%) of the value of the gas at the point of
6220 production for a period of five (5) years, provided that the
6221 average monthly sales price of such gas does not exceed Three
6222 Dollars and Fifty Cents (\$3.50) per one thousand (1,000) cubic
6223 feet. The reduced rate of assessment of gas produced from a



6224 development well as described in this subsection and for which
6225 three-dimensional seismic was utilized shall be repealed from and
6226 after July 1, 2003, provided that any such production for which a
6227 permit was granted by the board before July 1, 2003, shall be
6228 assessed at the reduced rate for an entire period of five (5)
6229 years, notwithstanding that the repeal of this provision has
6230 become effective.

6231 (b) Gas produced from a development well for which
6232 drilling commenced on or after July 1, 1999, and for which
6233 three-dimensional seismic was utilized in connection with the
6234 drilling of such well, shall be assessed at a rate of three
6235 percent (3%) of the value of the gas at the point of production
6236 for a period of five (5) years, provided that the average monthly
6237 sales price of such gas does not exceed Two Dollars and Fifty
6238 Cents (\$2.50) per one thousand (1,000) cubic feet. The reduced
6239 rate of assessment of gas produced from a development well as
6240 described in this paragraph (b) and for which three-dimensional
6241 seismic was utilized shall be repealed from and after July 1,
6242 2003, provided that any such production for which a permit was
6243 granted by the board before July 1, 2003, shall be assessed at the
6244 reduced rate for an entire period of five (5) years,
6245 notwithstanding that the repeal of this provision has become
6246 effective.

6247 (7) (a) Natural gas produced before July 1, 1999, from a
6248 two-year inactive well as defined in Section 27-25-701 shall be



6249 exempt from the taxes levied under this section for a period of
6250 three (3) years beginning on the date of first sale of production
6251 from such well, provided that the average monthly sales price of
6252 such gas does not exceed Three Dollars and Fifty Cents (\$3.50) per
6253 one thousand (1,000) cubic feet. The exemption for natural gas
6254 produced from an inactive well as described in this subsection
6255 shall be repealed from and after July 1, 2003, provided that any
6256 such production which began before July 1, 2003, shall be exempt
6257 for an entire period of three (3) years, notwithstanding that the
6258 repeal of this provision has become effective.

6259 (b) Natural gas produced on or after July 1, 1999, from
6260 a two-year inactive well as defined in Section 27-25-701 shall be
6261 exempt from the taxes levied under this section for a period of
6262 three (3) years beginning on the date of first sale of production
6263 from such well, provided that the average monthly sales price of
6264 such gas does not exceed Two Dollars and Fifty Cents (\$2.50) per
6265 one thousand (1,000) cubic feet. The exemption for natural gas
6266 produced from an inactive well as described in this paragraph (b)
6267 shall be repealed from and after July 1, 2003, provided that any
6268 such production which began before July 1, 2003, shall be exempt
6269 for an entire period of three (3) years, notwithstanding that the
6270 repeal of this provision has become effective.

6271 (8) The State Oil and Gas Board shall have the exclusive
6272 authority to determine the qualification of wells defined in
6273 paragraphs (n) through (t) of Section 27-25-701.



6274 **SECTION 55.** Section 27-25-705, Mississippi Code of 1972, is
6275 brought forward as follows:

6276 **[With regard to any county which is exempt from the**
6277 **provisions of Section 19-2-3, this section shall read as follows:]**

6278 27-25-705. (1) All taxes levied in this article and
6279 collected by the department shall be paid into the State Treasury
6280 on the same day in which the taxes are collected.

6281 (2) Except as otherwise provided in this section, the
6282 commissioner shall apportion all the tax collections made pursuant
6283 to this article to the state and to the county in which the gas
6284 was produced, in the proportion of sixty-six and two-thirds
6285 percent (66-2/3%) to the state and thirty-three and one-third
6286 percent (33-1/3%) to the county.

6287 (3) The commissioner shall apportion all the tax collections
6288 made pursuant to Section 27-25-703(1)(b) to the county in which
6289 the gas is produced.

6290 (4) When the producer of gas subject to the tax levied in
6291 this article increases the price of the gas sold and such increase
6292 is subject to approval by a federal regulatory board or
6293 commission, and when the producer of the gas so requests, the
6294 State Treasurer is hereby authorized to hold the severance tax
6295 collected on the price increase in escrow until such time as the
6296 price increase or a portion thereof is finally granted or
6297 approved. The severance tax thus held in escrow shall be
6298 deposited by the State Treasurer to an account in a state



6299 depository to be invested in an interest-bearing account in the
6300 manner provided by law. When the price increase in question or a
6301 portion thereof is granted or approved, the commissioner shall
6302 compute the correct severance tax due on the increase and certify
6303 the amount of tax thus computed. This amount and interest earned
6304 from the depository shall be distributed to the General Fund and
6305 to the county or counties proportionately as provided in this
6306 subsection. The balance, if any, of the tax and interest held in
6307 escrow on the price increase shall be returned to the taxpayer.

6308 (5) The state's share of all gas severance taxes collected
6309 pursuant to this section shall be deposited as provided for in
6310 Section 27-25-506.

6311 (6) The commissioner shall certify at the end of each month
6312 the apportionment to each county to the State Treasurer, who shall
6313 remit the county's share of the funds on or before the twentieth
6314 day of the month next succeeding the month in which the
6315 collections were made for division among the municipalities and
6316 taxing districts of the county. The commissioner shall submit a
6317 report to the State Treasurer for distribution to each county
6318 receiving the funds showing from whom the tax and interest, if
6319 any, were collected. Upon receipt of the funds, the board of
6320 supervisors of the county shall allocate the funds to the
6321 municipalities and to the various maintenance and bond and
6322 interest funds of the county, school districts, supervisors
6323 districts and road districts, as provided in this subsection.



6324 When there are any gas producing properties within the
6325 corporate limits of any municipality, then the municipality shall
6326 participate in the division of the tax and interest, if any,
6327 returned to the county in which the municipality is located in the
6328 proportion which the tax on production of gas from properties
6329 located within the municipal corporate limits bears to the tax on
6330 total production of gas in the county. In no event, however,
6331 shall the amount allocated to the municipalities exceed one-third
6332 (1/3) of the tax and interest produced in the municipality and
6333 returned to the county. Any amount received by any municipality
6334 as a result of the allocation provided for in this subsection
6335 shall be used for such purposes as are authorized by law.

6336 The balance remaining of any funds returned to the county
6337 after the allocation to municipalities shall be divided among the
6338 various maintenance and bond and interest funds of the county,
6339 school districts, supervisors districts and road districts, in the
6340 discretion of the board of supervisors, and the board shall make
6341 the division in consideration of the needs of the various taxing
6342 districts. The funds so allocated shall be used only for such
6343 purposes as are authorized by law.

6344 **[With regard to any county which is required to operate on a**
6345 **countywide system of road administration as described in Section**
6346 **19-2-3, this section shall read as follows:]**



6347 27-25-705. (1) All taxes herein levied in this article and
6348 collected by the department shall be paid into the State Treasury
6349 on the same day in which the taxes are collected.

6350 (2) Except as otherwise provided in this section, the
6351 commissioner shall apportion all the tax collections made pursuant
6352 to this article to the state and to the county in which the gas
6353 was produced, in the proportion of sixty-six and two-thirds
6354 percent (66-2/3%) to the state and thirty-three and one-third
6355 percent (33-1/3%) to the county.

6356 (3) The commissioner shall apportion all the tax collections
6357 made pursuant to Section 27-25-703(1)(b) to the county in which
6358 the gas is produced.

6359 (4) When the producer of gas subject to the tax levied in
6360 this article increases the price of the gas sold and the increase
6361 is subject to approval by a federal regulatory board or
6362 commission, and when the producer of the gas so requests, the
6363 State Treasurer is hereby authorized to hold the severance tax
6364 collected on the price increase in escrow until such time as the
6365 price increase or a portion thereof is finally granted or
6366 approved. The severance tax thus held in escrow shall be
6367 deposited by the State Treasurer to an account in a state
6368 depository to be invested in an interest-bearing account in the
6369 manner provided by law. When the price increase in question or a
6370 portion thereof is granted or approved, the commissioner shall
6371 compute the correct severance tax due on the increase and certify



6372 the amount of tax thus computed. This amount and interest earned
6373 from the depository shall be distributed to the General Fund and
6374 to the county or counties proportionately as provided in this
6375 subsection. The balance, if any, of the tax and interest held in
6376 escrow on the price increase shall be returned to the taxpayer.

6377 (5) The state's share of all gas severance taxes collected
6378 pursuant to this section shall be deposited as provided for in
6379 Section 27-25-506.

6380 (6) The commissioner shall certify at the end of each month
6381 the apportionment to each county to the State Treasurer, who shall
6382 remit the county's share of the funds on or before the twentieth
6383 day of the month next succeeding the month in which the
6384 collections were made for division among the municipalities and
6385 taxing districts of the county. The commissioner shall submit a
6386 report to the State Treasurer for distribution to each county
6387 receiving the funds showing from whom the tax and interest, if
6388 any, were collected. Upon receipt of the funds, the board of
6389 supervisors of the county shall allocate the funds to the
6390 municipalities and to the various maintenance and bond and
6391 interest funds of the county and school districts, as provided in
6392 this subsection.

6393 When there are any gas producing properties within the
6394 corporate limits of any municipality, then the municipality shall
6395 participate in the division of the tax and interest, if any,
6396 returned to the county in which the municipality is located in the



6397 proportion which the tax on production of gas from properties
6398 located within the municipal corporate limits bears to the tax on
6399 total production of gas in the county. In no event, however,
6400 shall the amount allocated to the municipalities exceed one-third
6401 (1/3) of the tax and interest produced in the municipality and
6402 returned to the county. Any amount received by any municipality
6403 as a result of the allocation provided for in this subsection
6404 shall be used for such purposes as are authorized by law.

6405 The balance remaining of any funds returned to the county
6406 after the allocation to municipalities shall be divided among the
6407 various maintenance and bond and interest funds of the county and
6408 school districts, in the discretion of the board of supervisors,
6409 and the board shall make the division in consideration of the
6410 needs of the various taxing districts. The funds so allocated
6411 shall be used only for such purposes as are authorized by law.

6412 **SECTION 56.** Section 27-65-101, Mississippi Code of 1972, is
6413 brought forward as follows:

6414 27-65-101. (1) The exemptions from the provisions of this
6415 chapter which are of an industrial nature or which are more
6416 properly classified as industrial exemptions than any other
6417 exemption classification of this chapter shall be confined to
6418 those persons or property exempted by this section or by the
6419 provisions of the Constitution of the United States or the State
6420 of Mississippi. No industrial exemption as now provided by any
6421 other section except Section 57-3-33 shall be valid as against the



6422 tax herein levied. Any subsequent industrial exemption from the
6423 tax levied hereunder shall be provided by amendment to this
6424 section. No exemption provided in this section shall apply to
6425 taxes levied by Section 27-65-15 or 27-65-21.

6426 The tax levied by this chapter shall not apply to the
6427 following:

6428 (a) Sales of boxes, crates, cartons, cans, bottles and
6429 other packaging materials to manufacturers and wholesalers for use
6430 as containers or shipping materials to accompany goods sold by
6431 said manufacturers or wholesalers where possession thereof will
6432 pass to the customer at the time of sale of the goods contained
6433 therein and sales to anyone of containers or shipping materials
6434 for use in ships engaged in international commerce.

6435 (b) Sales of raw materials, catalysts, processing
6436 chemicals, welding gases or other industrial processing gases
6437 (except natural gas) to a manufacturer for use directly in
6438 manufacturing or processing a product for sale or rental or
6439 repairing or reconditioning vessels or barges of fifty (50) tons
6440 load displacement and over. For the purposes of this exemption,
6441 electricity used directly in the electrolysis process in the
6442 production of sodium chlorate shall be considered a raw material.
6443 This exemption shall not apply to any property used as fuel except
6444 to the extent that such fuel comprises by-products which have no
6445 market value.



6446 (c) The gross proceeds of sales of dry docks, offshore
6447 drilling equipment for use in oil or natural gas exploration or
6448 production, vessels or barges of fifty (50) tons load displacement
6449 and over, when the vessels or barges are sold by the manufacturer
6450 or builder thereof. In addition to other types of equipment,
6451 offshore drilling equipment for use in oil or natural gas
6452 exploration or production shall include aircraft used
6453 predominately to transport passengers or property to or from
6454 offshore oil or natural gas exploration or production platforms or
6455 vessels, and engines, accessories and spare parts for such
6456 aircraft.

6457 (d) Sales to commercial fishermen of commercial fishing
6458 boats of over five (5) tons load displacement and not more than
6459 fifty (50) tons load displacement as registered with the United
6460 States Coast Guard and licensed by the Mississippi Commission on
6461 Marine Resources.

6462 (e) The gross income from repairs to vessels and barges
6463 engaged in foreign trade or interstate transportation.

6464 (f) Sales of petroleum products to vessels or barges
6465 for consumption in marine international commerce or interstate
6466 transportation businesses.

6467 (g) Sales and rentals of rail rolling stock (and
6468 component parts thereof) for ultimate use in interstate commerce
6469 and gross income from services with respect to manufacturing,



6470 repairing, cleaning, altering, reconditioning or improving such
6471 rail rolling stock (and component parts thereof).

6472 (h) Sales of raw materials, catalysts, processing
6473 chemicals, welding gases or other industrial processing gases
6474 (except natural gas) used or consumed directly in manufacturing,
6475 repairing, cleaning, altering, reconditioning or improving such
6476 rail rolling stock (and component parts thereof). This exemption
6477 shall not apply to any property used as fuel.

6478 (i) Sales of machinery or tools or repair parts
6479 therefor or replacements thereof, fuel or supplies used directly
6480 in manufacturing, converting or repairing ships, vessels or barges
6481 of three thousand (3,000) tons load displacement and over, but not
6482 to include office and plant supplies or other equipment not
6483 directly used on the ship, vessel or barge being built, converted
6484 or repaired. For purposes of this exemption, "ships, vessels or
6485 barges" shall not include floating structures described in Section
6486 27-65-18.

6487 (j) Sales of tangible personal property to persons
6488 operating ships in international commerce for use or consumption
6489 on board such ships. This exemption shall be limited to cases in
6490 which procedures satisfactory to the commissioner, ensuring
6491 against use in this state other than on such ships, are
6492 established.

6493 (k) Sales of materials used in the construction of a
6494 building, or any addition or improvement thereon, and sales of any



6495 machinery and equipment not later than three (3) months after the
6496 completion of construction of the building, or any addition
6497 thereon, to be used therein, to qualified businesses, as defined
6498 in Section 57-51-5, which are located in a county or portion
6499 thereof designated as an enterprise zone pursuant to Sections
6500 57-51-1 through 57-51-15.

6501 (l) Sales of materials used in the construction of a
6502 building, or any addition or improvement thereon, and sales of any
6503 machinery and equipment not later than three (3) months after the
6504 completion of construction of the building, or any addition
6505 thereon, to be used therein, to qualified businesses, as defined
6506 in Section 57-54-5.

6507 (m) Income from storage and handling of perishable
6508 goods by a public storage warehouse.

6509 (n) The value of natural gas lawfully injected into the
6510 earth for cycling, repressuring or lifting of oil, or lawfully
6511 vented or flared in connection with the production of oil;
6512 however, if any gas so injected into the earth is sold for such
6513 purposes, then the gas so sold shall not be exempt.

6514 (o) The gross collections from self-service commercial
6515 laundering, drying, cleaning and pressing equipment.

6516 (p) Sales of materials used in the construction of a
6517 building, or any addition or improvement thereon, and sales of any
6518 machinery and equipment not later than three (3) months after the
6519 completion of construction of the building, or any addition



6520 thereon, to be used therein, to qualified companies, certified as
6521 such by the Mississippi Development Authority under Section
6522 57-53-1.

6523 (q) Sales of component materials used in the
6524 construction of a building, or any addition or improvement
6525 thereon, sales of machinery and equipment to be used therein, and
6526 sales of manufacturing or processing machinery and equipment which
6527 is permanently attached to the ground or to a permanent foundation
6528 and which is not by its nature intended to be housed within a
6529 building structure, not later than three (3) months after the
6530 initial start-up date, to permanent business enterprises engaging
6531 in manufacturing or processing in Tier Three areas (as such term
6532 is defined in Section 57-73-21), which businesses are certified by
6533 the Department of Revenue as being eligible for the exemption
6534 granted in this paragraph (q).

6535 (r) (i) Sales of component materials used in the
6536 construction of a building, or any addition or improvement
6537 thereon, and sales of any machinery and equipment not later than
6538 three (3) months after the completion of the building, addition or
6539 improvement thereon, to be used therein, for any company
6540 establishing or transferring its national or regional headquarters
6541 from within or outside the State of Mississippi and creating a
6542 minimum of twenty (20) jobs at the new headquarters in this state.
6543 The Department of Revenue shall establish criteria and prescribe
6544 procedures to determine if a company qualifies as a national or



6545 regional headquarters for the purpose of receiving the exemption
6546 provided in this subparagraph (i).

6547 (ii) Sales of component materials used in the
6548 construction of a building, or any addition or improvement
6549 thereon, and sales of any machinery and equipment not later than
6550 three (3) months after the completion of the building, addition or
6551 improvement thereon, to be used therein, for any company expanding
6552 or making additions after January 1, 2013, to its national or
6553 regional headquarters within the State of Mississippi and creating
6554 a minimum of twenty (20) new jobs at the headquarters as a result
6555 of the expansion or additions. The Department of Revenue shall
6556 establish criteria and prescribe procedures to determine if a
6557 company qualifies as a national or regional headquarters for the
6558 purpose of receiving the exemption provided in this subparagraph
6559 (ii).

6560 (s) The gross proceeds from the sale of semitrailers,
6561 trailers, boats, travel trailers, motorcycles, all-terrain cycles
6562 and rotary-wing aircraft if exported from this state within
6563 forty-eight (48) hours and registered and first used in another
6564 state.

6565 (t) Gross income from the storage and handling of
6566 natural gas in underground salt domes and in other underground
6567 reservoirs, caverns, structures and formations suitable for such
6568 storage.



6569 (u) Sales of machinery and equipment to nonprofit
6570 organizations if the organization:

6571 (i) Is tax exempt pursuant to Section 501(c)(4) of
6572 the Internal Revenue Code of 1986, as amended;

6573 (ii) Assists in the implementation of the
6574 contingency plan or area contingency plan, and which is created in
6575 response to the requirements of Title IV, Subtitle B of the Oil
6576 Pollution Act of 1990, Public Law 101-380; and

6577 (iii) Engages primarily in programs to contain,
6578 clean up and otherwise mitigate spills of oil or other substances
6579 occurring in the United States coastal and tidal waters.

6580 For purposes of this exemption, "machinery and equipment"
6581 means any ocean-going vessels, barges, booms, skimmers and other
6582 capital equipment used primarily in the operations of nonprofit
6583 organizations referred to herein.

6584 (v) Sales or leases of materials and equipment to
6585 approved business enterprises as provided under the Growth and
6586 Prosperity Act.

6587 (w) From and after July 1, 2001, sales of pollution
6588 control equipment to manufacturers or custom processors for
6589 industrial use. For the purposes of this exemption, "pollution
6590 control equipment" means equipment, devices, machinery or systems
6591 used or acquired to prevent, control, monitor or reduce air, water
6592 or groundwater pollution, or solid or hazardous waste as required
6593 by federal or state law or regulation.



6594 (x) Sales or leases to a manufacturer of motor vehicles
6595 or powertrain components operating a project that has been
6596 certified by the Mississippi Major Economic Impact Authority as a
6597 project as defined in Section 57-75-5(f)(iv)1, Section
6598 57-75-5(f)(xxi) or Section 57-75-5(f)(xxii) of machinery and
6599 equipment; special tooling such as dies, molds, jigs and similar
6600 items treated as special tooling for federal income tax purposes;
6601 or repair parts therefor or replacements thereof; repair services
6602 thereon; fuel, supplies, electricity, coal and natural gas used
6603 directly in the manufacture of motor vehicles or motor vehicle
6604 parts or used to provide climate control for manufacturing areas.

6605 (y) Sales or leases of component materials, machinery
6606 and equipment used in the construction of a building, or any
6607 addition or improvement thereon to an enterprise operating a
6608 project that has been certified by the Mississippi Major Economic
6609 Impact Authority as a project as defined in Section
6610 57-75-5(f)(iv)1, Section 57-75-5(f)(xxi), Section 57-75-5(f)(xxii)
6611 or Section 57-75-5(f)(xxviii) and any other sales or leases
6612 required to establish or operate such project.

6613 (z) Sales of component materials and equipment to a
6614 business enterprise as provided under Section 57-64-33.

6615 (aa) The gross income from the stripping and painting
6616 of commercial aircraft engaged in foreign or interstate
6617 transportation business.

6618 (bb) [Repealed]



6619 (cc) Sales or leases to an enterprise owning or
6620 operating a project that has been designated by the Mississippi
6621 Major Economic Impact Authority as a project as defined in Section
6622 57-75-5(f) (xviii) of machinery and equipment; special tooling such
6623 as dies, molds, jigs and similar items treated as special tooling
6624 for federal income tax purposes; or repair parts therefor or
6625 replacements thereof; repair services thereon; fuel, supplies,
6626 electricity, coal and natural gas used directly in the
6627 manufacturing/production operations of the project or used to
6628 provide climate control for manufacturing/production areas.

6629 (dd) Sales or leases of component materials, machinery
6630 and equipment used in the construction of a building, or any
6631 addition or improvement thereon to an enterprise owning or
6632 operating a project that has been designated by the Mississippi
6633 Major Economic Impact Authority as a project as defined in Section
6634 57-75-5(f) (xviii) and any other sales or leases required to
6635 establish or operate such project.

6636 (ee) Sales of parts used in the repair and servicing of
6637 aircraft not registered in Mississippi engaged exclusively in the
6638 business of foreign or interstate transportation to businesses
6639 engaged in aircraft repair and maintenance.

6640 (ff) Sales of component materials used in the
6641 construction of a facility, or any addition or improvement
6642 thereon, and sales or leases of machinery and equipment not later
6643 than three (3) months after the completion of construction of the



6644 facility, or any addition or improvement thereto, to be used in
6645 the building or any addition or improvement thereto, to a
6646 permanent business enterprise operating a data/information
6647 enterprise in Tier Three areas (as such areas are designated in
6648 accordance with Section 57-73-21), meeting minimum criteria
6649 established by the Mississippi Development Authority.

6650 (gg) Sales of component materials used in the
6651 construction of a facility, or any addition or improvement
6652 thereto, and sales of machinery and equipment not later than three
6653 (3) months after the completion of construction of the facility,
6654 or any addition or improvement thereto, to be used in the facility
6655 or any addition or improvement thereto, to technology intensive
6656 enterprises for industrial purposes in Tier Three areas (as such
6657 areas are designated in accordance with Section 57-73-21), as
6658 certified by the Department of Revenue. For purposes of this
6659 paragraph, an enterprise must meet the criteria provided for in
6660 Section 27-65-17(1)(f) in order to be considered a technology
6661 intensive enterprise.

6662 (hh) Sales of component materials used in the
6663 replacement, reconstruction or repair of a building or facility
6664 that has been destroyed or sustained extensive damage as a result
6665 of a disaster declared by the Governor, sales of machinery and
6666 equipment to be used therein to replace machinery or equipment
6667 damaged or destroyed as a result of such disaster, including, but
6668 not limited to, manufacturing or processing machinery and



6669 equipment which is permanently attached to the ground or to a
6670 permanent foundation and which is not by its nature intended to be
6671 housed within a building structure, to enterprises or companies
6672 that were eligible for the exemptions authorized in paragraph (q),
6673 (r), (ff) or (gg) of this subsection during initial construction
6674 of the building that was destroyed or damaged, which enterprises
6675 or companies are certified by the Department of Revenue as being
6676 eligible for the exemption granted in this paragraph.

6677 (ii) Sales of software or software services transmitted
6678 by the Internet to a destination outside the State of Mississippi
6679 where the first use of such software or software services by the
6680 purchaser occurs outside the State of Mississippi.

6681 (jj) Gross income of public storage warehouses derived
6682 from the temporary storage of raw materials that are to be used in
6683 an eligible facility as defined in Section 27-7-22.35.

6684 (kk) Sales of component building materials and
6685 equipment for initial construction of facilities or expansion of
6686 facilities as authorized under Sections 57-113-1 through 57-113-7
6687 and Sections 57-113-21 through 57-113-27.

6688 (ll) Sales and leases of machinery and equipment
6689 acquired in the initial construction to establish facilities as
6690 authorized in Sections 57-113-1 through 57-113-7.

6691 (mm) Sales and leases of replacement hardware, software
6692 or other necessary technology to operate a data center as
6693 authorized under Sections 57-113-21 through 57-113-27.



6694 (nn) Sales of component materials used in the
6695 construction of a building, or any addition or improvement
6696 thereon, and sales or leases of machinery and equipment not later
6697 than three (3) months after the completion of the construction of
6698 the facility, to be used in the facility, to permanent business
6699 enterprises operating a facility producing renewable crude oil
6700 from biomass harvested or produced, in whole or in part, in
6701 Mississippi, which businesses meet minimum criteria established by
6702 the Mississippi Development Authority. As used in this paragraph,
6703 the term "biomass" shall have the meaning ascribed to such term in
6704 Section 57-113-1.

6705 (oo) Sales of supplies, equipment and other personal
6706 property to an organization that is exempt from taxation under
6707 Section 501(c) (3) of the Internal Revenue Code and is the host
6708 organization coordinating a professional golf tournament played or
6709 to be played in this state and the supplies, equipment or other
6710 personal property will be used for purposes related to the golf
6711 tournament and related activities.

6712 (pp) Sales of materials used in the construction of a
6713 health care industry facility, as defined in Section 57-117-3, or
6714 any addition or improvement thereon, and sales of any machinery
6715 and equipment not later than three (3) months after the completion
6716 of construction of the facility, or any addition thereon, to be
6717 used therein, to qualified businesses, as defined in Section



6718 57-117-3. This paragraph shall be repealed from and after July 1,
6719 2022.

6720 (qq) Sales or leases to a manufacturer of automotive
6721 parts operating a project that has been certified by the
6722 Mississippi Major Economic Impact Authority as a project as
6723 defined in Section 57-75-5(f) (xxviii) of machinery and equipment;
6724 or repair parts therefor or replacements thereof; repair services
6725 thereon; fuel, supplies, electricity, coal, nitrogen and natural
6726 gas used directly in the manufacture of automotive parts or used
6727 to provide climate control for manufacturing areas.

6728 (rr) Gross collections derived from guided tours on any
6729 navigable waters of this state, which include providing
6730 accommodations, guide services and/or related equipment operated
6731 by or under the direction of the person providing the tour, for
6732 the purposes of outdoor tourism. The exemption provided in this
6733 paragraph (rr) does not apply to the sale of tangible personal
6734 property by a person providing such tours.

6735 (ss) Retail sales of truck-tractors and semitrailers
6736 used in interstate commerce and registered under the International
6737 Registration Plan (IRP) or any similar reciprocity agreement or
6738 compact relating to the proportional registration of commercial
6739 vehicles entered into as provided for in Section 27-19-143.

6740 (tt) Sales exempt under the Facilitating Business Rapid
6741 Response to State Declared Disasters Act of 2015 (Sections
6742 27-113-1 through 27-113-9).



6743 (uu) Sales or leases to an enterprise and its
6744 affiliates operating a project that has been certified by the
6745 Mississippi Major Economic Impact Authority as a project as
6746 defined in Section 57-75-5(f)(xxix) of:

6747 (i) All personal property and fixtures, including
6748 without limitation, sales or leases to the enterprise and its
6749 affiliates of:

6750 1. Manufacturing machinery and equipment;

6751 2. Special tooling such as dies, molds, jigs
6752 and similar items treated as special tooling for federal income
6753 tax purposes;

6754 3. Component building materials, machinery
6755 and equipment used in the construction of buildings, and any other
6756 additions or improvements to the project site for the project;

6757 4. Nonmanufacturing furniture, fixtures and
6758 equipment (inclusive of all communications, computer, server,
6759 software and other hardware equipment); and

6760 5. Fuel, supplies (other than
6761 nonmanufacturing consumable supplies and water), electricity,
6762 nitrogen gas and natural gas used directly in the
6763 manufacturing/production operations of such project or used to
6764 provide climate control for manufacturing/production areas of such
6765 project;



6766 (ii) All replacements of, repair parts for or
6767 services to repair items described in subparagraph (i)1, 2 and 3
6768 of this paragraph; and

6769 (iii) All services taxable pursuant to Section
6770 27-65-23 required to establish, support, operate, repair and/or
6771 maintain such project.

6772 (vv) Sales or leases to an enterprise operating a
6773 project that has been certified by the Mississippi Major Economic
6774 Impact Authority as a project as defined in Section
6775 57-75-5(f) (xxx) of:

6776 (i) Purchases required to establish and operate
6777 the project, including, but not limited to, sales of component
6778 building materials, machinery and equipment required to establish
6779 the project facility and any additions or improvements thereon;
6780 and

6781 (ii) Machinery, special tools (such as dies,
6782 molds, and jigs) or repair parts thereof, or replacements and
6783 lease thereof, repair services thereon, fuel, supplies and
6784 electricity, coal and natural gas used in the manufacturing
6785 process and purchased by the enterprise owning or operating the
6786 project for the benefit of the project.

6787 (ww) Sales of component materials used in the
6788 construction of a building, or any expansion or improvement
6789 thereon, sales of machinery and/or equipment to be used therein,
6790 and sales of processing machinery and equipment which is



6791 permanently attached to the ground or to a permanent foundation
6792 which is not by its nature intended to be housed in a building
6793 structure, no later than three (3) months after initial startup,
6794 expansion or improvement of a permanent enterprise solely engaged
6795 in the conversion of natural sand into proppants used in oil and
6796 gas exploration and development with at least ninety-five percent
6797 (95%) of such proppants used in the production of oil and/or gas
6798 from horizontally drilled wells and/or horizontally drilled
6799 recompletion wells as defined in Sections 27-25-501 and 27-25-701.

6800 (2) Sales of component materials used in the construction of
6801 a building, or any addition or improvement thereon, sales of
6802 machinery and equipment to be used therein, and sales of
6803 manufacturing or processing machinery and equipment which is
6804 permanently attached to the ground or to a permanent foundation
6805 and which is not by its nature intended to be housed within a
6806 building structure, not later than three (3) months after the
6807 initial start-up date, to permanent business enterprises engaging
6808 in manufacturing or processing in Tier Two areas and Tier One
6809 areas (as such areas are designated in accordance with Section
6810 57-73-21), which businesses are certified by the Department of
6811 Revenue as being eligible for the exemption granted in this
6812 subsection, shall be exempt from one-half (1/2) of the taxes
6813 imposed on such transactions under this chapter.

6814 (3) Sales of component materials used in the construction of
6815 a facility, or any addition or improvement thereon, and sales or



6816 leases of machinery and equipment not later than three (3) months
6817 after the completion of construction of the facility, or any
6818 addition or improvement thereto, to be used in the building or any
6819 addition or improvement thereto, to a permanent business
6820 enterprise operating a data/information enterprise in Tier Two
6821 areas and Tier One areas (as such areas are designated in
6822 accordance with Section 57-73-21), which businesses meet minimum
6823 criteria established by the Mississippi Development Authority,
6824 shall be exempt from one-half (1/2) of the taxes imposed on such
6825 transaction under this chapter.

6826 (4) Sales of component materials used in the construction of
6827 a facility, or any addition or improvement thereto, and sales of
6828 machinery and equipment not later than three (3) months after the
6829 completion of construction of the facility, or any addition or
6830 improvement thereto, to be used in the building or any addition or
6831 improvement thereto, to technology intensive enterprises for
6832 industrial purposes in Tier Two areas and Tier One areas (as such
6833 areas are designated in accordance with Section 57-73-21), which
6834 businesses are certified by the Department of Revenue as being
6835 eligible for the exemption granted in this subsection, shall be
6836 exempt from one-half (1/2) of the taxes imposed on such
6837 transactions under this chapter. For purposes of this subsection,
6838 an enterprise must meet the criteria provided for in Section
6839 27-65-17(1) (f) in order to be considered a technology intensive
6840 enterprise.



6841 (5) (a) For purposes of this subsection:

6842 (i) "Telecommunications enterprises" shall have
6843 the meaning ascribed to such term in Section 57-73-21;

6844 (ii) "Tier One areas" mean counties designated as
6845 Tier One areas pursuant to Section 57-73-21;

6846 (iii) "Tier Two areas" mean counties designated as
6847 Tier Two areas pursuant to Section 57-73-21;

6848 (iv) "Tier Three areas" mean counties designated
6849 as Tier Three areas pursuant to Section 57-73-21; and

6850 (v) "Equipment used in the deployment of broadband
6851 technologies" means any equipment capable of being used for or in
6852 connection with the transmission of information at a rate, prior
6853 to taking into account the effects of any signal degradation, that
6854 is not less than three hundred eighty-four (384) kilobits per
6855 second in at least one (1) direction, including, but not limited
6856 to, asynchronous transfer mode switches, digital subscriber line
6857 access multiplexers, routers, servers, multiplexers, fiber optics
6858 and related equipment.

6859 (b) Sales of equipment to telecommunications
6860 enterprises after June 30, 2003, and before July 1, 2025, that is
6861 installed in Tier One areas and used in the deployment of
6862 broadband technologies shall be exempt from one-half (1/2) of the
6863 taxes imposed on such transactions under this chapter.

6864 (c) Sales of equipment to telecommunications
6865 enterprises after June 30, 2003, and before July 1, 2025, that is



6866 installed in Tier Two and Tier Three areas and used in the
6867 deployment of broadband technologies shall be exempt from the
6868 taxes imposed on such transactions under this chapter.

6869 (6) Sales of component materials used in the replacement,
6870 reconstruction or repair of a building that has been destroyed or
6871 sustained extensive damage as a result of a disaster declared by
6872 the Governor, sales of machinery and equipment to be used therein
6873 to replace machinery or equipment damaged or destroyed as a result
6874 of such disaster, including, but not limited to, manufacturing or
6875 processing machinery and equipment which is permanently attached
6876 to the ground or to a permanent foundation and which is not by its
6877 nature intended to be housed within a building structure, to
6878 enterprises that were eligible for the partial exemptions provided
6879 for in subsections (2), (3) and (4) of this section during initial
6880 construction of the building that was destroyed or damaged, which
6881 enterprises are certified by the Department of Revenue as being
6882 eligible for the partial exemption granted in this subsection,
6883 shall be exempt from one-half (1/2) of the taxes imposed on such
6884 transactions under this chapter.

6885 **SECTION 57.** Section 27-65-103, Mississippi Code of 1972, is
6886 brought forward as follows:

6887 27-65-103. The exemptions from the provisions of this
6888 chapter which are of an agricultural nature or which are more
6889 properly classified as agricultural exemptions than any other
6890 exemption classification of this chapter shall be confined to



6891 those persons or property exempted by this section or by
6892 provisions of the Constitution of the United States or the State
6893 of Mississippi. No agricultural exemption as now provided by any
6894 other section shall be valid as against the tax herein levied.
6895 Any subsequent agricultural exemption from the tax levied
6896 hereunder shall be provided by amendment to this section.

6897 No exemption provided in this section shall apply to taxes
6898 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

6899 The tax levied by this chapter shall not apply to the
6900 following:

6901 (a) The gross proceeds of sales of lint cotton, seed
6902 cotton, baled cotton, whether compressed or not, and cottonseed
6903 and soybeans in their original condition. Retail sales of seeds,
6904 livestock feed, poultry feed, fish feed and fertilizers. Sales of
6905 defoliants, insecticides, fungicides, herbicides and baby chicks
6906 used in growing agricultural products for market. Bagging and
6907 ties for baling cotton, hay-baling wire and twine, boxes, bags and
6908 cans used in growing or preparing agricultural products for market
6909 when possession thereof will pass to the customer at the time of
6910 sale of the product contained therein. Sales of ice to commercial
6911 fishermen purchased for use in the preservation of seafood or to
6912 producers for use in the refrigeration of vegetables for market.

6913 (b) The sales by producers of livestock, poultry, fish,
6914 honey bees or other products of farm, grove, apiary or garden when
6915 such products are sold in the original state or condition of



6916 preparation for sale before such products are subjected to any
6917 other process within a class of business or sold by a producer
6918 through an established store, as defined in the Privilege Tax Law.
6919 However, except as otherwise provided in this paragraph (b), this
6920 exemption shall not apply to ornamental plants which bear no fruit
6921 of commercial value. The exemption provided in this paragraph (b)
6922 shall apply to Christmas trees, hay, straw, fresh cut flowers and
6923 similar products when (i) grown in Mississippi and (ii) cut,
6924 severed or otherwise removed from the farm, grove, garden or other
6925 place of production and first sold from such place of production
6926 in the original state or condition of preparation for sale. All
6927 sales by agricultural cooperative associations organized under
6928 Article 9, Chapter 7, Title 69, or under Chapter 17 or 19, Title
6929 79, Mississippi Code of 1972, of agricultural products produced by
6930 members for market before such products are subjected to any
6931 manufacturing process.

6932 (c) The gross proceeds of retail sales of mules,
6933 horses, honey bees and other livestock.

6934 (d) Income from grading, excavating, ditching, dredging
6935 or landscaping activities performed for a farmer on a farm for
6936 agricultural or soil erosion purposes.

6937 (e) The gross proceeds of sales of all antibiotics,
6938 hormones and hormone preparations, drugs, medicines and other
6939 medications including serums and vaccines, vitamins, minerals or
6940 other nutrients for use in the production and growing of fish,



6941 livestock, honey bees and poultry by whomever sold. Such
6942 exemption shall be in addition to the exemption provided in this
6943 section for feed for fish, livestock, honey bees and poultry.

6944 (f) Sales of food products and honey that are grown,
6945 made or processed in Mississippi and sold from farmers' markets
6946 that have been certified by the Mississippi Department of
6947 Agriculture and Commerce.

6948 **SECTION 58.** Section 27-65-105, Mississippi Code of 1972, is
6949 brought forward as follows:

6950 27-65-105. The exemption from the provisions of this chapter
6951 which are of a governmental nature or which are more properly
6952 classified as governmental exemptions than any other exemption
6953 classification of this chapter shall be confined to those persons
6954 or property exempted by this section or by provisions of the
6955 Constitutions of the United States or the State of Mississippi.
6956 No governmental exemption as now provided by any other section
6957 shall be valid as against the tax herein levied. Any subsequent
6958 governmental exemption from the tax levied hereunder shall be
6959 provided by amendment to this section.

6960 No exemption provided in this section shall apply to taxes
6961 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972,
6962 except as provided by paragraph (f) of this section.

6963 The tax levied by this chapter shall not apply to the
6964 following:



6965 (a) Sales of property, labor, services or products
6966 taxable under Sections 27-65-17, 27-65-19, 27-65-23 and 27-19-26,
6967 when sold to and billed directly to and payment therefor is made
6968 directly by the United States government, the State of Mississippi
6969 and its departments, institutions, counties and municipalities or
6970 departments or school districts of said counties and
6971 municipalities.

6972 The exemption from the tax imposed under this chapter shall
6973 not apply to sales of tangible personal property or specified
6974 digital products, labor or services to contractors purchasing in
6975 the performance of contracts with the United States, the State of
6976 Mississippi, counties and municipalities.

6977 (b) Sales to schools, when such schools are supported
6978 wholly or in part by funds provided by the State of Mississippi,
6979 provided that this exemption does not apply to sales of property
6980 which is not to be used in the ordinary operation of the school,
6981 or which is to be resold to the students or the public.

6982 (c) Amounts received from the sale of school textbooks
6983 to students.

6984 (d) Sales to the Mississippi Band of Choctaw Indians,
6985 but not to Indians individually.

6986 (e) Sales of firefighting equipment to governmental
6987 fire departments or volunteer fire departments for their use.



6988 (f) Sales of any gas from any project, as defined in
6989 the Municipal Gas Authority of Mississippi Law, to any
6990 municipality shall not be subject to sales, use or other tax.

6991 (g) Sales of home medical equipment and home medical
6992 supplies listed as eligible for payment under Title XVIII of the
6993 Social Security Act or under the state plan for medical assistance
6994 under Title XIX of the Social Security Act, prosthetics,
6995 orthotics, hearing aids, hearing devices, prescription eyeglasses,
6996 oxygen and oxygen equipment, when ordered or prescribed by a
6997 licensed physician for medical purposes of a patient, and when
6998 payment for such equipment or supplies, or both, is made, in part
6999 or in whole, under the provisions of the Medicare or Medicaid
7000 program, then the entire sale shall be exempt from the taxes
7001 imposed by this chapter. Payment does not have to be made, in
7002 whole or in part, by any particular person to be eligible for this
7003 exemption. Purchases of home medical equipment and supplies by a
7004 provider of home health services or a provider of hospice services
7005 are eligible for this exemption if the purchases otherwise meet
7006 the requirements of this paragraph.

7007 (h) Sales to regional educational service agencies
7008 established under Section 37-7-345.

7009 (i) Sales of buses and other motor vehicles, and parts
7010 and labor used to maintain and/or repair such buses and motor
7011 vehicles, to an entity that (a) has entered into a contract with a
7012 school board under Section 37-41-31 for the purpose of



7013 transporting students to and from schools and (b) uses or will use
7014 the buses and other motor vehicles for such transportation
7015 purposes. This paragraph (i) shall apply to contracts entered
7016 into or renewed on or after July 1, 2010.

7017 (j) Parking at events held solely for religious or
7018 charitable purposes at livestock facilities, agriculture
7019 facilities or other facilities constructed, renovated or expanded
7020 with funds for the grant program authorized under Section 18,
7021 Chapter 530, Laws of 1995.

7022 (k) Sales of tangible personal property, labor,
7023 services or products to schools and school districts under a
7024 program that is administered by or coordinated with an agency,
7025 commission, department or other instrumentality of the United
7026 States government when payment for the tangible personal property,
7027 labor, services or products is made by or through a nonprofit
7028 organization or other entity established by or for the benefit of
7029 the agency, commission, department or other instrumentality of the
7030 United States government administering or coordinating such
7031 program.

7032 **SECTION 59.** Section 27-65-107, Mississippi Code of 1972, is
7033 brought forward as follows:

7034 27-65-107. The exemptions from the provisions of this
7035 chapter which relate to utilities or which are more properly
7036 classified as utility exemptions than any other exemption
7037 classification of this chapter shall be confined to those persons



7038 or property exempted by this section or by provisions of the
7039 Constitutions of the United States or the State of Mississippi.
7040 No utility exemption as now provided by any other section shall be
7041 valid as against the tax herein levied. Any subsequent utility
7042 exemption from the tax levied hereunder shall be provided by
7043 amendment to this section.

7044 No exemption provided in this section shall apply to taxes
7045 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

7046 The tax levied by this chapter shall not apply to the
7047 following:

7048 (a) Sales and rentals of locomotives, rail rolling
7049 stock and materials for their repair, locomotive water, when made
7050 to a railroad whose rates are fixed by the Interstate Commerce
7051 Commission or the Mississippi Public Service Commission.

7052 (b) Rentals of manufacturing machinery to a
7053 manufacturer or custom processor where such manufacturer or custom
7054 processor is engaged in, and such machinery is used in, the
7055 manufacture of containers made from timber or wood for sale. The
7056 tax, likewise, shall not apply to replacement or repair parts of
7057 such machinery used in such manufacture.

7058 (c) Sales of tangible personal property and services to
7059 nonprofit water associations or corporations in which no part of
7060 the net earnings inures to the benefit of any private shareholder,
7061 group or individual. Only sales of property or services which are



7062 ordinary and necessary to the operation of such organizations are
7063 exempt from tax.

7064 (d) Wholesale sales of tangible personal property for
7065 resale under Section 27-65-19.

7066 (e) From and after July 1, 2003, sales of fuel used to
7067 produce electric power by a company primarily engaged in the
7068 business of producing, generating or distributing electric power
7069 for sale.

7070 (f) Sales of electricity, current, power, steam, coal,
7071 natural gas, liquefied petroleum gas or other fuel to a
7072 manufacturer, custom processor, data center meeting the criteria
7073 provided for in Section 57-113-21, technology intensive enterprise
7074 meeting the criteria provided for in Section 27-65-17(1)(f), or
7075 public service company for industrial purposes, which shall
7076 include that used to generate electricity, to operate an
7077 electrical distribution or transmission system, to operate
7078 pipeline compressor or pumping stations, or to operate railroad
7079 locomotives.

7080 (g) Sales of electricity, current, power, steam, coal,
7081 natural gas, liquefied petroleum gas or other fuel to a producer
7082 or processor for use directly in the production of poultry or
7083 poultry products, the production of livestock and livestock
7084 products, the production of domesticated fish and domesticated
7085 fish products, the production of marine aquaculture products, the
7086 production of plants or food by commercial horticulturists, the



7087 processing of milk and milk products, the processing of poultry
7088 and livestock feed, and the irrigation of farm crops.

7089 (h) Sales of electricity, current, power, steam, coal,
7090 natural gas, liquefied petroleum gas or other fuel to a commercial
7091 fisherman, shrimper or oysterman.

7092 (i) Sales exempt under the Facilitating Business Rapid
7093 Response to State Declared Disasters Act of 2015 (Sections
7094 27-113-1 through 27-113-9).

7095 (j) Sales of electricity, current, power, steam, coal,
7096 natural gas, liquefied petroleum gas or other fuel to a permanent
7097 enterprise that is eligible for the exemption authorized in
7098 Section 27-65-101(1)(ww) upon completion of the expansion upon
7099 which such exemption is based; however, in order to be eligible
7100 for the exemption authorized by this paragraph, the expansion
7101 must:

7102 (i) Create at least eighty-five (85) full-time
7103 jobs in this state with an average annual wage of at least Sixty
7104 Thousand Dollars (\$60,000.00); and

7105 (ii) Have at least Eighty Million Dollars
7106 (\$80,000,000.00) in new investment at the existing facility.

7107 **SECTION 60.** Section 27-65-111, Mississippi Code of 1972, is
7108 brought forward as follows:

7109 27-65-111. The exemptions from the provisions of this
7110 chapter which are not industrial, agricultural or governmental, or
7111 which do not relate to utilities or taxes, or which are not



7112 properly classified as one (1) of the exemption classifications of
7113 this chapter, shall be confined to persons or property exempted by
7114 this section or by the Constitution of the United States or the
7115 State of Mississippi. No exemptions as now provided by any other
7116 section, except the classified exemption sections of this chapter
7117 set forth herein, shall be valid as against the tax herein levied.
7118 Any subsequent exemption from the tax levied hereunder, except as
7119 indicated above, shall be provided by amendments to this section.

7120 No exemption provided in this section shall apply to taxes
7121 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

7122 The tax levied by this chapter shall not apply to the
7123 following:

7124 (a) Sales of tangible personal property and services to
7125 hospitals or infirmaries owned and operated by a corporation or
7126 association in which no part of the net earnings inures to the
7127 benefit of any private shareholder, group or individual, and which
7128 are subject to and governed by Sections 41-7-123 through 41-7-127.

7129 Only sales of tangible personal property or services which
7130 are ordinary and necessary to the operation of such hospitals and
7131 infirmaries are exempted from tax.

7132 (b) Sales of daily or weekly newspapers, and
7133 periodicals or publications of scientific, literary or educational
7134 organizations exempt from federal income taxation under Section
7135 501(c) (3) of the Internal Revenue Code of 1954, as it exists as of
7136 March 31, 1975, and subscription sales of all magazines.



7137 (c) Sales of coffins, caskets and other materials used
7138 in the preparation of human bodies for burial.

7139 (d) Sales of tangible personal property for immediate
7140 export to a foreign country.

7141 (e) Sales of tangible personal property to an
7142 orphanage, old men's or ladies' home, supported wholly or in part
7143 by a religious denomination, fraternal nonprofit organization or
7144 other nonprofit organization.

7145 (f) Sales of tangible personal property, labor or
7146 services taxable under Sections 27-65-17, 27-65-19 and 27-65-23,
7147 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
7148 corporation or association in which no part of the net earnings
7149 inures to the benefit of any private shareholder, group or
7150 individual.

7151 (g) Sales to elementary and secondary grade schools,
7152 junior and senior colleges owned and operated by a corporation or
7153 association in which no part of the net earnings inures to the
7154 benefit of any private shareholder, group or individual, and which
7155 are exempt from state income taxation, provided that this
7156 exemption does not apply to sales of property or services which
7157 are not to be used in the ordinary operation of the school, or
7158 which are to be resold to the students or the public.

7159 (h) The gross proceeds of retail sales and the use or
7160 consumption in this state of drugs and medicines:



7161 (i) Prescribed for the treatment of a human being
7162 by a person authorized to prescribe the medicines, and dispensed
7163 or prescription filled by a registered pharmacist in accordance
7164 with law; or

7165 (ii) Furnished by a licensed physician, surgeon,
7166 dentist or podiatrist to his own patient for treatment of the
7167 patient; or

7168 (iii) Furnished by a hospital for treatment of any
7169 person pursuant to the order of a licensed physician, surgeon,
7170 dentist or podiatrist; or

7171 (iv) Sold to a licensed physician, surgeon,
7172 podiatrist, dentist or hospital for the treatment of a human
7173 being; or

7174 (v) Sold to this state or any political
7175 subdivision or municipal corporation thereof, for use in the
7176 treatment of a human being or furnished for the treatment of a
7177 human being by a medical facility or clinic maintained by this
7178 state or any political subdivision or municipal corporation
7179 thereof.

7180 "Medicines," as used in this paragraph (h), shall mean and
7181 include any substance or preparation intended for use by external
7182 or internal application to the human body in the diagnosis, cure,
7183 mitigation, treatment or prevention of disease and which is
7184 commonly recognized as a substance or preparation intended for
7185 such use; provided that "medicines" do not include any auditory,



7186 prosthetic, ophthalmic or ocular device or appliance, any dentures
7187 or parts thereof or any artificial limbs or their replacement
7188 parts, articles which are in the nature of splints, bandages,
7189 pads, compresses, supports, dressings, instruments, apparatus,
7190 contrivances, appliances, devices or other mechanical, electronic,
7191 optical or physical equipment or article or the component parts
7192 and accessories thereof, or any alcoholic beverage or any other
7193 drug or medicine not commonly referred to as a prescription drug.

7194 Notwithstanding the preceding sentence of this paragraph (h),
7195 "medicines" as used in this paragraph (h), shall mean and include
7196 sutures, whether or not permanently implanted, bone screws, bone
7197 pins, pacemakers and other articles permanently implanted in the
7198 human body to assist the functioning of any natural organ, artery,
7199 vein or limb and which remain or dissolve in the body.

7200 "Hospital," as used in this paragraph (h), shall have the
7201 meaning ascribed to it in Section 41-9-3, Mississippi Code of
7202 1972.

7203 Insulin furnished by a registered pharmacist to a person for
7204 treatment of diabetes as directed by a physician shall be deemed
7205 to be dispensed on prescription within the meaning of this
7206 paragraph (h).

7207 (i) Retail sales of automobiles, trucks and
7208 truck-tractors if exported from this state within forty-eight (48)
7209 hours and registered and first used in another state.



7210 (j) Sales of tangible personal property or services to
7211 the Salvation Army and the Muscular Dystrophy Association, Inc.

7212 (k) From July 1, 1985, through December 31, 1992,
7213 retail sales of "alcohol blended fuel" as such term is defined in
7214 Section 75-55-5. The gasoline-alcohol blend or the straight
7215 alcohol eligible for this exemption shall not contain alcohol
7216 distilled outside the State of Mississippi.

7217 (l) Sales of tangible personal property or services to
7218 the Institute for Technology Development.

7219 (m) The gross proceeds of retail sales of food and
7220 drink for human consumption made through vending machines serviced
7221 by full line vendors from and not connected with other taxable
7222 businesses.

7223 (n) The gross proceeds of sales of motor fuel.

7224 (o) Retail sales of food for human consumption
7225 purchased with food stamps issued by the United States Department
7226 of Agriculture, or other federal agency, from and after October 1,
7227 1987, or from and after the expiration of any waiver granted
7228 pursuant to federal law, the effect of which waiver is to permit
7229 the collection by the state of tax on such retail sales of food
7230 for human consumption purchased with food stamps.

7231 (p) Sales of cookies for human consumption by the Girl
7232 Scouts of America no part of the net earnings from which sales
7233 inures to the benefit of any private group or individual.



7234 (q) Gifts or sales of tangible personal property or
7235 services to public or private nonprofit museums of art.

7236 (r) Sales of tangible personal property or services to
7237 alumni associations of state-supported colleges or universities.

7238 (s) Sales of tangible personal property or services to
7239 National Association of Junior Auxiliaries, Inc., and chapters of
7240 the National Association of Junior Auxiliaries, Inc.

7241 (t) Sales of tangible personal property or services to
7242 domestic violence shelters which qualify for state funding under
7243 Sections 93-21-101 through 93-21-113.

7244 (u) Sales of tangible personal property or services to
7245 the National Multiple Sclerosis Society, Mississippi Chapter.

7246 (v) Retail sales of food for human consumption
7247 purchased with food instruments issued the Mississippi Band of
7248 Choctaw Indians under the Women, Infants and Children Program
7249 (WIC) funded by the United States Department of Agriculture.

7250 (w) Sales of tangible personal property or services to
7251 a private company, as defined in Section 57-61-5, which is making
7252 such purchases with proceeds of bonds issued under Section 57-61-1
7253 et seq., the Mississippi Business Investment Act.

7254 (x) The gross collections from the operation of
7255 self-service, coin-operated car washing equipment and sales of the
7256 service of washing motor vehicles with portable high-pressure
7257 washing equipment on the premises of the customer.



7258 (y) Sales of tangible personal property or services to
7259 the Mississippi Technology Alliance.

7260 (z) Sales of tangible personal property to nonprofit
7261 organizations that provide foster care, adoption services and
7262 temporary housing for unwed mothers and their children if the
7263 organization is exempt from federal income taxation under Section
7264 501(c) (3) of the Internal Revenue Code.

7265 (aa) Sales of tangible personal property to nonprofit
7266 organizations that provide residential rehabilitation for persons
7267 with alcohol and drug dependencies if the organization is exempt
7268 from federal income taxation under Section 501(c) (3) of the
7269 Internal Revenue Code.

7270 (bb) (i) Retail sales of an article of clothing or
7271 footwear designed to be worn on or about the human body and retail
7272 sales of school supplies if the sales price of the article of
7273 clothing or footwear or school supply is less than One Hundred
7274 Dollars (\$100.00) and the sale takes place during a period
7275 beginning at 12:01 a.m. on the last Friday in July and ending at
7276 12:00 midnight the following Saturday. This paragraph (bb) shall
7277 not apply to:

7278 1. Accessories including jewelry, handbags,
7279 luggage, umbrellas, wallets, watches, briefcases, garment bags and
7280 similar items carried on or about the human body, without regard
7281 to whether worn on the body in a manner characteristic of
7282 clothing;



7283 2. The rental of clothing or footwear; and
7284 3. Skis, swim fins, roller blades, skates and
7285 similar items worn on the foot.

7286 (ii) For purposes of this paragraph (bb), "school
7287 supplies" means items that are commonly used by a student in a
7288 course of study. The following is an all-inclusive list:

- 7289 1. Backpacks;
- 7290 2. Binder pockets;
- 7291 3. Binders;
- 7292 4. Blackboard chalk;
- 7293 5. Book bags;
- 7294 6. Calculators;
- 7295 7. Cellophane tape;
- 7296 8. Clays and glazes;
- 7297 9. Compasses;
- 7298 10. Composition books;
- 7299 11. Crayons;
- 7300 12. Dictionaries and thesauruses;
- 7301 13. Dividers;
- 7302 14. Erasers;
- 7303 15. Folders: expandable, pocket, plastic and
7304 manila;
- 7305 16. Glue, paste and paste sticks;
- 7306 17. Highlighters;
- 7307 18. Index card boxes;



- 7308 19. Index cards;
- 7309 20. Legal pads;
- 7310 21. Lunch boxes;
- 7311 22. Markers;
- 7312 23. Notebooks;
- 7313 24. Paintbrushes for artwork;
- 7314 25. Paints: acrylic, tempera and oil;
- 7315 26. Paper: loose-leaf ruled notebook paper,
- 7316 copy paper, graph paper, tracing paper, manila paper, colored
- 7317 paper, poster board and construction paper;
- 7318 27. Pencil boxes and other school supply
- 7319 boxes;
- 7320 28. Pencil sharpeners;
- 7321 29. Pencils;
- 7322 30. Pens;
- 7323 31. Protractors;
- 7324 32. Reference books;
- 7325 33. Reference maps and globes;
- 7326 34. Rulers;
- 7327 35. Scissors;
- 7328 36. Sheet music;
- 7329 37. Sketch and drawing pads;
- 7330 38. Textbooks;
- 7331 39. Watercolors;
- 7332 40. Workbooks; and



7333 41. Writing tablets.
7334 (iii) From and after January 1, 2010, the
7335 governing authorities of a municipality, for retail sales
7336 occurring within the corporate limits of the municipality, may
7337 suspend the application of the exemption provided for in this
7338 paragraph (bb) by adoption of a resolution to that effect stating
7339 the date upon which the suspension shall take effect. A certified
7340 copy of the resolution shall be furnished to the Department of
7341 Revenue at least ninety (90) days prior to the date upon which the
7342 municipality desires such suspension to take effect.

7343 (cc) The gross proceeds of sales of tangible personal
7344 property made for the sole purpose of raising funds for a school
7345 or an organization affiliated with a school.

7346 As used in this paragraph (cc), "school" means any public or
7347 private school that teaches courses of instruction to students in
7348 any grade from kindergarten through Grade 12.

7349 (dd) Sales of durable medical equipment and home
7350 medical supplies when ordered or prescribed by a licensed
7351 physician for medical purposes of a patient. As used in this
7352 paragraph (dd), "durable medical equipment" and "home medical
7353 supplies" mean equipment, including repair and replacement parts
7354 for the equipment or supplies listed under Title XVIII of the
7355 Social Security Act or under the state plan for medical assistance
7356 under Title XIX of the Social Security Act, prosthetics,
7357 orthotics, hearing aids, hearing devices, prescription eyeglasses,



7358 oxygen and oxygen equipment. Payment does not have to be made, in
7359 whole or in part, by any particular person to be eligible for this
7360 exemption. Purchases of home medical equipment and supplies by a
7361 provider of home health services or a provider of hospice services
7362 are eligible for this exemption if the purchases otherwise meet
7363 the requirements of this paragraph.

7364 (ee) Sales of tangible personal property or services to
7365 Mississippi Blood Services.

7366 (ff) (i) Subject to the provisions of this paragraph
7367 (ff), retail sales of firearms, ammunition and hunting supplies if
7368 sold during the annual Mississippi Second Amendment Weekend
7369 holiday beginning at 12:01 a.m. on the last Friday in August and
7370 ending at 12:00 midnight the following Sunday. For the purposes
7371 of this paragraph (ff), "hunting supplies" means tangible personal
7372 property used for hunting, including, and limited to, archery
7373 equipment, firearm and archery cases, firearm and archery
7374 accessories, hearing protection, holsters, belts and slings.
7375 Hunting supplies does not include animals used for hunting.

7376 (ii) This paragraph (ff) shall apply only if one
7377 or more of the following occur:

7378 1. Title to and/or possession of an eligible
7379 item is transferred from a seller to a purchaser; and/or

7380 2. A purchaser orders and pays for an
7381 eligible item and the seller accepts the order for immediate
7382 shipment, even if delivery is made after the time period provided



7383 in subparagraph (i) of this paragraph (ff), provided that the
7384 purchaser has not requested or caused the delay in shipment.

7385 (gg) Sales of nonperishable food items to charitable
7386 organizations that are exempt from federal income taxation under
7387 Section 501(c)(3) of the Internal Revenue Code and operate a food
7388 bank or food pantry or food lines.

7389 (hh) Sales of tangible personal property or services to
7390 the United Way of the Pine Belt Region, Inc.

7391 (ii) Sales of tangible personal property or services to
7392 the Mississippi Children's Museum or any subsidiary or affiliate
7393 thereof operating a satellite or branch museum within this state.

7394 (jj) Sales of tangible personal property or services to
7395 the Jackson Zoological Park.

7396 (kk) Sales of tangible personal property or services to
7397 the Hattiesburg Zoo.

7398 (ll) Gross proceeds from sales of food, merchandise or
7399 other concessions at an event held solely for religious or
7400 charitable purposes at livestock facilities, agriculture
7401 facilities or other facilities constructed, renovated or expanded
7402 with funds for the grant program authorized under Section 18,
7403 Chapter 530, Laws of 1995.

7404 (mm) Sales of tangible personal property and services
7405 to the Diabetes Foundation of Mississippi and the Mississippi
7406 Chapter of the Juvenile Diabetes Research Foundation.



7407 (nn) Sales of potting soil, mulch, or other soil
7408 amendments used in growing ornamental plants which bear no fruit
7409 of commercial value when sold to commercial plant nurseries that
7410 operate exclusively at wholesale and where no retail sales can be
7411 made.

7412 (oo) Sales of tangible personal property or services to
7413 the University of Mississippi Medical Center Research Development
7414 Foundation.

7415 (pp) Sales of tangible personal property or services to
7416 Keep Mississippi Beautiful, Inc., and all affiliates of Keep
7417 Mississippi Beautiful, Inc.

7418 (qq) Sales of tangible personal property or services to
7419 the Friends of Children's Hospital.

7420 (rr) Sales of tangible personal property or services to
7421 the Pinecrest Weekend Backpacks for Kids located in Corinth,
7422 Mississippi.

7423 (ss) Sales of hearing aids when ordered or prescribed
7424 by a licensed physician, audiologist or hearing aid specialist for
7425 the medical purposes of a patient.

7426 (tt) Sales exempt under the Facilitating Business Rapid
7427 Response to State Declared Disasters Act of 2015 (Sections
7428 27-113-1 through 27-113-9).

7429 (uu) Sales of tangible personal property or services to
7430 the Junior League of Jackson.



7431 (vv) Sales of tangible personal property or services to
7432 the Mississippi's Toughest Kids Foundation for use in the
7433 construction, furnishing and equipping of buildings and related
7434 facilities and infrastructure at Camp Kamassa in Copiah County,
7435 Mississippi. This paragraph (vv) shall stand repealed on July 1,
7436 2022.

7437 (ww) Sales of tangible personal property or services to
7438 MS Gulf Coast Buddy Sports, Inc.

7439 (xx) Sales of tangible personal property or services to
7440 Biloxi Lions, Inc.

7441 (yy) Sales of tangible personal property or services to
7442 Lions Sight Foundation of Mississippi, Inc.

7443 (zz) Sales of tangible personal property and services
7444 to the Goldring/Woldenberg Institute of Southern Jewish Life
7445 (ISJL).

7446 **SECTION 61.** Sections 1 through 61 of this act shall be known
7447 and may be cited as the "Mississippi Tax Freedom Act of 2021."

7448 **SECTION 62.** Section 37-19-7, Mississippi Code of 1972, is
7449 amended as follows:

7450 37-19-7. (1) The allowance in the Mississippi Adequate
7451 Education Program for teachers' salaries in each county and
7452 separate school district shall be determined and paid in
7453 accordance with the scale for teachers' salaries as provided in
7454 this subsection. For teachers holding the following types of
7455 licenses or the equivalent as determined by the State Board of



7456 Education, and the following number of years of teaching
7457 experience, the scale shall be as follows:

7458 * * *

7459 **2021-2022 MINIMUM SALARY SCHEDULE**

7460	<u>Years</u>				
7461	<u>Exp.</u>	<u>AAAA</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>
7462	<u>0</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7463	<u>1</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7464	<u>2</u>	<u>41,608.00</u>	<u>40,444.00</u>	<u>39,280.00</u>	<u>37,000.00</u>
7465	<u>3</u>	<u>42,402.00</u>	<u>41,171.00</u>	<u>39,940.00</u>	<u>37,385.00</u>
7466	<u>4</u>	<u>43,196.00</u>	<u>41,898.00</u>	<u>40,600.00</u>	<u>37,880.00</u>
7467	<u>5</u>	<u>43,990.00</u>	<u>42,625.00</u>	<u>41,260.00</u>	<u>38,375.00</u>
7468	<u>6</u>	<u>44,784.00</u>	<u>43,352.00</u>	<u>41,920.00</u>	<u>38,870.00</u>
7469	<u>7</u>	<u>45,578.00</u>	<u>44,079.00</u>	<u>42,580.00</u>	<u>39,365.00</u>
7470	<u>8</u>	<u>46,372.00</u>	<u>44,806.00</u>	<u>43,240.00</u>	<u>39,860.00</u>
7471	<u>9</u>	<u>47,166.00</u>	<u>45,533.00</u>	<u>43,900.00</u>	<u>40,355.00</u>
7472	<u>10</u>	<u>47,960.00</u>	<u>46,260.00</u>	<u>44,560.00</u>	<u>40,850.00</u>
7473	<u>11</u>	<u>48,754.00</u>	<u>46,987.00</u>	<u>45,220.00</u>	<u>41,345.00</u>
7474	<u>12</u>	<u>49,548.00</u>	<u>47,714.00</u>	<u>45,880.00</u>	<u>41,840.00</u>
7475	<u>13</u>	<u>50,342.00</u>	<u>48,441.00</u>	<u>46,540.00</u>	<u>42,335.00</u>
7476	<u>14</u>	<u>51,136.00</u>	<u>49,168.00</u>	<u>47,200.00</u>	<u>42,830.00</u>
7477	<u>15</u>	<u>51,930.00</u>	<u>49,895.00</u>	<u>47,860.00</u>	<u>43,325.00</u>
7478	<u>16</u>	<u>52,724.00</u>	<u>50,622.00</u>	<u>48,520.00</u>	<u>43,820.00</u>
7479	<u>17</u>	<u>53,518.00</u>	<u>51,349.00</u>	<u>49,180.00</u>	<u>44,315.00</u>
7480	<u>18</u>	<u>54,312.00</u>	<u>52,076.00</u>	<u>49,840.00</u>	<u>44,810.00</u>



7481	<u>19</u>	<u>55,106.00</u>	<u>52,803.00</u>	<u>50,500.00</u>	<u>45,305.00</u>
7482	<u>20</u>	<u>55,900.00</u>	<u>53,530.00</u>	<u>51,160.00</u>	<u>45,800.00</u>
7483	<u>21</u>	<u>56,694.00</u>	<u>54,257.00</u>	<u>51,820.00</u>	<u>46,295.00</u>
7484	<u>22</u>	<u>57,488.00</u>	<u>54,984.00</u>	<u>52,480.00</u>	<u>46,790.00</u>
7485	<u>23</u>	<u>58,282.00</u>	<u>55,711.00</u>	<u>53,140.00</u>	<u>47,285.00</u>
7486	<u>24</u>	<u>59,076.00</u>	<u>56,438.00</u>	<u>53,800.00</u>	<u>47,780.00</u>
7487	<u>25</u>	<u>61,930.00</u>	<u>59,225.00</u>	<u>56,520.00</u>	<u>50,335.00</u>
7488	<u>26</u>	<u>62,724.00</u>	<u>59,952.00</u>	<u>57,180.00</u>	<u>50,830.00</u>
7489	<u>27</u>	<u>63,518.00</u>	<u>60,679.00</u>	<u>57,840.00</u>	<u>51,325.00</u>
7490	<u>28</u>	<u>64,312.00</u>	<u>61,406.00</u>	<u>58,500.00</u>	<u>51,820.00</u>
7491	<u>29</u>	<u>65,106.00</u>	<u>62,133.00</u>	<u>59,160.00</u>	<u>52,315.00</u>
7492	<u>30</u>	<u>65,900.00</u>	<u>62,860.00</u>	<u>59,820.00</u>	<u>52,810.00</u>
7493	<u>31</u>	<u>66,694.00</u>	<u>63,587.00</u>	<u>60,480.00</u>	<u>53,305.00</u>
7494	<u>32</u>	<u>67,488.00</u>	<u>64,314.00</u>	<u>61,140.00</u>	<u>53,800.00</u>
7495	<u>33</u>	<u>68,282.00</u>	<u>65,041.00</u>	<u>61,800.00</u>	<u>54,295.00</u>
7496	<u>34</u>	<u>69,076.00</u>	<u>65,768.00</u>	<u>62,460.00</u>	<u>54,790.00</u>
7497	<u>35</u>				
7498	<u>& above</u>	<u>69,870.00</u>	<u>66,495.00</u>	<u>63,120.00</u>	<u>55,285.00</u>

7499 It is the intent of the Legislature that any state funds made
7500 available for salaries of licensed personnel in excess of the
7501 funds paid for such salaries for the 1986-1987 school year shall
7502 be paid to licensed personnel pursuant to a personnel appraisal
7503 and compensation system implemented by the State Board of
7504 Education. The State Board of Education shall have the authority



7505 to adopt and amend rules and regulations as are necessary to
7506 establish, administer and maintain the system.

7507 All teachers employed on a full-time basis shall be paid a
7508 minimum salary in accordance with the above scale. However, no
7509 school district shall receive any funds under this section for any
7510 school year during which the local supplement paid to any
7511 individual teacher shall have been reduced to a sum less than that
7512 paid to that individual teacher for performing the same duties
7513 from local supplement during the immediately preceding school
7514 year. The amount actually spent for the purposes of group health
7515 and/or life insurance shall be considered as a part of the
7516 aggregate amount of local supplement but shall not be considered a
7517 part of the amount of individual local supplement.

7518 The level of professional training of each teacher to be used
7519 in establishing the salary allotment for the teachers for each
7520 year shall be determined by the type of valid teacher's license
7521 issued to those teachers on or before October 1 of the current
7522 school year. Provided, however, that school districts are
7523 authorized, in their discretion, to negotiate the salary levels
7524 applicable to certificated employees who are receiving retirement
7525 benefits from the retirement system of another state, and the
7526 annual experience increment provided above in Section 37-19-7
7527 shall not be applicable to any such retired certificated employee.

7528 (2) (a) The following employees shall receive an annual
7529 salary supplement in the amount of Six Thousand Dollars



7530 (\$6,000.00), plus fringe benefits, in addition to any other
7531 compensation to which the employee may be entitled:

7532 (i) Any licensed teacher who has met the
7533 requirements and acquired a Master Teacher certificate from the
7534 National Board for Professional Teaching Standards and who is
7535 employed by a local school board or the State Board of Education
7536 as a teacher and not as an administrator. Such teacher shall
7537 submit documentation to the State Department of Education that the
7538 certificate was received prior to October 15 in order to be
7539 eligible for the full salary supplement in the current school
7540 year, or the teacher shall submit such documentation to the State
7541 Department of Education prior to February 15 in order to be
7542 eligible for a prorated salary supplement beginning with the
7543 second term of the school year.

7544 (ii) A licensed nurse who has met the requirements
7545 and acquired a certificate from the National Board for
7546 Certification of School Nurses, Inc., and who is employed by a
7547 local school board or the State Board of Education as a school
7548 nurse and not as an administrator. The licensed school nurse
7549 shall submit documentation to the State Department of Education
7550 that the certificate was received before October 15 in order to be
7551 eligible for the full salary supplement in the current school
7552 year, or the licensed school nurse shall submit the documentation
7553 to the State Department of Education before February 15 in order
7554 to be eligible for a prorated salary supplement beginning with the



7555 second term of the school year. Provided, however, that the total
7556 number of licensed school nurses eligible for a salary supplement
7557 under this subparagraph (ii) shall not exceed thirty-five (35).

7558 (iii) Any licensed school counselor who has met
7559 the requirements and acquired a National Certified School
7560 Counselor (NCSC) endorsement from the National Board of Certified
7561 Counselors and who is employed by a local school board or the
7562 State Board of Education as a counselor and not as an
7563 administrator. Such licensed school counselor shall submit
7564 documentation to the State Department of Education that the
7565 endorsement was received prior to October 15 in order to be
7566 eligible for the full salary supplement in the current school
7567 year, or the licensed school counselor shall submit such
7568 documentation to the State Department of Education prior to
7569 February 15 in order to be eligible for a prorated salary
7570 supplement beginning with the second term of the school year.
7571 However, any school counselor who started the National Board for
7572 Professional Teaching Standards process for school counselors
7573 between June 1, 2003, and June 30, 2004, and completes the
7574 requirements and acquires the Master Teacher certificate shall be
7575 entitled to the master teacher supplement, and those counselors
7576 who complete the process shall be entitled to a one-time
7577 reimbursement for the actual cost of the process as outlined in
7578 paragraph (b) of this subsection.



7579 (iv) Any licensed speech-language pathologist and
7580 audiologist who has met the requirements and acquired a
7581 Certificate of Clinical Competence from the American
7582 Speech-Language-Hearing Association and any certified academic
7583 language therapist (CALT) who has met the certification
7584 requirements of the Academic Language Therapy Association and who
7585 is employed by a local school board or is employed by a state
7586 agency under the State Personnel Board. The licensed
7587 speech-language pathologist and audiologist and certified academic
7588 language therapist shall submit documentation to the State
7589 Department of Education that the certificate or endorsement was
7590 received before October 15 in order to be eligible for the full
7591 salary supplement in the current school year, or the licensed
7592 speech-language pathologist and audiologist and certified academic
7593 language therapist shall submit the documentation to the State
7594 Department of Education before February 15 in order to be eligible
7595 for a prorated salary supplement beginning with the second term of
7596 the school year. However, the total number of certified academic
7597 language therapists eligible for a salary supplement under this
7598 subparagraph (iv) shall not exceed twenty (20).

7599 (b) An employee shall be reimbursed for the actual cost
7600 of completing each component of acquiring the certificate or
7601 endorsement, excluding any costs incurred for postgraduate
7602 courses, not to exceed Five Hundred Dollars (\$500.00) for each
7603 component, not to exceed four (4) components, for a teacher,



7604 school counselor or speech-language pathologist and audiologist,
7605 regardless of whether or not the process resulted in the award of
7606 the certificate or endorsement. A local school district or any
7607 private individual or entity may pay the cost of completing the
7608 process of acquiring the certificate or endorsement for any
7609 employee of the school district described under paragraph (a), and
7610 the State Department of Education shall reimburse the school
7611 district for such cost, regardless of whether or not the process
7612 resulted in the award of the certificate or endorsement. If a
7613 private individual or entity has paid the cost of completing the
7614 process of acquiring the certificate or endorsement for an
7615 employee, the local school district may agree to directly
7616 reimburse the individual or entity for such cost on behalf of the
7617 employee.

7618 (c) All salary supplements, fringe benefits and process
7619 reimbursement authorized under this subsection shall be paid
7620 directly by the State Department of Education to the local school
7621 district and shall be in addition to its minimum education program
7622 allotments and not a part thereof in accordance with regulations
7623 promulgated by the State Board of Education. Local school
7624 districts shall not reduce the local supplement paid to any
7625 employee receiving such salary supplement, and the employee shall
7626 receive any local supplement to which employees with similar
7627 training and experience otherwise are entitled. However, an
7628 educational employee shall receive the salary supplement in the



7629 amount of Six Thousand Dollars (\$6,000.00) for only one (1) of the
7630 qualifying certifications authorized under paragraph (a) of this
7631 subsection. No school district shall provide more than one (1)
7632 annual salary supplement under the provisions of this subsection
7633 to any one individual employee holding multiple qualifying
7634 national certifications.

7635 (d) If an employee for whom such cost has been paid, in
7636 full or in part, by a local school district or private individual
7637 or entity fails to complete the certification or endorsement
7638 process, the employee shall be liable to the school district or
7639 individual or entity for all amounts paid by the school district
7640 or individual or entity on behalf of that employee toward his or
7641 her certificate or endorsement.

7642 (3) The following employees shall receive an annual salary
7643 supplement in the amount of Four Thousand Dollars (\$4,000.00),
7644 plus fringe benefits, in addition to any other compensation to
7645 which the employee may be entitled:

7646 Effective July 1, 2016, if funds are available for that
7647 purpose, any licensed teacher who has met the requirements and
7648 acquired a Master Teacher Certificate from the National Board for
7649 Professional Teaching Standards and who is employed in a public
7650 school district located in one (1) of the following counties:
7651 Claiborne, Adams, Jefferson, Wilkinson, Amite, Bolivar, Coahoma,
7652 Leflore, Quitman, Sharkey, Issaquena, Sunflower, Washington,
7653 Holmes, Yazoo and Tallahatchie. The salary supplement awarded



7654 under the provisions of this subsection (3) shall be in addition
7655 to the salary supplement awarded under the provisions of
7656 subsection (2) of this section.

7657 Teachers who meet the qualifications for a salary supplement
7658 under this subsection (3) who are assigned for less than one (1)
7659 full year or less than full time for the school year shall receive
7660 the salary supplement in a prorated manner, with the portion of
7661 the teacher's assignment to the critical geographic area to be
7662 determined as of June 15th of the school year.

7663 (4) (a) This section shall be known and may be cited as the
7664 "Mississippi Performance-Based Pay (MPBP)" plan. In addition to
7665 the minimum base pay described in this section, only after full
7666 funding of MAEP and if funds are available for that purpose, the
7667 State of Mississippi may provide monies from state funds to school
7668 districts for the purposes of rewarding certified teachers,
7669 administrators and nonlicensed personnel at individual schools
7670 showing improvement in student test scores. The MPBP plan shall
7671 be developed by the State Department of Education based on the
7672 following criteria:

7673 (i) It is the express intent of this legislation
7674 that the MPBP plan shall utilize only existing standards of
7675 accreditation and assessment as established by the State Board of
7676 Education.

7677 (ii) To ensure that all of Mississippi's teachers,
7678 administrators and nonlicensed personnel at all schools have equal



7679 access to the monies set aside in this section, the MPBP program
7680 shall be designed to calculate each school's performance as
7681 determined by the school's increase in scores from the prior
7682 school year. The MPBP program shall be based on a standardized
7683 scores rating where all levels of schools can be judged in a
7684 statistically fair and reasonable way upon implementation. At the
7685 end of each year, after all student achievement scores have been
7686 standardized, the State Department of Education shall implement
7687 the MPBP plan.

7688 (iii) To ensure all teachers cooperate in the
7689 spirit of teamwork, individual schools shall submit a plan to the
7690 local school district to be approved before the beginning of each
7691 school year beginning July 1, 2008. The plan shall include, but
7692 not be limited to, how all teachers, regardless of subject area,
7693 and administrators will be responsible for improving student
7694 achievement for their individual school.

7695 (b) The State Board of Education shall develop the
7696 processes and procedures for designating schools eligible to
7697 participate in the MPBP. State assessment results, growth in
7698 student achievement at individual schools and other measures
7699 deemed appropriate in designating successful student achievement
7700 shall be used in establishing MPBP criteria. The State Board of
7701 Education shall develop the MPBP policies and procedures and
7702 report to the Legislature and Governor by December 1, 2006.



7703 (5) (a) Beginning in the 2008-2009 school year, if funds
7704 are available for that purpose, each school in Mississippi shall
7705 have mentor teachers, as defined by Sections 37-9-201 through
7706 37-9-213, who shall receive additional base compensation provided
7707 for by the State Legislature in the amount of One Thousand Dollars
7708 (\$1,000.00) per each beginning teacher that is being mentored.
7709 The additional state compensation shall be limited to those mentor
7710 teachers that provide mentoring services to beginning teachers.
7711 For the purposes of such funding, a beginning teacher shall be
7712 defined as any teacher in any school in Mississippi that has less
7713 than one (1) year of classroom experience teaching in a public
7714 school. For the purposes of such funding, no full-time academic
7715 teacher shall mentor more than two (2) beginning teachers.

7716 (b) To be eligible for this state funding, the
7717 individual school must have a classroom management program
7718 approved by the local school board.

7719 (6) Effective with the 2014-2015 school year, the school
7720 districts participating in the Pilot Performance-Based
7721 Compensation System pursuant to Section 37-19-9 may award
7722 additional teacher and administrator pay based thereon.

7723 **SECTION 63.** Section 37-21-7, Mississippi Code of 1972, is
7724 amended as follows:

7725 37-21-7. (1) This section shall be referred to as the
7726 "Mississippi Elementary Schools Assistant Teacher Program," the
7727 purpose of which shall be to provide an early childhood education



7728 program that assists in the instruction of basic skills. The
7729 State Board of Education is authorized, empowered and directed to
7730 implement a statewide system of assistant teachers in kindergarten
7731 classes and in the first, second and third grades. The assistant
7732 teacher shall assist pupils in actual instruction under the strict
7733 supervision of a licensed teacher.

7734 (2) (a) Except as otherwise authorized under subsection
7735 (7), each school district shall employ the total number of
7736 assistant teachers funded under subsection (6) of this section.
7737 The superintendent of each district shall assign the assistant
7738 teachers to the kindergarten, first-, second- and third-grade
7739 classes in the district in a manner that will promote the maximum
7740 efficiency, as determined by the superintendent, in the
7741 instruction of skills such as verbal and linguistic skills,
7742 logical and mathematical skills, and social skills.

7743 (b) If a licensed teacher to whom an assistant teacher
7744 has been assigned is required to be absent from the classroom, the
7745 assistant teacher may assume responsibility for the classroom in
7746 lieu of a substitute teacher. However, no assistant teacher shall
7747 assume sole responsibility of the classroom for more than three
7748 (3) consecutive school days. Further, in no event shall any
7749 assistant teacher be assigned to serve as a substitute teacher for
7750 any teacher other than the licensed teacher to whom that assistant
7751 teacher has been assigned.



7752 (3) Assistant teachers shall have, at a minimum, a high
7753 school diploma or a High School Equivalency Diploma equivalent,
7754 and shall show demonstratable proficiency in reading and writing
7755 skills. The State Department of Education shall develop a testing
7756 procedure for assistant teacher applicants to be used in all
7757 school districts in the state.

7758 (4) (a) In order to receive funding, each school district
7759 shall:

7760 (i) Submit a plan on the implementation of a
7761 reading improvement program to the State Department of Education;
7762 and

7763 (ii) Develop a plan of educational accountability
7764 and assessment of performance, including pretests and posttests,
7765 for reading in Grades 1 through 6.

7766 (b) Additionally, each school district shall:

7767 (i) Provide annually a mandatory preservice
7768 orientation session, using an existing in-school service day, for
7769 administrators and teachers on the effective use of assistant
7770 teachers as part of a team in the classroom setting and on the
7771 role of assistant teachers, with emphasis on program goals;

7772 (ii) Hold periodic workshops for administrators
7773 and teachers on the effective use and supervision of assistant
7774 teachers;

7775 (iii) Provide training annually on specific
7776 instructional skills for assistant teachers;



7777 (iv) Annually evaluate their program in accordance
7778 with their educational accountability and assessment of
7779 performance plan; and

7780 (v) Designate the necessary personnel to supervise
7781 and report on their program.

7782 (5) The State Department of Education shall:

7783 (a) Develop and assist in the implementation of a
7784 statewide uniform training module, subject to the availability of
7785 funds specifically appropriated therefor by the Legislature, which
7786 shall be used in all school districts for training administrators,
7787 teachers and assistant teachers. The module shall provide for the
7788 consolidated training of each assistant teacher and teacher to
7789 whom the assistant teacher is assigned, working together as a
7790 team, and shall require further periodic training for
7791 administrators, teachers and assistant teachers regarding the role
7792 of assistant teachers;

7793 (b) Annually evaluate the program on the district and
7794 state level. Subject to the availability of funds specifically
7795 appropriated therefor by the Legislature, the department shall
7796 develop: (i) uniform evaluation reports, to be performed by the
7797 principal or assistant principal, to collect data for the annual
7798 overall program evaluation conducted by the department; or (ii) a
7799 program evaluation model that, at a minimum, addresses process
7800 evaluation; and



7801 (c) Promulgate rules, regulations and such other
7802 standards deemed necessary to effectuate the purposes of this
7803 section. Noncompliance with the provisions of this section and
7804 any rules, regulations or standards adopted by the department may
7805 result in a violation of compulsory accreditation standards as
7806 established by the State Board of Education and the Commission on
7807 School Accreditation.

7808 (6) In addition to other funds allotted under the Minimum
7809 Education or Adequate Education Program, each school district
7810 shall be allotted sufficient funding for the purpose of employing
7811 assistant teachers. No assistant teacher shall be paid less than
7812 the amount he or she received in the prior school year. No school
7813 district shall receive any funds under this section for any school
7814 year during which the aggregate amount of the local contribution
7815 to the salaries of assistant teachers by the district shall have
7816 been reduced below such amount for the previous year.

7817 * * *

7818 For assistant teachers, the minimum annual salary shall be as
7819 follows:

7820 2021-2022 Minimum Salary.....\$15,100.00

7821 In addition, for each one percent (1%) that the Sine Die
7822 General Fund Revenue Estimate Growth exceeds five percent (5%) in
7823 fiscal year 2006, as certified by the Legislative Budget Office to
7824 the State Board of Education and subject to the specific
7825 appropriation therefor by the Legislature, the State Board of



7826 Education shall revise the salary scale in the appropriate year to
7827 provide an additional one percent (1%) across-the-board increase
7828 in the base salaries for assistant teachers. The State Board of
7829 Education shall revise the salaries prescribed above for assistant
7830 teachers to conform to any adjustments made in prior fiscal years
7831 due to revenue growth over and above five percent (5%). The
7832 assistant teachers shall not be restricted to working only in the
7833 grades for which the funds were allotted, but may be assigned to
7834 other classes as provided in subsection (2)(a) of this section.

7835 (7) (a) As an alternative to employing assistant teachers,
7836 any school district may use the allotment provided under
7837 subsection (6) of this section for the purpose of employing
7838 licensed teachers for kindergarten, first-, second- and
7839 third-grade classes; however, no school district shall be
7840 authorized to use the allotment for assistant teachers for the
7841 purpose of employing licensed teachers unless the district has
7842 established that the employment of licensed teachers using such
7843 funds will reduce the teacher: student ratio in the kindergarten,
7844 first-, second- and third-grade classes. All state funds for
7845 assistant teachers shall be applied to reducing teacher: student
7846 ratio in Grades K-3.

7847 It is the intent of the Legislature that no school district
7848 shall dismiss any assistant teacher for the purpose of using the
7849 assistant teacher allotment to employ licensed teachers. School



7850 districts may rely only upon normal attrition to reduce the number
7851 of assistant teachers employed in that district.

7852 (b) Districts meeting the highest levels of
7853 accreditation standards, as defined by the State Board of
7854 Education, shall be exempted from the provisions of subsection (4)
7855 of this section.

7856 **SECTION 64.** This act shall take effect and be in force from
7857 and after July 1, 2021.

