

**Adopted
COMMITTEE AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2822

BY: Committee

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

51 **SECTION 1. Short title.** Sections 1 through 10 of this act
52 shall be known and may be cited as the "Mississippi Flexible Tax
53 Incentive Act."

54 **SECTION 2. Definitions.** For purposes of Sections 1 through
55 10 of this act, the following words shall have the meanings
56 ascribed herein unless the context otherwise requires:

57 (a) "Affiliate" means, with respect to a specified
58 entity, (i) another person or entity that directly, or indirectly
59 through one or more intermediaries, controls or is controlled by
60 or is under common control with the specified person or entity,



61 where the term "control" means the ownership or possession,
62 directly or indirectly, of the power to direct more than fifty
63 percent (50%) of the voting equity securities or a similar
64 ownership interest in the specified controlled entity; or (ii) any
65 member of an affiliated group of corporations, of which the
66 specified entity is also a member, which are each subject to
67 income taxation in Mississippi and may elect to file a combined
68 Mississippi income tax return in accordance with state law.

69 (b) "Authority" means the Mississippi Development
70 Authority.

71 (c) "Annual report" means the report described in
72 Section 7 of this act.

73 (d) "Applicable accounting rules" shall mean the
74 accounting principles generally recognized as applicable to a
75 qualified business or industry and pursuant to which such
76 qualified business or industry regularly prepares and maintains
77 its financial and accounting books and records, and which
78 specifically incorporate Generally Accepted Accounting Principles
79 or International Financial Reporting Standards, as appropriate.

80 (e) "Applicant" means any corporation, limited
81 liability company, partnership, person or sole proprietorship,
82 business trust or other legal entity and subunit or affiliate
83 thereof that applies to the authority, in the manner prescribed by
84 Sections 1 through 10 of this act, seeking (i) certification by
85 the authority that such applicant is a qualified business or



86 industry and that its proposed new project or expansion of an
87 existing business or industrial operation is a qualified economic
88 development project, and (ii) an award in connection therewith of
89 a mFlex tax incentive.

90 (f) "Average state or county wage" shall mean, as of
91 the project certification date, the lesser of the most recently
92 published average annual wage per person as determined and
93 published by the Mississippi Department of Employment Security for
94 the state or the county in which the qualified project is or will
95 be located; provided that, if a qualified project is or will be
96 located in two (2) or more counties, the average state or county
97 wage, as used in Sections 1 through 10 of this act, shall mean, as
98 of the project certification date, only the most recently
99 published average annual wage per person as determined and
100 published by the Mississippi Department of Employment Security for
101 the state.

102 (g) "Average employer wage" means the qualified annual
103 payroll for all new full-time jobs created in the State of
104 Mississippi by a qualified business or industry divided by the
105 number of new full-time jobs thereof for which such qualified
106 annual payroll was paid or is otherwise payable.

107 (h) "Base full-time job" means a job (i) for which an
108 employee was already hired by the qualified business or industry
109 before, and is employed as of, the project certification date;
110 (ii) that offers a minimum of one thousand eight hundred twenty



111 (1,820) hours of an employee's time per year (i.e., thirty-five
112 (35) hours per week on average) for a normal four (4) consecutive
113 quarter period of the qualified business or industry's operations
114 or a job for which the employee was hired before, and is employed
115 as of, the project certification date and is compensated based on
116 one thousand eight hundred twenty (1,820) hours for such annual
117 period (including in each case an employee who, after hiring,
118 elects to take unpaid time off or is on short-term or long-term
119 disability); and (iii) the employee holding such job receives
120 salary or wages subject to state income tax withholdings. The
121 term base full-time job also means a base leased employee.
122 Part-time jobs may not be combined to add up to a base full-time
123 job.

124 (i) "Base leased employee" means a nontemporary
125 employee:

126 (i) Who was leased by the qualified business or
127 industry before the project certification date from another
128 business or enterprise that is 1. in the business of leasing
129 employees, and 2. is registered with the Office of the Secretary
130 of State and qualified to do business in the state;

131 (ii) Who is leased as of the project certification
132 date;

133 (iii) Who is not otherwise an employee of such
134 qualified business or industry;



135 (iv) Who, as of the project certification date,
136 was already performing services for, and under the supervision of,
137 the qualified business or industry pursuant to a leasing agreement
138 between the qualified business or industry and such other employee
139 leasing firm;

140 (v) Whose job-performing services for the
141 qualified business or industry offers a minimum of one thousand
142 eight hundred twenty (1,820) hours of an employee's time per year
143 (i.e., thirty-five (35) hours per week on average) for an entire
144 normal work year of the qualified business or industry's
145 operations or a job for which the employee is leased before the
146 project certification date and is compensated based on one
147 thousand eight hundred twenty (1,820) hours for such annual period
148 (including in each case an employee who, after being leased,
149 elects to take unpaid time off or is on short-term or long-term
150 disability); and

151 (vi) Whose job receives salary or wages subject to
152 state income tax withholdings. Individuals employed by an
153 independent contractor performing one or more services for the
154 qualified business or industry pursuant to a services or
155 management agreement (e.g., security services, landscaping
156 services, and cafeteria management and food services) shall not be
157 considered as base leased employees.

158 (j) "Contractor tax" shall mean the tax levied by
159 Section 27-65-21, except for the tax upon the sale of



160 manufacturing or processing machinery for a manufacturer or custom
161 processor.

162 (k) "Construction contract" shall mean any contract or
163 portion of any contract for any one or more of the activities
164 described in Section 27-65-21 for which the contractor tax applies
165 and is payable by the contractor that is party thereto.

166 (l) "Manufacturing machinery," as used in Sections 1
167 through 10 of this act, shall have the same meaning ascribed to
168 such term in Section 27-65-11, as interpreted by any regulations
169 promulgated by the Department of Revenue with respect to such
170 section.

171 (m) "mFlex agreement" means the written agreement
172 entered into between a qualified business or industry and the
173 authority in accordance with Section 4(4)(c) of this act.

174 (n) "mFlex tax incentive" means the tax incentive
175 authorized by Sections 1 through 10 of this act to be calculated
176 and awarded by the authority, and thereafter applied as a credit
177 to offset state taxes, in accordance with, and subject to,
178 Sections 1 through 10 of this act.

179 (o) "Minimum job creation requirement" means the
180 creation by the qualified business or industry, following the
181 project certification date, of at least ten (10) new full-time
182 jobs in the state.



183 (p) "Minimum qualified investment" means a qualified
184 investment of not less than Two Million Five Hundred Thousand
185 Dollars (\$2,500,000.00).

186 (q) "New full-time job" means a job:

187 (i) For which an employee is hired by the
188 qualified business or industry after the project certification
189 date;

190 (ii) That offers a minimum of one thousand eight
191 hundred twenty (1,820) hours of an employee's time per year (i.e.,
192 thirty-five (35) hours per week on average) for a normal four (4)
193 consecutive quarter period of the qualified business or industry's
194 operations or a job for which the employee is hired after the
195 project certification date and is compensated based on one
196 thousand eight hundred twenty (1,820) hours for such annual period
197 (including in each case an employee who, after hiring, elects to
198 take unpaid time off or is on short-term or long-term disability);
199 and

200 (iii) The employee holding such job receives
201 salary or wages subject to state income tax withholdings. The
202 term new full-time job also means new leased employee. Part-time
203 jobs may not be combined to add up to a new full-time job.

204 (r) "New leased employee" means a nontemporary
205 employee:

206 (i) Who is leased by the qualified business or
207 industry after the project certification date from another



208 business or enterprise that is 1. in business of leasing
209 employees, and 2. is registered with the Office of the Secretary
210 of State and qualified to do business in the state;

211 (ii) Who is not otherwise an employee of such
212 qualified business or industry;

213 (iii) Who performs services for the qualified
214 business or industry pursuant to a leasing agreement between the
215 qualified business or industry and such other employee leasing
216 firm;

217 (iv) Whose job-performing services for the
218 qualified business or industry offers a minimum of one thousand
219 eight hundred twenty (1,820) hours of an employee's time per year
220 (i.e., thirty-five (35) hours per week on average) for an entire
221 normal work year of the qualified business or industry's
222 operations or a job for which the employee is leased after the
223 project certification date and is compensated based on one
224 thousand eight hundred twenty (1,820) hours for such annual period
225 (including in each case an employee who, after being leased,
226 elects to take unpaid time off or is on short-term or long-term
227 disability); and

228 (v) Whose job receives salary or wages subject to
229 state income tax withholdings. Individuals employed by an
230 independent contractor performing one or more services for the
231 qualified business or industry pursuant to a services or
232 management agreement (e.g., security services, landscaping



233 services, and cafeteria management and food services) shall not be
234 considered as new leased employees.

235 (s) "Nonmanufacturing equipment" means all tangible
236 personal property that is not manufacturing machinery, including,
237 but not limited to, office furniture, fixtures, office computers
238 and communications equipment, and warehouse equipment such as
239 racking and shelving.

240 (t) "Part-time job" means a job (i) for which an
241 employee is hired by the qualified business or industry that
242 requires fewer than one thousand eight hundred twenty (1,820)
243 hours of an employee's time per year (i.e., requires fewer than
244 thirty-five (35) hours per week on average) for an entire normal
245 work year of the qualified business or industry's operations or a
246 job for which the employee is hired and is compensated based on
247 fewer than one thousand eight hundred twenty (1,820) hours for
248 such annual period; and (iii) for which the employee holding such
249 job receives salary or wages subject to state income tax
250 withholdings.

251 (u) "Project certification date" means the actual date
252 of the authority's certification, or the effective date of
253 certification determined and prescribed by the authority, of the
254 qualified business or industry and its qualified economic
255 development project as eligible for the state tax credits
256 determined and awarded by the authority, as authorized by, and in
257 accordance with, Sections 1 through 10 of this act.



258 (v) "Qualified annual payroll" means the sum of the
259 annual salary and wages for new full-time jobs of the qualified
260 business or industry, excluding the amount or value of any
261 benefits that are not subject to state income taxes.

262 (w) "Qualified business or industry" means any
263 corporation, limited liability company, partnership, person or
264 sole proprietorship, business trust or other legal entity and
265 subunit or affiliate thereof, which makes a qualified minimum
266 investment in a qualified economic development project.

267 (x) "Qualified economic development project" or
268 "qualified project" means the location in the state of one or more
269 of the following enumerated enterprises for which a corporation,
270 limited liability company, partnership, sole proprietorship,
271 business trust or other legal entity, or subunit or affiliate
272 thereof, makes or causes to be made from the minimum qualified
273 investment and/or satisfies or causes to be satisfied the minimum
274 job creation requirement:

275 (i) A new warehouse and/or distribution enterprise
276 or an expansion of an existing warehouse and/or distribution
277 enterprise; provided that, in any such instance, such warehouse
278 and/or distribution enterprise or expansion thereof is certified
279 by the authority to qualify as such;

280 (ii) A new manufacturing, remanufacturing,
281 assembly, processing and/or refinery enterprise or an expansion of
282 an existing manufacturing, remanufacturing, assembly, processing



283 and/or refinery enterprise; provided that, in any such instance,
284 such manufacturing, remanufacturing, assembly, processing and/or
285 refinery enterprise or expansion thereof is certified by the
286 authority to qualify as such;

287 (iii) A new research or research and development
288 enterprise or an expansion of an existing research or research and
289 development enterprise; provided that, in any such instance, such
290 research and development enterprise or an expansion thereof is
291 certified by the authority to qualify as such;

292 (iv) A new regional or national headquarters of
293 the qualified business or industry or an expansion of an existing
294 regional or national headquarters of the qualified business or
295 industry; provided that, in any such instance, such regional or
296 national headquarters or expansion thereof is certified by the
297 authority to qualify as such;

298 (v) An air transportation, repair and/or
299 maintenance enterprise or an expansion of an existing air
300 transportation, repair and/or maintenance enterprise; provided
301 that, in either instance, such air transportation, repair and/or
302 and maintenance enterprise or expansion thereof is certified by
303 the authority to qualify as such;

304 (vi) A ship or other maritime vessel or barge
305 transportation, repair and/or maintenance enterprise or an
306 expansion of an existing ship or other maritime vessel or barge
307 transportation, repair and/or maintenance enterprise; provided



308 that, in either instance, the ship or other maritime vessel or
309 barge transportation, repair and/or maintenance enterprise or
310 expansion thereof is certified by the authority to qualify as
311 such;

312 (vii) A new data/information processing enterprise
313 or an expansion of an existing new data/information processing
314 enterprise; provided that, in any such instance such
315 data/information processing enterprise or expansion thereof is
316 certified by the authority to qualify as such;

317 (viii) A new technology intensive enterprise or an
318 expansion of an existing technology intensive enterprise; provided
319 that, in either instance, the technology intensive enterprise or
320 expansion thereof is certified by the authority to qualify as
321 such; provided further, that a business or enterprise primarily
322 engaged in creating computer programming codes to develop
323 applications, websites and/or software shall qualify as a
324 technology intensive enterprise;

325 (ix) A new telecommunications enterprise
326 principally engaged in the creation, display, management, storage,
327 processing, transmission and/or distribution, for compensation, of
328 images, text, voice, video or data by wire or by wireless means,
329 or engaged in the construction, design, development, manufacture,
330 maintenance or distribution for compensation of devices, products,
331 software or structures used in the above activities, or an
332 expansion of an existing telecommunications enterprise as herein



333 described; provided that, in any such instance, any such
334 telecommunications enterprise or expansion thereof is certified by
335 the authority to qualify as such; provided, further that
336 commercial broadcast radio stations, television stations or news
337 organizations primarily serving in-state markets shall not be
338 included within the definition of the term "telecommunications
339 enterprise";

340 (x) A new data center enterprise principally
341 engaged in the utilization of hardware, software, technology,
342 infrastructure and/or workforce, to store, manage or manipulate
343 digital data, or an expansion of an existing data center
344 enterprise as herein described; provided that, in such instance,
345 any such data center enterprise or expansion thereof is certified
346 by the authority to qualify as such.

347 (y) "Qualified investment" means any expenditures made
348 or caused to be made by the qualified business or industry
349 following the project certification date for construction,
350 installation, equipping and operation of a qualified economic
351 development project from any source or combination of sources,
352 excluding any funds contributed by the state or any agency or
353 other political subdivision thereof, or by any local government or
354 any agency or other political subdivision thereof, to the extent
355 such expenditures can be capitalized under applicable accounting
356 rules or otherwise by the Internal Revenue Code, whether or not
357 the qualified business or industry elects to capitalize the same,



358 as reflected in its financial statements, including, but not
359 limited to, all costs associated with the acquisition,
360 installation and/or construction of, or capital leasehold interest
361 in, any buildings and other real property improvements, fixtures,
362 equipment, machinery, landscaping, fire protection, depreciable
363 fixed assets, engineering and design costs.

364 (z) "Reporting year" means the twelve-month period
365 ending on the last day of the month during which the annual
366 anniversary of a project certification date occurs, and for which
367 an annual report must be filed with the authority by a qualified
368 business or industry in accordance with Section 7 of this act.

369 (aa) "State" means the State of Mississippi.

370 (bb) "State tax" means:

371 (i) Any sales and use tax imposed on, and payable
372 directly to the Department of Revenue by, the qualified business
373 or industry in accordance with state law, except for contractor's
374 tax and the taxes levied by Section 27-65-24(1) (b);

375 (ii) All income tax imposed pursuant to law on
376 income earned by the qualified business or industry pursuant to
377 state law;

378 (iii) Franchise tax imposed pursuant to state law
379 on the value of capital used, invested or employed by the business
380 enterprise certified by the Mississippi Development Authority; and

381 (iv) Withholding tax required to be deducted and
382 withheld from employee wages pursuant to Section 27-7-301 et seq.



383 **SECTION 3. Application for the mFlex tax incentive.**

384 Business or industrial enterprises wishing to apply for the mFlex
385 tax incentive authorized by Sections 1 through 10 of this act
386 shall make application to the authority, on a form prescribed
387 thereby; provided that the application shall, at a minimum,
388 contain:

389 (a) A brief overview of the applicant's business or
390 industry, including its formation type (e.g., corporation, limited
391 liability company, limited partnership, etc.) its date of
392 incorporation or formation thereof, and the location of its
393 principal headquarters, together with its principal place of
394 business in the state if the applicant already has one or more
395 facilities located in the state;

396 (b) The location of the selected project site or
397 locations of selected project sites, if multiple locations will be
398 involved;

399 (c) A description of the proposed project;

400 (d) The amount of the qualified investment proposed to
401 be made as a result of the proposed project, including a breakout
402 of projected expenditures for manufacturing machinery,
403 nonmanufacturing equipment and component building materials to
404 establish and equip the proposed project;

405 (e) If the proposed project will be an expansion of an
406 existing business or industrial operation, the current number of
407 base full-time jobs;



408 (f) The number of new full-time jobs proposed to be
409 created as a result of the proposed project;

410 (g) The average employer wage proposed to be paid by
411 the applicant for new full-time jobs disclosed in the application;

412 (h) A description of benefits, including but not
413 limited to, health, dental and/or vision insurance, retirement
414 savings account, etc. made available to employees, as well as a
415 description of any employees to whom such benefits are not made
416 available (e.g., part-time employees);

417 (i) The length of time necessary for the applicant to
418 meet its qualified investment and new full-time job creation
419 projections;

420 (j) A list of all affiliates of the qualified business
421 or industry known at the time of the application, including the
422 Federal Employer Identification Number for each such affiliate,
423 which have or are expected to have any state tax liability that
424 may be offset by all or some portion of the mFlex tax incentives
425 awarded to the qualified business or industry;

426 (k) An acknowledgment that the applicant, if awarded an
427 mFlex tax incentives pursuant to Sections 1 through 10 of this
428 act, will be required to provide the annual report prescribed by
429 Section 7 of this act to demonstrate the actual amount of its
430 qualified investment, including actual expenditures on
431 manufacturing machinery, nonmanufacturing equipment and component



432 building materials, and the number of new full-time jobs created
433 and maintained as a result of the project; and

434 (1) Any other information as may be requested by the
435 authority.

436 **SECTION 4. Certification and award of mFlex tax incentive,**
437 **terms of such incentive, nontransferability of such certification**
438 **and incentive; mandatory and permissive conditions to**

439 **certifications and incentive awards.** (1) The authority shall
440 evaluate an application to determine whether the applicant's
441 proposed project is a qualified economic development project and
442 whether it is therefore eligible for an award by the authority of
443 an mFlex tax incentive, as calculated in accordance with Section 5
444 of this act.

445 (2) Upon approval of an applicant's application, the
446 authority shall issue a certification (a) designating the
447 applicant's project as a "qualified economic development project"
448 and eligible for the mFlex tax incentive authorized by Sections 1
449 through 10 of this act; (b) awarding the initial mFlex tax
450 incentive calculated pursuant to Section 5 of this act; and (c)
451 imposing those mandatory conditions pursuant to subsection (4) of
452 this section and any discretionary conditions otherwise imposed by
453 the authority.

454 (3) Upon the issuance of the certification and execution of
455 the mFlex agreement by a qualified business or industry and the
456 authority, the qualified business or industry may apply the amount



457 of its mFlex tax incentive as a credit to offset (a) any state
458 taxes (except for withholding tax required to be deducted and
459 withheld from employee wages pursuant to Section 27-7-301 et
460 seq.), as incurred thereby, up to the full amount of the mFlex tax
461 incentive awarded by the authority for the associated qualified
462 economic development project, and (b) only up to twenty percent
463 (20%) of the mFlex tax incentive amount may be applied as a credit
464 during the course of any reporting year to offset withholding tax
465 deducted and withheld from employee wages pursuant to Section
466 27-7-301 et seq.; provided that the amount of the mFlex tax
467 incentive available to be applied as a credit to offset such state
468 taxes shall be subject to (a) any subsequent adjustments made by
469 the authority to such award pursuant to Section 7 of this act, and
470 (b) any performance requirements set out in the mFlex agreement.
471 The amount of the mFlex tax incentive available to be applied as a
472 credit to offset any state taxes described in Section 2(bb)(i) of
473 this act shall be limited to those such taxes payable directly by
474 the qualified business or industry to the Department of Revenue
475 pursuant to a direct pay permit issued by the Department of
476 Revenue under Section 27-65-93, except as otherwise provided
477 herein. The amount of the mFlex tax incentive available to be
478 applied as a credit to offset any state taxes may not be applied
479 as a credit to offset any state taxes incurred prior to the
480 issuance of the certification by the authority and execution of
481 the mFlex agreement by the qualified business or industry and the



482 authority. Notwithstanding any other provision herein, a
483 qualified business or industry shall not be permitted to utilize
484 the mFlex incentive available for a state tax described in Section
485 2(bb) of this act if that qualified business or industry has
486 received or intends to receive any exemption pursuant to
487 57-10-255(2) or 57-10-439(2).

488 (4) The following conditions shall apply to each such
489 certification made, and each mFlex tax incentive awarded, by the
490 authority in accordance with Sections 1 through 10 of this act:

491 (a) Any certification and mFlex tax incentive award
492 issued by the authority under Sections 1 through 10 of this act is
493 nontransferable and cannot be applied, used or assigned to any
494 other person or business or tax account without prior approval by
495 the authority, except for one or more affiliates of the qualified
496 business or industry disclosed thereby on its application or in a
497 subsequent annual report submitted to the authority in accordance
498 with Sections 1 through 10 of this act;

499 (b) No qualified business or industry may claim or use
500 the mFlex tax incentive awarded thereto under Sections 1 through
501 10 of this act unless the qualified business or industry is in
502 full compliance with all state and local tax laws, and related
503 ordinances, permits and other applicable governmental approvals;
504 and

505 (c) Each qualified business or industry must enter into
506 an agreement with the authority which sets out, at a minimum, (i)



507 the obligation of the business or industry to provide an annual
508 report to the authority pursuant to Section 7 of this act that
509 demonstrates the actual amount of its qualified investment,
510 including actual expenditures on manufacturing machinery,
511 nonmanufacturing equipment and component building materials, the
512 number of new full-time jobs created and maintained as a result of
513 the project, and any other relevant information as may be required
514 by the authority; and (ii) terms for readjustment or recapture of
515 all or a portion of the mFlex tax incentive awarded thereto
516 pursuant to Section 7 of this act if the applicant 1. fails to
517 satisfy the minimum job creation requirement if certification of
518 the project is predicated on satisfaction of the minimum job
519 creation requirement and not the minimum qualified investment, or
520 2. fails to satisfy the minimum qualified investment if
521 certification of the project is predicated on satisfaction of the
522 minimum job creation requirement and not the minimum qualified
523 investment, and/or 3. fails to otherwise satisfy any other
524 additional performance requirements of the qualified business or
525 industry or its qualified economic development project that are
526 imposed by the authority.

527 (5) In addition to those mandatory conditions prescribed by
528 Sections 1 through 10 of this act that apply to each certification
529 and award of a mFlex tax incentive made by the authority in
530 accordance herewith, the authority is authorized to impose any
531 other conditions upon any certification and award of an mFlex tax



532 incentive made by the authority as it shall find best promotes
533 economic development in the state.

534 (6) Upon certifying a qualified business or industry as
535 eligible for, and awarding, an mFlex tax incentive under Sections
536 1 through 10 of this act, the authority shall forward the
537 certification along with any other necessary information to the
538 Department of Revenue so that the mFlex tax incentive awarded to
539 the qualified business or industry can be recorded by the
540 Department of Revenue and used to verify each state tax credit
541 subsequently applied by the qualified business or industry.

542 (7) Within thirty (30) days following the end of each
543 calendar quarter, the authority shall provide to the Governor,
544 Lieutenant Governor and the Speaker of the House of
545 Representatives a copy of each certification made, together with a
546 copy of each mFlex agreement approved and executed, during the
547 immediately preceding calendar quarter.

548 **SECTION 5. Calculation and application of an mFlex tax**
549 **incentive award.** The total amount of the initial mFlex tax
550 incentive determined and awarded by the authority to the certified
551 applicant shall be calculated by the authority as follows:

552 (a) One and one-half percent (1.5%) of the total
553 purchase or sales price, or value, including any installation
554 costs thereof, as applicable, of all manufacturing or processing
555 machinery acquired, leased or otherwise moved into the state



556 following the project certification date to establish and equip
557 the qualified economic development project; plus

558 (b) Seven percent (7%) of the total purchase or sales
559 price, or value, including any installation costs thereof, as
560 applicable, of all nonmanufacturing equipment, other than tagged
561 over-the-road vehicles, acquired, leased or otherwise moved into
562 the state following the project certification date to establish
563 and equip the qualified economic development project; plus

564 (c) Two percent (2%) of the total contract price or
565 compensation paid to any contractor pursuant to any construction
566 contract entered into following the project certification date by
567 the qualified business or industry or any affiliate thereof, to
568 construct, build, erect, repair or add to any building, facility,
569 structure or other improvement to real property described in
570 Section 27-65-21(1)(a)(i) to establish and construct the qualified
571 economic development project; plus, if applicable,

572 (d) To the extent that the average employer wage is
573 equal to or more than seventy-five percent (75%) of the average
574 state or county wage, then an additional fifteen percent (15%) of
575 the product derived by multiplying the average employer wage by
576 the number of new full-time jobs; plus, if applicable,

577 (e) (i) To the extent that 1. the qualified economic
578 development project is an enterprise enumerated in Section 2(x)(i)
579 or Section 2(x)(ii) of this act; 2. the number of new full-time
580 jobs totals fifty (50) or more; 3. the qualified investment totals



581 Ten Million Dollars (\$10,000,000) or more; 4. the average employer
582 wage is equal to or more than one hundred ten percent (110%) of
583 the average state or county wage; and 5. all full-time employees
584 are eligible for and offered health insurance coverage funded in
585 whole or at least fifty percent (50%) by the qualified business or
586 industry (or by a leasing company with respect to leased
587 employees), then an additional thirty percent (30%) of the product
588 derived by multiplying the average employer wage by the number of
589 new full-time jobs; or

590 (ii) To the extent that subparagraph (i) of this
591 paragraph (e) does not apply, but 1. the number of new full-time
592 jobs totals twenty-five (25) or more; 2. the average employer wage
593 is equal to or more than one hundred twenty-five percent (125%) of
594 the average state or county wage; and 3. all full-time employees
595 are eligible for and offered health insurance coverage funded in
596 whole or at least fifty percent (50%) by the qualified business or
597 industry (or by a leasing company with respect to leased
598 employees), then an additional thirty percent (30%) of the product
599 derived by multiplying the average employer wage by the number of
600 new full-time jobs; provided, however, that the initial mFlex tax
601 incentive award amount determined by the authority and awarded on
602 the project certification date shall be based upon estimates
603 provided by the qualified business or industry to the authority
604 with respect to paragraphs (a) through (d) of this section, which
605 estimates shall be memorialized as project performance measures



606 agreed to by the qualified business or industry in the mFlex
607 agreement; provided, further, that such initial award amount shall
608 be subject to any subsequent adjustments made by the authority
609 pursuant to Section 7 of this act.

610 **SECTION 6. Exclusive utilization of mFlex tax incentive.**

611 (1) A qualified business or industry awarded any mFlex tax
612 incentive by the authority for its qualified economic development
613 project pursuant to Sections 1 through 10 of this act shall not be
614 eligible for, nor shall it apply for or claim, any one or more of
615 the following tax credits, exemptions or incentives for such
616 qualified project:

617 (a) For any new full-time job, any state income tax
618 credit authorized by Sections 27-7-22.17, 22-7-22.18, 22-7-22-19,
619 277-22.27, 27-7-22.29, 27-7-22.34, 27-7-22.36 and 57-73-21(2)
620 through (5);

621 (b) For any new full-time job, any withholding tax
622 rebate authorized by Sections 57-62-1 through 57-62-7 or Sections
623 57-100-1 through 57-100-9;

624 (c) Any exemption from state income tax authorized by
625 Section 27-7-30, Sections 57-80-1 through 57-80-11, Sections
626 57-113-1 through 57-113-7, and Sections 57-113-21 through
627 57-113-27;

628 (d) Any state income tax credit authorized by Section
629 27-7-22.20 or Section 22-7-22.35;



630 (e) Any exemption from state sales or use tax
631 authorized by Section 27-65-101(1)(q), (r), (v), (w), (x), (y),
632 (cc), (dd), (ff), (gg), (hh), (kk), (ll), (mm), (nn), (qq), (uu),
633 (vv), (2) or (3); Sections 57-80-1 through 57-80-11; Sections
634 57-113-1 through 57-113-7; and Sections 57-113-21 through
635 57-113-27;

636 (f) Any exemption from state franchise tax authorized
637 by Section 27-13-5(4), Section 27-13-7(4), Sections 57-80-1
638 through 57-80-11, Sections 57-113-1 through 57-113-7, and Sections
639 57-113-21 through 57-113-27.

640 (2) A qualified business or industry awarded any mFlex
641 incentive by the authority for a qualified economic development
642 project shall not be prohibited from applying or receiving the tax
643 credits, exemptions or incentives in Section 6(1) of this act for
644 any future project(s) regardless of whether such qualified
645 business or industry has previously been awarded mFlex incentives.

646 **SECTION 7. Taxpayer annual performance reporting to, and**
647 **reviews by, the Mississippi Development Authority; subsequent**
648 **adjustments by the Mississippi Development Authority to mFlex tax**
649 **incentive award; deadline for mFlex tax incentive utilization.**

650 (1) Unless its mFlex agreement prescribes a longer reporting
651 period or additional reporting requirements, each qualified
652 business or industry shall file an annual report with the
653 authority for each qualified economic development project which
654 has been certified, and for which any mFlex tax incentive has been



655 awarded, by the authority in accordance with Sections 1 through 10
656 of this act, for the longer of the following periods: (a) until
657 the reporting year during which all or any remaining portion of
658 the mFlex tax incentive amount awarded to such qualified business
659 or industry has been applied to offset state taxes, or (b) until
660 the seventh reporting year, provided that an annual report shall
661 in either instance be due in the final reporting year prescribed
662 hereby or by the mFlex agreement. Each annual report shall be due
663 to the authority no later than the last business day of the month
664 following the month during which the annual anniversary of its
665 project certification date occurred. Each annual report shall
666 include the information set forth in this section, together with
667 any other information required to be provided by the qualified
668 business or industry pursuant to its mFlex agreement, for the
669 immediately preceding twelve-month period ending on the last day
670 of the month during which the annual anniversary of its project
671 certification date occurred.

672 (2) Each annual report submitted to the authority by a
673 qualified business or industry shall, at a minimum, contain the
674 following information:

675 (a) The total qualified investment made between the
676 project certification date through the end of the reporting year,
677 including a breakout of actual expenditures made by the qualified
678 business or industry for manufacturing machinery, nonmanufacturing



679 equipment and component building materials to establish and equip
680 the qualified economic development project;

681 (b) The incremental qualified investment made during
682 the reporting year, including a breakout of actual expenditures
683 made by the qualified business or industry for manufacturing
684 machinery, nonmanufacturing equipment and component building
685 materials to establish and equip the qualified economic
686 development project;

687 (c) If applicable, the total number of base full-time
688 jobs;

689 (d) The total number of people employed in new
690 full-time jobs as of the last day the year preceding the reporting
691 year;

692 (e) The total number of people employed in new
693 full-time jobs as of the last day the year of the reporting year;

694 (f) The average employer wage for the reporting year;

695 (g) The percentage and number, as of the last day of
696 the reporting year, of new full-time employees who are eligible
697 for and offered a health insurance coverage funded in whole or at
698 least fifty percent (50%) by the qualified business or industry
699 (or by a leasing company with respect to leased employees);

700 (h) A description of employee benefits, including but
701 not limited to, health, dental and/or vision insurance, retirement
702 savings account, etc. made available to employees, as well as a



703 description of any employees to whom the benefits are not made
704 available (e.g., part-time employees);

705 (i) The total amount of the mFlex tax incentive awarded
706 thereto, which the qualified business or industry has already
707 applied and taken as a credit to offset state taxes through the
708 end of the reporting period;

709 (j) A list of all affiliates of the qualified business
710 or industry, including the Federal Employer Identification Number
711 for each affiliate, for which any state tax liability thereof has
712 been or is expected to be offset by all or some portion of the
713 mFlex tax incentives awarded to the qualified business or
714 industry, which list shall further identify (i) any affiliate of
715 the qualified business or industry that was not disclosed as such
716 on its application or annual report submitted for the prior
717 reporting period, whichever was more recent, but which has either
718 become an affiliate of the qualified business or industry as of
719 the date the current annual report or which the qualified business
720 or industry desires to utilize all or a portion of its mFlex tax
721 incentive as a credit to offset the affiliate's state tax
722 liability following the date of the current annual report; (ii)
723 any change in the name of any previously disclosed affiliate since
724 the date the qualified business or industry filed its application
725 or annual report for the prior reporting period, whichever was
726 more recent; (iii) any prior affiliate of the qualified business
727 or industry disclosed as such on its application or annual report



728 for the prior reporting period, whichever was more recent, and
729 which is no longer an affiliate of the qualified business or
730 industry as of the date the current annual report; and (iv) any
731 affiliate of the qualified business or industry disclosed as such
732 on its application or annual report for the prior reporting
733 period, whichever was more recent, and which the qualified
734 business or industry no longer desires that the affiliate utilize
735 all or a portion of its mFlex tax incentive as a credit to offset
736 the affiliate's state tax liability following the date of the
737 current annual report.

738 (3) The authority shall prescribe a form or forms for the
739 annual report.

740 (4) Notwithstanding the obligation of a qualified business
741 or industry to file an annual report with the authority for each
742 qualified economic development project which has been certified,
743 and for which any mFlex tax incentive has been awarded, the
744 authority is authorized to request from the qualified business or
745 industry at any other time any of the information set forth herein
746 that must be included in an annual report for purposes of
747 determining whether a qualified business or industry has met any
748 of the project performance measures set forth in its mFlex
749 agreement on or before the respective deadlines imposed with
750 respect thereto. Upon any such written request by the authority,
751 the qualified business or industry shall, within thirty (30) days



752 after receipt of the request, provide to the authority a certified
753 copy of the information requested.

754 (5) If a qualified business or industry fails to either file
755 an annual report with the authority on or before the deadline
756 mandated by subsection (1) of this section, or provide any
757 information requested by the authority pursuant to subsection (4)
758 of this section within the time period mandated by such
759 subsection, the authority shall provide written notice to the
760 qualified business or industry of the failure to report, and the
761 qualified business or industry shall have thirty (30) additional
762 days to cure the reporting failure following its receipt of the
763 notice. If the qualified business or industry thereafter fails to
764 file its annual report with the authority, or provide such
765 information requested by the authority within the thirty-day-cure
766 period, the authority is authorized to suspend or revoke, at the
767 discretion thereof, all or a portion of the amount of the mFlex
768 tax incentive previously awarded to the qualified business or
769 industry for its qualified economic development project.

770 (6) If a qualified business or industry either fails to
771 achieve or exceeds any project performance measure set forth in
772 its mFlex agreement within or for any time period required by such
773 agreement, the authority shall, following its (a) review of any
774 annual report filed by the qualified business or industry or of
775 any certified information provided by the qualified business or
776 industry pursuant to subsection (4) of this section, and (b)



777 verification based upon such information that the qualified
778 business or industry either failed to achieve or exceeded any of
779 the project performance measures set forth in its mFlex agreement
780 within or for any time period required by such agreement, adjust
781 the mFlex tax incentive awarded thereto for its qualified economic
782 development project such that the award is no longer based upon
783 any one or more of the performance measures set forth in its mFlex
784 agreement but is instead based upon one or more of the following,
785 as applicable, as of the end of the most recent reporting year for
786 which the annual report was filed: (a) the actual expenditures
787 made by the qualified business or industry for purposes of the
788 calculation prescribed by Section 5(a), (b) and (c) of this act;
789 and (b) (i) the actual number of new full-time jobs created by the
790 qualified business or industry, together with (ii) the actual
791 average employer wage associated therewith, for purposes of the
792 calculations prescribed by Section 5(d) and (e) of this act.

793 (7) A qualified business or industry and the authority may,
794 at any time, amend or amend and restate an mFlex agreement in
795 order to modify the performance measures of the qualified business
796 or industry with respect to its qualified economic development
797 project, and in connection with such amendment or amendment and
798 restatement, the authority shall modify the amount of the mFlex
799 tax incentive awarded for the qualified economic development
800 project to comport with the modified performance measures;
801 provided that the modified award amount shall thereafter be



802 subject to the adjustment requirements of subsection (6) of this
803 section.

804 (8) If the authority adjusts any mFlex tax incentive award
805 pursuant to subsection (6) or subsection (7) of this section, the
806 authority shall issue an amended certification of the
807 corresponding qualified economic development project, which shall
808 specify the amount of mFlex tax incentive award adjustment. The
809 authority shall forward the amended certification, along with any
810 other necessary information, to the Department of Revenue so that
811 the mFlex tax incentive award adjustment for the qualified
812 business or industry can be recorded by the Department of Revenue
813 and used to verify each state tax credit subsequently applied by
814 the qualified business or industry.

815 (9) If at any time the authority reduces the mFlex tax
816 incentive award granted for the qualified economic development
817 project to an amount less than the total amount of credits already
818 applied and taken by the qualified business or industry, or by one
819 or more affiliates thereof eligible to utilize such credit, to
820 offset state taxes thereof, the Department of Revenue shall charge
821 the qualified business or industry, or such affiliate or
822 affiliates, with an assessment for the amount of state taxes for
823 which no mFlex tax incentive is available, following such
824 reduction by the authority, for application as a tax credit,
825 beginning with those state taxes against which the qualified



826 business or industry most recently applied the credit, and such
827 state tax assessment shall be immediately due and payable.

828 (10) Any portion of an mFlex tax incentive awarded to the
829 qualified business or industry by the authority for its qualified
830 economic development project pursuant to Sections 1 through 10 of
831 this act that has not been applied, on or before the tenth annual
832 anniversary of the project certificate date, as a credit by such
833 qualified business or industry, or by one or more affiliates
834 thereof eligible to utilize such credit, to offset state taxes
835 otherwise payable, shall expire.

836 (11) Within thirty (30) days following the end of each
837 calendar quarter, the authority shall provide to the Governor,
838 Lieutenant Governor and the Speaker of the House of
839 Representatives a copy of each amendment to any certification
840 made, together with a copy of each amendment to any mFlex
841 agreement approved and executed, during the immediately preceding
842 calendar quarter.

843 **SECTION 8. Audits and interagency cooperation.** (1) No
844 provisions of Sections 1 through 10 of this act shall in any way
845 limit or restrict the authority of the Department of Revenue to
846 perform audits for all state tax liabilities for any qualified
847 business or industry that is awarded any mFlex tax incentives by
848 the authority.

849 (2) The Department of Revenue is authorized to provide to
850 the authority any information received, obtained or produced, or



851 findings or determinations made, thereby as a result of the
852 performance by Department of Revenue of any audit of state tax
853 liabilities of any qualified business or industry that is awarded
854 any mFlex tax incentives by the authority, and any such
855 information, findings or determinations provided to the authority
856 by the Department of Revenue shall be exempt from the provisions
857 of the Mississippi Public Records Act of 1983, as amended.

858 (3) If any audit by the Department of Revenue results in a
859 reclassification of component building materials, manufacturing
860 equipment or nonmanufacturing equipment, as previously reported by
861 a qualified business or industry, to a different property
862 classification, or a change in the number of new full-time
863 employees or average employer wage, as previously reported by a
864 qualified business or industry, the authority is authorized to
865 adjust the amount of the mFlex tax incentive awarded to the
866 qualified business or industry for a qualified economic
867 development project to comport with any property reclassification
868 or change in the number of new full-time employees or average
869 employer wage in the manner prescribed by Section 7 of this act.

870 (4) The Department of Employment Security is authorized to
871 provide to the authority any information received, obtained or
872 produced, or findings or determinations made, thereby with respect
873 to any qualified business or industry that is awarded any mFlex
874 tax incentives by the authority, and any such information,
875 findings or determinations provided to the authority by the



876 Department of Revenue shall be exempt from the provisions of the
877 Mississippi Public Records Act of 1983, Section 25-61-1 et seq.

878 (5) The State Auditor may conduct performance and compliance
879 audits under Sections 1 through 10 of this act according to
880 Section 7-72-11(o).

881 (6) Upon written request made by the Director of the
882 University Research Center Division of the Mississippi
883 Institutions of Higher Learning, the authority shall provide to
884 the director a copy of any certification, together with any
885 amendments thereto, made by the authority, and/or any mFlex
886 agreement, together with any amendments thereto, approved and
887 executed by the authority pursuant to Sections 1 through 10 of
888 this act, described in such request for the purpose of the
889 University Research Center conducting an economic impact analysis
890 and other analyses performed by the University Research Center
891 with respect thereto; provided that any such analyses conducted by
892 the University Research Center with respect to one or more
893 particular qualified economic development projects shall be
894 communicated and provided only to the Governor, Lieutenant
895 Governor, Speaker of the House of Representatives and/or the
896 authority.

897 **SECTION 9. Implementation and exclusive jurisdiction.** (1)

898 The authority and the Department of Revenue shall implement the
899 provisions of Sections 1 through 10 of this act and exercise all
900 powers as authorized in Sections 1 through 10 of this act;



901 however, the application of Sections 1 through 10 of this act and
902 the offering and awarding of any mFlex tax incentive as to any
903 particular qualified business or industry shall be carried out at
904 the discretion of the authority subject to, and in compliance
905 with, Sections 1 through 10 of this act. The exercise of powers
906 conferred by Sections 1 through 10 of this act shall be deemed and
907 held to be the performance of essential public purposes.

908 (2) The authority shall have sole and exclusive jurisdiction
909 and authority to determine whether an applicant qualifies as a
910 qualified business or industry, whether an applicant's project
911 qualifies as a qualified economic development project, whether to
912 certify an applicant and its project as a qualified business or
913 industry undertaking a qualified economic development project and
914 the eligibility thereof for the mFlex tax incentive, the initial
915 calculation of any mFlex tax incentive award, any terms or
916 conditions or further requirements to be included in any mFlex
917 agreement, and any subsequent adjustments any mFlex tax incentive
918 award or any revocation thereof, in all instances in accordance
919 with Sections 1 through 10 of this act.

920 (3) Nothing in Sections 1 through 10 of this act shall be
921 construed to constitute a guarantee or assumption by the State of
922 Mississippi of any debt of any corporation, limited liability
923 company, partnership, person or sole proprietorship, business
924 trust or other legal entity and subunit or affiliate thereof nor
925 to authorize the credit of the state to be given, pledged or



926 loaned to any corporation, limited liability company, partnership,
927 person or sole proprietorship, business trust or other legal
928 entity and subunit or affiliate thereof. Further, nothing in
929 Sections 1 through 10 of this act gives any right to any qualified
930 business or industry to the incentives authorized by Sections 1
931 through 10 of this act unless such incentive is awarded by
932 Sections 1 through 10 of this act.

933 **SECTION 10. Promulgation of rules and regulations.** The
934 authority and the Department of Revenue shall promulgate rules and
935 regulations, in accordance with the Mississippi Administrative
936 Procedures Law, Section 25-43-1.101 et seq. and all application
937 forms and other forms necessary to implement their respective
938 duties and responsibilities under the provisions of Sections 1
939 through 10 of this act.

940 **SECTION 11.** Section 27-7-22, Mississippi Code of 1972, is
941 amended as follows:

942 27-7-22. (1) For any qualified business, as defined in
943 Section 57-51-5, which is located in a county, or portion thereof,
944 designated as an enterprise zone pursuant to Title 57, Chapter 51,
945 Mississippi Code of 1972, there shall be allowed as a credit
946 against the tax imposed by this chapter, an amount equal to One
947 Thousand Dollars (\$1,000.00) per net full-time employee as
948 determined by the average annual employment of the business
949 reported to the Employment Security Commission. Such credit shall
950 be allowed annually to each qualified business for a period not to



951 exceed ten (10) years. If the amount allowable as a credit
952 exceeds the tax imposed by this chapter, the amount of such excess
953 shall not be refundable or carried forward to any other taxable
954 year.

955 For the purpose of determining the credit allowed to a
956 qualified business which is an existing trade or business having
957 expanded its buildings and facilities, the number of net full-time
958 employees shall be the difference between the average annual
959 employment of such business before and after such expansion.

960 If the Mississippi Enterprise Zone Act is repealed, any
961 qualified business which had been granted a tax credit under this
962 subsection prior to the date of such repeal shall be entitled to
963 such tax credit until the period for which it was granted expires.

964 (2) For any qualified business, as defined in Section
965 57-54-5, there shall be allowed as a credit against the tax
966 imposed by this chapter, an amount equal to One Thousand Dollars
967 (\$1,000.00) per net full-time employee as determined by the
968 average annual employment of the business reported to the
969 Employment Security Commission. Such credit shall be allowed
970 annually to each qualified business for a period not to exceed ten
971 (10) years. If the amount allowable as a credit exceeds the tax
972 imposed by this chapter, the amount of such excess shall not be
973 refundable or carried forward to any other taxable year.

974 For the purpose of determining the credit allowed to a
975 qualified business which is an existing trade or business having



976 expanded its buildings and facilities, the number of net full-time
977 employees shall be the difference between the average annual
978 employment of such business before and after such expansion.

979 If the Mississippi Advanced Technology Initiative Act is
980 repealed, any qualified business which had been granted a tax
981 credit under this subsection prior to the date of such repeal
982 shall be entitled to such tax credit until the period for which it
983 was granted expires.

984 (3) For any qualified company, certified as such by
985 the * * * Mississippi Development Authority under Section 57-53-1,
986 there shall be allowed as a credit against the tax imposed by this
987 chapter, an amount equal to One Thousand Dollars (\$1,000.00) per
988 net full-time employee in this state, provided there is a minimum
989 of seventy-five (75) net full-time employees, as determined by the
990 average annual employment of the company in this state reported to
991 the Employment Security Commission. Such credit shall be allowed
992 annually to each qualified company for a period not to exceed ten
993 (10) years. If the amount allowable as a credit exceeds the tax
994 imposed by this chapter, the amount of such excess shall not be
995 refundable or carried forward to any other taxable year.

996 For the purpose of determining the credit allowed to a
997 qualified company which has expanded its existing buildings and
998 facilities, the number of net full-time employees shall be the
999 difference between the average annual employment of such company
1000 before and after such expansion.



1001 (4) For any qualified business or industry, which is
1002 certified as such by the Mississippi Development Authority
1003 pursuant to the Mississippi Flexible Tax Incentive Act and awarded
1004 any mFlex tax incentive amount for such qualified business's or
1005 industry's qualified economic development project, certified as
1006 such by the Mississippi Development Authority pursuant to the
1007 Mississippi Flexible Tax Incentive Act, there shall be allowed as
1008 a credit against the tax imposed by this chapter, an amount
1009 prescribed by, and subject to, the Mississippi Flexible Tax
1010 Incentive Act.

1011 **SECTION 12.** Section 27-7-309, Mississippi Code of 1972, is
1012 amended as follows:

1013 27-7-309. (1) (a) Except as otherwise provided in this
1014 subsection, every employer required to deduct and withhold from
1015 wages under this article shall, for each calendar quarter, on or
1016 before the fifteenth day of the month following the close of such
1017 calendar quarter, file a withholding return as prescribed by the
1018 commissioner and pay over to the commissioner the full amount
1019 required to be deducted and withheld from wages by such employer
1020 for the calendar quarter. Provided that the commissioner may, by
1021 regulation, provide that every such employer shall, on or before
1022 the fifteenth day of each month, pay over to the commissioner or a
1023 depository designated by the commissioner, the amount required to
1024 be deducted and withheld by such employer for the preceding month,
1025 if such amount is One Hundred Dollars (\$100.00) or more. Returns



1026 and payments placed in the mail must be postmarked by the due date
1027 in order to be timely filed, except when the due date falls on a
1028 weekend or holiday, returns and payments placed in the mail must
1029 be postmarked by the first working day following the due date in
1030 order to be considered timely filed.

1031 (b) An employer having an average monthly withholding
1032 tax liability of at least Fifty Thousand Dollars (\$50,000.00) for
1033 the preceding calendar year shall pay to the Department of Revenue
1034 on or before June 25, 2014, and on or before the twenty-fifth day
1035 of June of each succeeding year thereafter, an amount equal to at
1036 least seventy-five percent (75%) of such employer's estimated
1037 withholding tax liability for the month of June of the current
1038 taxable year, or an amount equal to at least seventy-five percent
1039 (75%) of the employer's withholding tax liability for the month of
1040 June of the preceding taxable year. Payments required to be made
1041 under this paragraph must be received by the Department of Revenue
1042 no later than June 25 in order to be considered timely made. An
1043 employer that fails to comply with the requirements of this
1044 paragraph may be assessed a penalty in an amount equal to ten
1045 percent (10%) of the difference between any amount the taxpayer
1046 pays pursuant to this paragraph and the employer's actual
1047 withholding tax liability for the month of June for which the
1048 estimated payment was required to be made. This paragraph shall
1049 not apply to any agency, department or instrumentality of the
1050 United States, any agency, department, institution,



1051 instrumentality or political subdivision of the State of
1052 Mississippi, or any agency, department, institution or
1053 instrumentality of any political subdivision of the State of
1054 Mississippi. Payments made pursuant to this paragraph for the
1055 month of June, less One Hundred Thousand Dollars (\$100,000.00)
1056 thereof to be retained by the Department of Revenue each year to
1057 defray the costs of collection, shall be deposited by the
1058 Department of Revenue into the State General Fund.

1059 (c) The commissioner may promulgate rules and
1060 regulations to require or permit filing periods of any duration,
1061 in lieu of monthly or quarterly filing periods, for any taxpayer
1062 or group thereof.

1063 (2) Notwithstanding any of the other provisions of this
1064 section, all transient employers and all employers engaged in any
1065 business which is seasonal shall make return and pay over to the
1066 commissioner on a monthly basis, the full amounts required to be
1067 deducted and withheld from the wages by such employer for the
1068 calendar month. Such returns and payments to the commissioner by
1069 such employers shall be made on or before the fifteenth day of the
1070 month following the month for which such amounts were deducted and
1071 withheld from the wages of his employees. The commissioner shall
1072 have the authority to issue reasonable rules and regulations
1073 designating or classifying those transient and seasonal employers.

1074 (3) If the commissioner, in any case, has justifiable reason
1075 to believe that the collection of funds required to be withheld by



1076 any employer as provided herein is in jeopardy, he may require the
1077 employer to file a return and pay such amount required to be
1078 withheld at any time.

1079 (4) Every employer who fails to withhold or pay to the
1080 commissioner any sums required by this article to be withheld and
1081 paid, shall be personally and individually liable therefor, except
1082 as provided in Section 27-7-307; and any sum or sums withheld in
1083 accordance with the provisions of this article shall be deemed to
1084 be held in trust for the State of Mississippi and shall be
1085 recorded by the employer in a ledger account so as to clearly
1086 indicate the amount of tax withheld and that the amount is the
1087 property of the State of Mississippi.

1088 (5) Once an employer has become liable to a quarterly return
1089 of withholding, he must continue to file a quarterly report, even
1090 though no tax has been withheld, until such time as he notifies
1091 the commissioner, in writing, that he no longer has employees or
1092 that he is no longer liable for such quarterly returns.

1093 (6) Once an employer has become liable to a monthly return
1094 of withholding, he must continue to file a monthly report, even
1095 though no tax has been withheld until such time as he notifies the
1096 commissioner, in writing, that he no longer has employees or that
1097 he is no longer liable for such monthly returns.

1098 (7) Magnetic media reporting may be required in a manner to
1099 be determined by the commissioner.



1100 (8) Any employer who is required to deduct and withhold from
1101 wages for any monthly or quarterly period pursuant to this
1102 article, and who is also eligible to apply as a credit against any
1103 amount to be deducted and withheld for such period from wages by
1104 such employer under this article a tax credit awarded by the
1105 Mississippi Development Authority in accordance with the
1106 Mississippi Flexible Tax incentive Act, may apply the tax credit
1107 in the amount available for such purpose, or such lesser amount
1108 determined by such employer, pursuant to the Mississippi Flexible
1109 Tax Incentive Act. The credit applied for any monthly or
1110 quarterly reporting period shall be reflected on the form of the
1111 return in the manner prescribed by the commissioner.

1112 **SECTION 13.** Section 27-7-311, Mississippi Code of 1972, is
1113 amended as follows:

1114 27-7-311. Every employer shall file an annual statement of
1115 withholding for each employee. The annual statement shall be in
1116 the form prescribed by the commissioner and shall be filed with
1117 the commissioner and two (2) copies thereof furnished the employee
1118 on or before the thirty-first day of January following the close
1119 of the calendar year. Provided, if the employment of the employee
1120 is terminated during the calendar year, the employer shall furnish
1121 such statement to the employee at the time of the termination of
1122 employment. Such statement shall show:

1123 (1) The name and withholding account number of the
1124 employer;



1125 (2) The name of the employee and his social security
1126 account number;

1127 (3) The total compensation paid to the employee; and

1128 (4) The total amount withheld by the employer pursuant
1129 to this article for the year or part of a calendar year where the
1130 employee worked for less than a full calendar year, and such other
1131 information as the commissioner shall require by rule or
1132 regulation. The total amount withheld by the employer shall
1133 reflect the gross amount withheld by the employer pursuant to this
1134 article for such year or part of such calendar year prior to, and
1135 expressly excluding, the application of any credit applied and
1136 taken by the employer of any tax credit awarded by the Mississippi
1137 Development Authority in accordance with the Mississippi Flexible
1138 Tax Incentive Act.

1139 **SECTION 14.** Section 27-13-5, Mississippi Code of 1972, is
1140 amended as follows:

1141 27-13-5. (1) (a) **Franchise tax levy.** Except as otherwise
1142 provided in subsections (3), (4), (5) and (7) of this section,
1143 there is hereby imposed, to be paid and collected as hereinafter
1144 provided, a franchise or excise tax upon every corporation,
1145 association or joint-stock company or partnership treated as a
1146 corporation under the income tax laws or regulations, organized or
1147 created for pecuniary gain, having privileges not possessed by
1148 individuals, and having authorized capital stock now existing in



1149 this state, or hereafter organized, created or established, under
1150 and by virtue of the laws of the State of Mississippi, equal to:

1151 (i) For tax years beginning before January 1,
1152 2018, Two Dollars and Fifty Cents (\$2.50) for each One Thousand
1153 Dollars (\$1,000.00), or fraction thereof, of the value of the
1154 capital used, invested or employed in the exercise of any power,
1155 privilege or right enjoyed by such organization within this state,
1156 except as hereinafter provided.

1157 (ii) For tax years beginning on or after January
1158 1, 2018, but before January 1, 2019, Two Dollars and Fifty Cents
1159 (\$2.50) for each One Thousand Dollars (\$1,000.00), or fraction
1160 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),
1161 of the value of the capital used, invested or employed in the
1162 exercise of any power, privilege or right enjoyed by such
1163 organization within this state, except as hereinafter provided.

1164 (iii) For tax years beginning on or after January
1165 1, 2019, but before January 1, 2020, Two Dollars and Twenty-five
1166 Cents (\$2.25) for each One Thousand Dollars (\$1,000.00), or
1167 fraction thereof, in excess of One Hundred Thousand Dollars
1168 (\$100,000.00), of the value of the capital used, invested or
1169 employed in the exercise of any power, privilege or right enjoyed
1170 by such organization within this state, except as hereinafter
1171 provided.

1172 (iv) For tax years beginning on or after January
1173 1, 2020, but before January 1, 2021, Two Dollars (\$2.00) for each



1174 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess
1175 of One Hundred Thousand Dollars (\$100,000.00), of the value of the
1176 capital used, invested or employed in the exercise of any power,
1177 privilege or right enjoyed by such organization within this state,
1178 except as hereinafter provided.

1179 (v) For tax years beginning on or after January 1,
1180 2021, but before January 1, 2022, One Dollar and Seventy-five
1181 Cents (\$1.75) for each One Thousand Dollars (\$1,000.00), or
1182 fraction thereof, in excess of One Hundred Thousand Dollars
1183 (\$100,000.00), of the value of the capital used, invested or
1184 employed in the exercise of any power, privilege or right enjoyed
1185 by such organization within this state, except as hereinafter
1186 provided.

1187 (vi) For tax years beginning on or after January
1188 1, 2022, but before January 1, 2023, One Dollar and Fifty Cents
1189 (\$1.50) for each One Thousand Dollars (\$1,000.00), or fraction
1190 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),
1191 of the value of the capital used, invested or employed in the
1192 exercise of any power, privilege or right enjoyed by such
1193 organization within this state, except as hereinafter provided.

1194 (vii) For tax years beginning on or after January
1195 1, 2023, but before January 1, 2024, One Dollar and Twenty-five
1196 Cents (\$1.25) for each One Thousand Dollars (\$1,000.00), or
1197 fraction thereof, in excess of One Hundred Thousand Dollars
1198 (\$100,000.00), of the value of the capital used, invested or



1199 employed in the exercise of any power, privilege or right enjoyed
1200 by such organization within this state, except as hereinafter
1201 provided.

1202 (viii) For tax years beginning on or after January
1203 1, 2024, but before January 1, 2025, One Dollar (\$1.00) for each
1204 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess
1205 of One Hundred Thousand Dollars (\$100,000.00), of the value of the
1206 capital used, invested or employed in the exercise of any power,
1207 privilege or right enjoyed by such organization within this state,
1208 except as hereinafter provided.

1209 (ix) For tax years beginning on or after January
1210 1, 2025, but before January 1, 2026, Seventy-five Cents (75¢) for
1211 each One Thousand Dollars (\$1,000.00), or fraction thereof, in
1212 excess of One Hundred Thousand Dollars (\$100,000.00), of the value
1213 of the capital used, invested or employed in the exercise of any
1214 power, privilege or right enjoyed by such organization within this
1215 state, except as hereinafter provided.

1216 (x) For tax years beginning on or after January 1,
1217 2026, but before January 1, 2027, Fifty Cents (50¢) for each One
1218 Thousand Dollars (\$1,000.00), or fraction thereof, in excess of
1219 One Hundred Thousand Dollars (\$100,000.00), of the value of the
1220 capital used, invested or employed in the exercise of any power,
1221 privilege or right enjoyed by such organization within this state,
1222 except as hereinafter provided.



1223 (xi) For tax years beginning on or after January
1224 1, 2027, but before January 1, 2028, Twenty-five Cents (25¢) for
1225 each One Thousand Dollars (\$1,000.00), or fraction thereof, in
1226 excess of One Hundred Thousand Dollars (\$100,000.00), of the value
1227 of the capital used, invested or employed in the exercise of any
1228 power, privilege or right enjoyed by such organization within this
1229 state, except as hereinafter provided.

1230 (b) In no case shall the franchise tax due for the
1231 accounting period be less than Twenty-five Dollars (\$25.00).

1232 (c) It is the purpose of this section to require the
1233 payment to the State of Mississippi of this tax for the right
1234 granted by the laws of this state to exist as such organization,
1235 and to enjoy, under the protection of the laws of this state, the
1236 powers, rights, privileges and immunities derived from the state
1237 by the form of such existence.

1238 (2) **Annual report of domestic corporations.** Each domestic
1239 corporation shall file an annual report as required by the
1240 provisions of Section 79-4-16.22.

1241 (3) (a) A corporation that has negotiated a fee-in-lieu as
1242 defined in Section 57-75-5 shall not be subject to the tax levied
1243 by this section on such project; however, the fee-in-lieu payment
1244 shall be otherwise treated in the same manner as the payment of
1245 franchise taxes.

1246 (b) (i) As used in this paragraph:



1247 1. "Authority" shall have the meaning
1248 ascribed to such term in Section 57-75-5(b);

1249 2. "Project" shall have the meaning ascribed
1250 to such term in Section 57-75-5(f)(xxix); and

1251 3. "Enterprise" shall mean the corporation
1252 authorized for the project pursuant to Section 57-75-5(f)(xxix).

1253 (ii) The term of the franchise tax fee-in-lieu
1254 agreement negotiated under this subsection and authorized by
1255 Section 57-75-5(j), between the authority and the enterprise for
1256 the project shall not exceed twenty-five (25) years. The
1257 franchise tax fee-in-lieu agreement shall apply only to new
1258 franchise tax liability attributable to the project, and shall not
1259 apply to any existing franchise tax liability of the enterprise in
1260 connection with any current operations in this state.

1261 (iii) In the event that the annual number of
1262 full-time jobs maintained by the enterprise falls below the
1263 minimum annual number of full-time jobs required by the authority
1264 pursuant to a written agreement between the authority and the
1265 enterprise for two (2) consecutive years, the franchise tax
1266 fee-in-lieu for the project shall be suspended until the first tax
1267 year during which the annual number of full-time jobs maintained
1268 by the enterprise reaches the minimum annual number of full-time
1269 jobs required by the authority pursuant to a written agreement
1270 between the authority and the enterprise.



1271 (iv) The enterprise shall be entitled to utilize a
1272 single sales apportionment factor in the calculation of its
1273 liability for franchise tax imposed by this chapter which is
1274 attributable to the project for any year for which it files a
1275 Mississippi franchise tax return. The enterprise shall be
1276 entitled to continue to utilize such single sales apportionment
1277 factor notwithstanding a suspension of the franchise tax
1278 fee-in-lieu pursuant to subparagraph (iii) of this paragraph.

1279 (4) An approved business enterprise as defined in the Growth
1280 and Prosperity Act shall not be subject to the tax levied by this
1281 section on the value of capital used, invested or employed by the
1282 approved business enterprise in a growth and prosperity county or
1283 supervisors district as provided in the Growth and Prosperity Act.

1284 (5) A business enterprise operating a project as defined in
1285 Section 57-64-33, in a county that is a member of a regional
1286 economic development alliance created under the Regional Economic
1287 Development Act shall not be subject to the tax levied by this
1288 section on the value of capital used, invested or employed by the
1289 business enterprise in such a county as provided in Section
1290 57-64-33.

1291 (6) The tax levied by this chapter and paid by a business
1292 enterprise located in a redevelopment project area under Sections
1293 57-91-1 through 57-91-11 shall be deposited into the Redevelopment
1294 Project Incentive Fund created in Section 57-91-9.



1295 (7) A business enterprise as defined in Section 57-113-1 or
1296 57-113-21 that is exempt from certain state taxes under Section
1297 57-113-5 or 57-113-25 shall not be subject to the tax levied by
1298 this section on the value of capital used, invested or employed by
1299 the business enterprise.

1300 (8) A taxpayer who is eligible to apply as a credit against
1301 the tax levied by this chapter a tax credit awarded by the
1302 Mississippi Development Authority in accordance with the
1303 Mississippi Flexible Tax incentive Act may apply the tax credit in
1304 the amount available for such purpose, or such lesser amount
1305 determined by the taxpayer, pursuant to the Mississippi Flexible
1306 Tax Incentive Act. The credit applied for a tax-reporting period
1307 shall be reflected on the form of the return in the manner
1308 prescribed by the commissioner.

1309 **SECTION 15.** Section 27-13-7, Mississippi Code of 1972, is
1310 amended as follows:

1311 27-13-7. (1) (a) **Franchise tax levy.** Except as otherwise
1312 provided in subsections (3), (4), (5) and (7) of this section,
1313 there is hereby imposed, levied and assessed upon every
1314 corporation, association or joint-stock company, or partnership
1315 treated as a corporation under the income tax laws or regulations
1316 as hereinbefore defined, organized and existing under and by
1317 virtue of the laws of some other state, territory or country, or
1318 organized and existing without any specific statutory authority,
1319 now or hereafter doing business or exercising any power, privilege



1320 or right within this state, as hereinbefore defined, a franchise
1321 or excise tax equal to:

1322 (i) For tax years beginning before January 1,
1323 2018, Two Dollars and Fifty Cents (\$2.50) of each One Thousand
1324 Dollars (\$1,000.00), or fraction thereof, of the value of capital
1325 used, invested or employed within this state, except as
1326 hereinafter provided.

1327 (ii) For tax years beginning on or after January
1328 1, 2018, but before January 1, 2019, Two Dollars and Fifty Cents
1329 (\$2.50) for each One Thousand Dollars (\$1,000.00), or fraction
1330 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),
1331 of the value of the capital used, invested or employed in the
1332 exercise of any power, privilege or right enjoyed by such
1333 organization within this state, except as hereinafter provided.

1334 (iii) For tax years beginning on or after January
1335 1, 2019, but before January 1, 2020, Two Dollars and Twenty-five
1336 Cents (\$2.25) for each One Thousand Dollars (\$1,000.00), or
1337 fraction thereof, in excess of One Hundred Thousand Dollars
1338 (\$100,000.00), of the value of the capital used, invested or
1339 employed in the exercise of any power, privilege or right enjoyed
1340 by such organization within this state, except as hereinafter
1341 provided.

1342 (iv) For tax years beginning on or after January
1343 1, 2020, but before January 1, 2021, Two Dollars (\$2.00) for each
1344 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess



1345 of One Hundred Thousand Dollars (\$100,000.00), of the value of the
1346 capital used, invested or employed in the exercise of any power,
1347 privilege or right enjoyed by such organization within this state,
1348 except as hereinafter provided.

1349 (v) For tax years beginning on or after January 1,
1350 2021, but before January 1, 2022, One Dollar and Seventy-five
1351 Cents (\$1.75) for each One Thousand Dollars (\$1,000.00), or
1352 fraction thereof, in excess of One Hundred Thousand Dollars
1353 (\$100,000.00), of the value of the capital used, invested or
1354 employed in the exercise of any power, privilege or right enjoyed
1355 by such organization within this state, except as hereinafter
1356 provided.

1357 (vi) For tax years beginning on or after January
1358 1, 2022, but before January 1, 2023, One Dollar and Fifty Cents
1359 (\$1.50) for each One Thousand Dollars (\$1,000.00), or fraction
1360 thereof, in excess of One Hundred Thousand Dollars (\$100,000.00),
1361 of the value of the capital used, invested or employed in the
1362 exercise of any power, privilege or right enjoyed by such
1363 organization within this state, except as hereinafter provided.

1364 (vii) For tax years beginning on or after January
1365 1, 2023, but before January 1, 2024, One Dollar and Twenty-five
1366 Cents (\$1.25) for each One Thousand Dollars (\$1,000.00), or
1367 fraction thereof, in excess of One Hundred Thousand Dollars
1368 (\$100,000.00), of the value of the capital used, invested or
1369 employed in the exercise of any power, privilege or right enjoyed



1370 by such organization within this state, except as hereinafter
1371 provided.

1372 (viii) For tax years beginning on or after January
1373 1, 2024, but before January 1, 2025, One Dollar (\$1.00) for each
1374 One Thousand Dollars (\$1,000.00), or fraction thereof, in excess
1375 of One Hundred Thousand Dollars (\$100,000.00), of the value of the
1376 capital used, invested or employed in the exercise of any power,
1377 privilege or right enjoyed by such organization within this state,
1378 except as hereinafter provided.

1379 (ix) For tax years beginning on or after January
1380 1, 2025, but before January 1, 2026, Seventy-five Cents (75¢) for
1381 each One Thousand Dollars (\$1,000.00), or fraction thereof, in
1382 excess of One Hundred Thousand Dollars (\$100,000.00), of the value
1383 of the capital used, invested or employed in the exercise of any
1384 power, privilege or right enjoyed by such organization within this
1385 state, except as hereinafter provided.

1386 (x) For tax years beginning on or after January 1,
1387 2026, but before January 1, 2027, Fifty Cents (50¢) for each One
1388 Thousand Dollars (\$1,000.00), or fraction thereof, in excess of
1389 One Hundred Thousand Dollars (\$100,000.00), of the value of the
1390 capital used, invested or employed in the exercise of any power,
1391 privilege or right enjoyed by such organization within this state,
1392 except as hereinafter provided.

1393 (xi) For tax years beginning on or after January
1394 1, 2027, but before January 1, 2028, Twenty-five Cents (25¢) for



1395 each One Thousand Dollars (\$1,000.00), or fraction thereof, in
1396 excess of One Hundred Thousand Dollars (\$100,000.00), of the value
1397 of the capital used, invested or employed in the exercise of any
1398 power, privilege or right enjoyed by such organization within this
1399 state, except as hereinafter provided.

1400 (b) In no case shall the franchise tax due for the
1401 accounting period be less than Twenty-five Dollars (\$25.00).

1402 (c) It is the purpose of this section to require the
1403 payment of a tax by all organizations not organized under the laws
1404 of this state, measured by the amount of capital or its
1405 equivalent, for which such organization receives the benefit and
1406 protection of the government and laws of the state.

1407 (2) **Annual report of foreign corporations.** Each foreign
1408 corporation authorized to transact business in this state shall
1409 file an annual report as required by the provisions of Section
1410 79-4-16.22.

1411 (3) (a) A corporation that has negotiated a fee-in-lieu as
1412 defined in Section 57-75-5 shall not be subject to the tax levied
1413 by this section on such project; however, the fee-in-lieu payment
1414 shall be otherwise treated in the same manner as the payment of
1415 franchise taxes.

1416 (b) (i) As used in this paragraph:

1417 1. "Authority" shall have the meaning
1418 ascribed to such term in Section 57-75-5(b);



1419 2. "Project" shall have the meaning ascribed
1420 to such term in Section 57-75-5(f) (xxix); and

1421 3. "Enterprise" shall mean the corporation
1422 authorized for the project pursuant to Section 57-75-5(f) (xxix).

1423 (ii) The term of the franchise tax fee-in-lieu
1424 agreement negotiated under this subsection and authorized by
1425 Section 57-75-5(j), between the authority and the enterprise for
1426 the project shall not exceed twenty-five (25) years. The
1427 franchise tax fee-in-lieu agreement shall apply only to new
1428 franchise tax liability attributable to the project, and shall not
1429 apply to any existing franchise tax liability of the enterprise in
1430 connection with any current operations in this state.

1431 (iii) In the event that the annual number of
1432 full-time jobs maintained by the enterprise falls below the
1433 minimum annual number of full-time jobs required by the authority
1434 pursuant to a written agreement between the authority and the
1435 enterprise for two (2) consecutive years, the franchise tax
1436 fee-in-lieu for the project shall be suspended until the first tax
1437 year during which the annual number of full-time jobs maintained
1438 by the enterprise reaches the minimum annual number of full-time
1439 jobs required by the authority pursuant to a written agreement
1440 between the authority and the enterprise.

1441 (iv) The enterprise shall be entitled to utilize a
1442 single sales apportionment factor in the calculation of its
1443 liability for franchise tax imposed by this chapter which is



1444 attributable to the project for any year for which it files a
1445 Mississippi franchise tax return. The enterprise shall be
1446 entitled to continue to utilize such single sales apportionment
1447 factor notwithstanding a suspension of the franchise tax
1448 fee-in-lieu pursuant to subparagraph (iii) of this paragraph.

1449 (4) An approved business enterprise as defined in the Growth
1450 and Prosperity Act shall not be subject to the tax levied by this
1451 section on the value of capital used, invested or employed by the
1452 approved business enterprise in a growth and prosperity county or
1453 supervisors district as provided in the Growth and Prosperity Act.

1454 (5) A business enterprise operating a project as defined in
1455 Section 57-64-33, in a county that is a member of a regional
1456 economic development alliance created under the Regional Economic
1457 Development Act shall not be subject to the tax levied by this
1458 section on the value of capital used, invested or employed by the
1459 business enterprise in such a county as provided in Section
1460 57-64-33.

1461 (6) The tax levied by this chapter and paid by a business
1462 enterprise located in a redevelopment project area under Sections
1463 57-91-1 through 57-91-11 shall be deposited into the Redevelopment
1464 Project Incentive Fund created in Section 57-91-9.

1465 (7) A business enterprise as defined in Section 57-113-1 or
1466 57-113-21 that is exempt from certain state taxes under Section
1467 57-113-5 or 57-113-25 shall not be subject to the tax levied by



1468 this section on the value of capital used, invested or employed by
1469 the business enterprise.

1470 (8) A taxpayer who is eligible to apply as a credit against
1471 the tax levied by this chapter a tax credit awarded by the
1472 Mississippi Development Authority in accordance with the
1473 Mississippi Flexible Tax incentive Act may apply the tax credit in
1474 the amount available for such purpose, or such lesser amount
1475 determined by the taxpayer, pursuant to the Mississippi Flexible
1476 Tax Incentive Act. The credit applied for a tax-reporting period
1477 shall be reflected on the form of the return in the manner
1478 prescribed by the commissioner.

1479 **SECTION 16.** Section 27-65-93, Mississippi Code of 1972, is
1480 amended as follows:

1481 27-65-93. (1) The commissioner shall, from time to time,
1482 promulgate rules and regulations, not inconsistent with the
1483 provisions of the sales tax law, for making returns and for the
1484 ascertainment, assessment and collection of the tax imposed by the
1485 sales tax law as he may deem necessary to enforce its provisions;
1486 and, upon request, he shall furnish any taxpayer with a copy of
1487 the rules and regulations.

1488 (2) All forms, necessary for the enforcement of the sales
1489 tax law, shall be prescribed, printed and furnished by the
1490 commissioner.

1491 (3) The commissioner may adopt rules and regulations
1492 providing for the issuance of permits to manufacturers, utilities,



1493 construction contractors, companies receiving bond financing
1494 through the Mississippi Business Finance Corporation or the
1495 Mississippi Development Authority, and other taxpayers as
1496 determined by the commissioner, and the commissioner shall adopt
1497 rules and regulations providing for the issuance of a permit to
1498 any qualified business or industry, which is certified as such by
1499 the Mississippi Development Authority pursuant to the Mississippi
1500 Flexible Tax Incentive Act and awarded any mFlex tax incentive
1501 amount for such qualified business's or industry's qualified
1502 economic development project, certified as such by the Mississippi
1503 Development Authority pursuant to the Mississippi Flexible Tax
1504 Incentive Act, to purchase tangible personal property taxed under
1505 Section 27-65-17, items taxed under Section 27-65-18, items taxed
1506 under Section 27-65-19, services taxed under Section 27-65-23,
1507 items taxed under Section 27-65-24, and items taxed under Section
1508 27-65-26 without the payment to the vendor of the tax imposed by
1509 the sales and use tax laws, and providing for persons to report
1510 and pay the tax directly to the commissioner in instances where
1511 the commissioner determines that these provisions will facilitate
1512 and expedite the collection of the tax at the proper rates which
1513 may be due on purchases by the permittee. Under the provisions of
1514 this chapter, the vendor is relieved of collecting and remitting
1515 the taxes specified hereunder and the person holding the permit
1516 shall become liable for such taxes instead of the seller. The



1517 full enforcement provisions of the sales tax law shall apply in
1518 the collection of the tax from the permittee.

1519 **SECTION 17.** Section 27-67-17, Mississippi Code of 1972, is
1520 amended as follows:

1521 27-67-17. (1) Except as otherwise provided in this section,
1522 the commissioner shall collect the tax imposed by this article,
1523 and every person subject to its provisions shall remit to the
1524 commissioner, on or before the twentieth day of each month, the
1525 amount of tax due by such person for the preceding calendar month.
1526 Returns and payments placed in the mail must be postmarked by the
1527 due date in order to be timely filed, except that when the due
1528 date falls on a weekend or holiday, returns and payments placed in
1529 the mail must be postmarked by the first working day following the
1530 due date in order to be considered timely filed. Every taxpayer
1531 shall file a return with his remittance, which return shall be
1532 prescribed by the commissioner and shall show for the calendar
1533 month preceding the tax payment date, the total sale or purchase
1534 price, or value of tangible personal property or specified digital
1535 products sold, used, stored or consumed by him for benefit
1536 received or service performed, and such other information as the
1537 commissioner may deem pertinent and necessary for determining the
1538 amount of tax due thereunder.

1539 (2) The commissioner, in his discretion, may authorize in
1540 writing the filing of returns and the payment of tax on a
1541 quarterly basis by any person required or authorized to pay the



1542 tax imposed, such authority to be subject to revocation for good
1543 cause by the commissioner.

1544 (3) In instances where it is impractical to file returns and
1545 pay the tax monthly or quarterly, the commissioner may authorize
1546 the filing of semiannual or annual returns.

1547 (4) A taxpayer required to collect use taxes under this
1548 article and having an average monthly use tax liability of at
1549 least Fifty Thousand Dollars (\$50,000.00) for the preceding
1550 calendar year shall pay to the Department of Revenue on or before
1551 June 25, 2014, and on or before the twenty-fifth day of June of
1552 each succeeding year thereafter, an amount equal to at least
1553 seventy-five percent (75%) of such taxpayer's estimated use tax
1554 liability for the month of June of the current calendar year, or
1555 an amount equal to at least seventy-five percent (75%) of the
1556 taxpayer's use tax liability for the month of June of the
1557 preceding calendar year. Payments required to be made under this
1558 subsection must be received by the Department of Revenue no later
1559 than June 25 in order to be considered timely made. A taxpayer
1560 that fails to comply with the requirements of this subsection may
1561 be assessed a penalty in an amount equal to ten percent (10%) of
1562 the difference between any amount the taxpayer pays pursuant to
1563 this subsection and the taxpayer's actual use tax liability for
1564 the month of June for which the estimated payment was required to
1565 be made. Payments made by a taxpayer under this subsection shall
1566 not be considered to be collected for the purposes of any use tax



1567 diversions required by law until the taxpayer files a return for
1568 the actual use taxes collected during the month of June. This
1569 subsection shall not apply to any agency, department or
1570 instrumentality of the United States, any agency, department,
1571 institution, instrumentality or political subdivision of the State
1572 of Mississippi, or any agency, department, institution or
1573 instrumentality of any political subdivision of the State of
1574 Mississippi.

1575 (5) The commissioner, in his discretion, may authorize the
1576 computation of the tax on the basis of a formula in lieu of direct
1577 accounting of specific properties in instances where such method
1578 will expedite, simplify or provide a more equitable means of
1579 determining liability under this article. All formulas shall be
1580 subject to revocation for good cause by the commissioner.

1581 (6) A taxpayer who is eligible to apply as a credit against
1582 the tax levied by this chapter a tax credit awarded by the
1583 Mississippi Development Authority in accordance with the
1584 Mississippi Flexible Tax Incentive Act may apply the tax credit in
1585 the amount available for such purpose, or such lesser amount
1586 determined by the taxpayer, pursuant to the Mississippi Flexible
1587 Tax Incentive Act. The credit applied for a tax-reporting period
1588 shall be reflected on the form of the return in the manner
1589 prescribed by the commissioner.

1590 **SECTION 18.** Section 57-1-14, Mississippi Code of 1972, is
1591 amended as follows:



1592 57-1-14. (1) Except as otherwise provided in subsection (3)
1593 of this section, any records of the Mississippi Development
1594 Authority which contain client information concerning development
1595 projects shall be exempt from the provisions of the Mississippi
1596 Public Records Act of 1983 for a period of two (2) years after
1597 receipt of the information by the department. Confidential client
1598 information as described in this section shall not include the
1599 information which must be disclosed by the certified applicant
1600 related to a qualified economic development project in the annual
1601 report described in Section 57-1-759.

1602 (2) Except as otherwise provided in subsection (3) of this
1603 section, confidential client information in public records held by
1604 the department shall be exempt from the provisions of the
1605 Mississippi Public Records Act of 1983 during the period of review
1606 and negotiation on a project proposal and for a period of thirty
1607 (30) days after approval, disapproval or abandonment of the
1608 proposal not to exceed one (1) year by the department in writing.

1609 (3) Any breakouts or subcategories of the total qualified
1610 investment amounts reported pursuant to Sections 3(d), 7(2)(a) and
1611 7(2)(b) of this act, and information reported pursuant to Sections
1612 3(g), 3(h), 3(j), 7(2)(f), 7(2)(g), 7(2)(h) and 7(2)(i) of this
1613 act shall not be subject to any disclosure under the Mississippi
1614 Public Records Act of 1983. In addition, any information and
1615 documentation, including without limitation, copies of any
1616 certifications, together with any amendments thereto, made by the



1617 Mississippi Development Authority, and copies of any mFlex
1618 agreements, together with any amendments thereto, approved and
1619 executed by the Mississippi Development Authority, pursuant to the
1620 Mississippi Flexible Tax Incentive Act, which are (a) provided by
1621 the authority to the Governor, Lieutenant Governor and/or Speaker
1622 of the House of Representatives pursuant to Section 4(7) or
1623 Section 7(11) of this act; (b) provided by the authority to the
1624 University Research Center division of the Mississippi
1625 Institutions of Higher Learning pursuant to Section 8(5) of this
1626 act; and (c) provided by the University Research Center division
1627 of the Mississippi Institutions of Higher Learning to the
1628 Governor, Lieutenant Governor, Speaker of the House of
1629 Representatives and/or the authority, shall not be subject to any
1630 disclosure under the Mississippi Public Records Act of 1983.

1631 **SECTION 19.** This act shall take effect and be in force from
1632 and after July 1, 2021, and shall stand repealed on June 30, 2021.

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

1 AN ACT TO CREATE THE "MISSISSIPPI FLEXIBLE TAX INCENTIVE
2 ACT"; TO DEFINE TERMS; TO ESTABLISH REQUIREMENTS AND STANDARDS FOR
3 APPLICATION TO THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR
4 CERTIFICATION AND AWARD OF THE MISSISSIPPI FLEXIBLE TAX INCENTIVE;
5 TO ESTABLISH REQUIREMENTS AND STANDARDS FOR THE CERTIFICATION AND
6 AWARD OF THE MISSISSIPPI FLEXIBLE TAX INCENTIVE BY THE MISSISSIPPI
7 DEVELOPMENT AUTHORITY TO A QUALIFIED BUSINESS OR INDUSTRY FOR A
8 QUALIFIED ECONOMIC DEVELOPMENT PROJECT; TO PRESCRIBE THE MEANS OF
9 CALCULATING AND APPLYING SUCH INCENTIVE; TO PROHIBIT UTILIZATION
10 OF CERTAIN OTHER INCENTIVES IN COMBINATION WITH THE MISSISSIPPI
11 FLEXIBLE TAX INCENTIVE; TO ESTABLISH REQUIREMENTS AND STANDARDS
12 FOR ANNUAL REPORTING BY A QUALIFIED BUSINESS OR INDUSTRY,



13 MODIFICATIONS TO PRIOR INCENTIVE AWARDS BY THE MISSISSIPPI
14 DEVELOPMENT AUTHORITY AND DEADLINES FOR THE UTILIZATION OF SUCH
15 INCENTIVE; TO AUTHORIZE AUDITS BY THE MISSISSIPPI DEPARTMENT OF
16 REVENUE AND SHARING OF CERTAIN INFORMATION ABOUT CERTAIN INCENTIVE
17 AWARDEES BETWEEN STATE AGENCIES; TO CLARIFY THAT THE MISSISSIPPI
18 DEVELOPMENT AUTHORITY IS GRANTED EXCLUSIVE JURISDICTION TO
19 CERTIFY, AWARD AND MAKE ANY ADJUSTMENTS TO A MISSISSIPPI FLEXIBLE
20 TAX INCENTIVE FOR A QUALIFIED BUSINESS OR INDUSTRY; TO AUTHORIZE
21 THE MISSISSIPPI DEVELOPMENT AUTHORITY AND THE MISSISSIPPI
22 DEPARTMENT OF REVENUE TO PROMULGATE RULES AND REGULATIONS
23 NECESSARY TO IMPLEMENT THIS ACT; TO AMEND SECTION 27-7-22,
24 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE APPLICATION OF A
25 MISSISSIPPI FLEXIBLE TAX INCENTIVE AS A CREDIT TO OFFSET STATE
26 INCOME TAX LIABILITY; TO AMEND SECTION 27-7-309, MISSISSIPPI CODE
27 OF 1972, TO AUTHORIZE THE APPLICATION OF A MISSISSIPPI FLEXIBLE
28 TAX INCENTIVE AS A CREDIT TO OFFSET WITHHOLDING TAX LIABILITY; TO
29 AMEND SECTION 27-7-311, MISSISSIPPI CODE OF 1972, TO EXCLUDE ANY
30 MISSISSIPPI FLEXIBLE TAX INCENTIVE APPLIED AS A CREDIT TO OFFSET
31 STATE INCOME TAX LIABILITY FROM THE ANNUAL STATEMENT REQUIRED TO
32 BE FILED WITH THE COMMISSIONER OF REVENUE FOR AN EMPLOYEE; TO
33 AMEND SECTION 27-13-5, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
34 APPLICATION OF A MISSISSIPPI FLEXIBLE TAX INCENTIVE AS A CREDIT TO
35 OFFSET FRANCHISE TAX LIABILITY OF MISSISSIPPI CORPORATIONS; TO
36 AMEND SECTION 27-13-7, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
37 APPLICATION OF A MISSISSIPPI FLEXIBLE TAX INCENTIVE AS A CREDIT TO
38 OFFSET FRANCHISE TAX LIABILITY OF FOREIGN CORPORATIONS; TO AMEND
39 SECTION 27-65-93, MISSISSIPPI CODE OF 1972, TO REQUIRE THE
40 DEPARTMENT OF REVENUE TO ISSUE A DIRECT PAY PERMIT TO A QUALIFIED
41 BUSINESS OR INDUSTRY THAT IS AWARDED A MISSISSIPPI FLEXIBLE TAX
42 INCENTIVE BY THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO AMEND
43 SECTION 27-67-17, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
44 APPLICATION OF A MISSISSIPPI FLEXIBLE TAX INCENTIVE AS A CREDIT TO
45 OFFSET STATE USE TAX LIABILITY; TO AMEND SECTION 57-1-14,
46 MISSISSIPPI CODE OF 1972, TO DELAY OR PRECLUDE CERTAIN INFORMATION
47 PROVIDED IN APPLICATIONS AND ANNUAL REPORTS FOR THE MISSISSIPPI
48 FLEXIBLE TAX INCENTIVE FROM DISCLOSURE PURSUANT TO THE MISSISSIPPI
49 PUBLIC RECORDS ACT OF 1983; AND FOR RELATED PURPOSES.

